

# 2021

Nassau County, Florida

Financial Statements  
and Independent Auditor's Report

September 30, 2021



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and Independent Auditor's Report

September 30, 2021

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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

**NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## **INTRODUCTORY SECTION**

**NASSAU COUNTY, FLORIDA**

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**Serving as of September 30, 2021**

**ELECTED OFFICIALS**

<b>Commissioner—District 4, Chairman</b>	<b>Thomas R. Ford</b>
<b>Commissioner—District 2, Vice Chairman</b>	<b>Aaron C. Bell</b>
<b>Commissioner—District 1</b>	<b>John F. Martin</b>
<b>Commissioner—District 3</b>	<b>Jeff Gray</b>
<b>Commissioner—District 5</b>	<b>Klynt A. Farmer</b>
<b>Clerk of the Circuit Court and Comptroller</b>	<b>John A. Crawford</b>
<b>Tax Collector</b>	<b>John M. Drew</b>
<b>Sheriff</b>	<b>Bill Leeper</b>
<b>Property Appraiser</b>	<b>A. Michael Hickox</b>
<b>Supervisor of Elections</b>	<b>Janet H. Adkins</b>

**APPOINTED OFFICIALS**

<b>County Manager</b>	<b>Taco Pope</b>
<b>County Attorney</b>	<b>Michael Mullin</b>

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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An Independent Member of the BDO Alliance USA

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 20 to the financial statements, in January 2017 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities* (the Statement). The principal objective of the Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. 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 management's discussion and analysis and required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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 County's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is also not a required part of the basic financial statements.

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

### INDEPENDENT AUDITOR'S REPORT

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

#### **Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2022, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



March 18, 2022  
Gainesville, Florida

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

## Management’s Discussion and Analysis

This management’s discussion and analysis of Nassau County’s (the County) financial statements is designed to introduce the basic financial activities for the fiscal year ended September 30, 2021. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County’s financial position.

### Financial Highlights

- The assets of the County and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$455,232,416 (net position). The net position included governmental activities of \$440,061,075 and business-type activities of \$15,171,341.
- The County had an excess of revenues to expenses of \$38,340,191 for the fiscal year, compared to an excess of \$8,715,633 in the prior year. General revenues & transfers increased by \$12,849,990 including increases of \$7,137,504 in property tax revenue and \$236,223 in state revenue sharing. There was an increase in sales tax revenue of \$6,189,223. Program Revenues significantly increased by \$9,166,745, which allowed the County to provide CARES assistance to Non-Profits of \$2,984,090. Program Expenses had a substantial decrease of \$7,607,823 due to the County’s share in the Florida Retirement System’s (FRS) net pension liability decreasing, as well.
- The General Fund reported an excess of revenues to expenditures of \$21,195,434 compared to an excess of \$18,156,275 in the prior fiscal year. General Fund tax revenues were up \$7,743,503 compared to the prior year due to an increase in the County’s taxable assessed value and substantial growth in the housing market. This resulted in a net increase in General Fund balance of \$15,544,340 and an ending fund balance on September 30, 2021 of \$56,196,804.
- The Water & Sewer proprietary fund reported a negative change in net position of \$608,012 in fiscal year 2021. In the prior fiscal year there was a positive change in net position of \$1,192,526.
- Outstanding long-term bonded debt and notes as of September 30, 2021, was \$30,350,654 a reduction of \$3,321,682 from the prior year. Of this amount, \$2,960,336 is considered due within one year.

### Overview of the Financial Statements

This management’s discussion and analysis is intended to serve as an introduction to the County’s basic financial statements. The County’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Below is a breakdown of Nassau County’s fund types by count.

Fund Type	Number
General Fund	1
Debt Service Funds	1
Capital Projects Funds	8
Special Revenue Funds	<u>35</u>
<b>Total Governmental Funds</b>	<b>45</b>
<b>Total Proprietary Funds</b>	<b>2</b>
<b>Total Agency Funds</b>	<b>13</b>

# Management's Discussion and Analysis

## Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide the reader with a broad overview of the County's finances in a manner similar to private sector business. The statement of net position presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected earned revenues such as sales taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, physical environment, public safety, court-related, transportation, economic environment, human services, and culture/recreation. The business-type activities consist of the water and sewer utilities.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate component units: Nassau County Housing Finance Authority and Recreation and Water Conservation and Control District No. 1. These component units had no revenues or expenditures during the fiscal year ended September 30, 2021; therefore, financial statements were not prepared for these component units.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Management's Discussion and Analysis

The County maintains forty-five (45) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, County Transportation Fund, Municipal Services Fund, Grants Fund, Capital Projects Transportation Fund, and Comprehensive Impact Fee Ordinance Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its major funds, as well as all non-major funds. Budget comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The County maintains one type of proprietary fund type, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses one enterprise fund to account for the fiscal activities relating to water and sewer utilities and one to account for the American Beach Water & Sewer District. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities and the American Beach Water & Sewer District.

Fiduciary funds are used to account for resources held for the benefit of parties within and outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs, except for those that are within the government. The accounting used for fiduciary funds is similar to proprietary funds.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's comparison of budget and actual revenues and expenditures for its major funds. This report also presents certain other information concerning the County's combining non-major fund statements and schedules.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$455,232,416 at the close of the fiscal year ended September 30, 2021.

At the end of the fiscal year 2021, the County is able to report a positive balance in net position for its governmental activities of \$440,061,075 as well as a positive balance in net position for its business-type activities of \$15,171,341.

## Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other						
Assets	\$ 191,415,183	\$ 154,427,697	\$ 9,879,974	\$ 11,063,699	\$ 201,295,157	\$ 165,491,396
Capital Assets	406,757,405	406,750,248	14,297,223	13,683,826	421,054,628	420,434,074
<b>Total Assets</b>	<b>598,172,588</b>	<b>561,177,945</b>	<b>24,177,197</b>	<b>24,747,525</b>	<b>622,349,785</b>	<b>585,925,470</b>
<b>Deferred Outflow of Resources</b>	<b>27,509,256</b>	<b>40,215,288</b>	<b>366,706</b>	<b>635,993</b>	<b>27,875,962</b>	<b>40,851,281</b>
Outstanding Obligations	99,508,109	180,921,176	7,929,034	9,835,062	107,437,143	190,756,238
Other Liabilities	21,704,762	15,010,848	1,316,882	736,718	23,021,644	15,747,566
<b>Total Liabilities</b>	<b>121,212,871</b>	<b>195,932,024</b>	<b>9,245,916</b>	<b>10,571,780</b>	<b>130,458,787</b>	<b>206,503,804</b>
<b>Deferred Inflows of Resources</b>	<b>64,407,898</b>	<b>3,342,835</b>	<b>126,646</b>	<b>37,887</b>	<b>64,534,544</b>	<b>3,380,722</b>
<b>Net Position:</b>						
Net Investment in						
Capital Assets	386,334,402	380,614,953	6,846,450	5,262,942	393,180,852	385,877,895
Restricted	66,622,913	61,770,546	802,065	1,243,510	67,424,978	63,014,056
Unrestricted	(12,896,240)	(40,267,125)	7,522,826	8,267,399	(5,373,414)	(31,999,726)
<b>Total Net Position</b>	<b>\$ 440,061,075</b>	<b>\$ 402,118,374</b>	<b>\$ 15,171,341</b>	<b>\$ 14,773,851</b>	<b>\$ 455,232,416</b>	<b>\$ 416,892,225</b>

As of the end of fiscal year 2021, the County's total net position of \$455,232,416 includes \$393,180,852 (86.4%) of net investments in capital assets such as land, buildings, infrastructure, improvements and equipment, less any outstanding debt used to acquire those capital assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$67,424,978 (14.8%), represents resources that are subject to external restriction on how they may be used. On September 30, 2021, the County had a net pension liability for its participation in the Florida Retirement System of \$31.8 million, a net OPEB obligation of \$20.4 million, and a landfill post-closure liability of \$15.8 million, which contributed to an unrestricted net position of \$(5,373,414).

### Governmental Activities

Fiscal year 2021 governmental activities increased the County's net position by \$37,942,701 to \$440,061,075. Governmental activities revenues exceeded expenses by \$37,876,743 in fiscal year 2021 compared to the prior year excess of \$7,457,988. Factors contributing to this year-over-year change in net position include a \$12,860,011 increase in general revenues and transfers, and a \$9,037,636 increase in governmental program revenues.

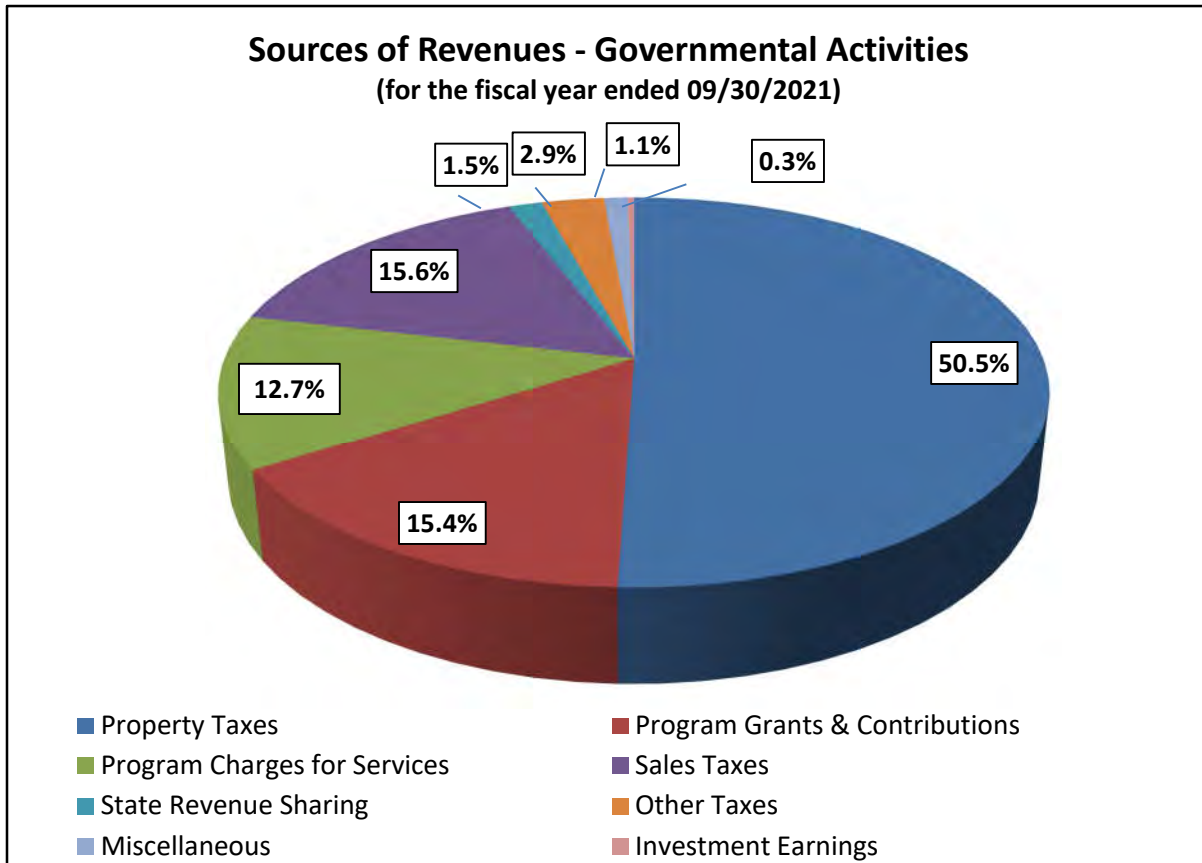
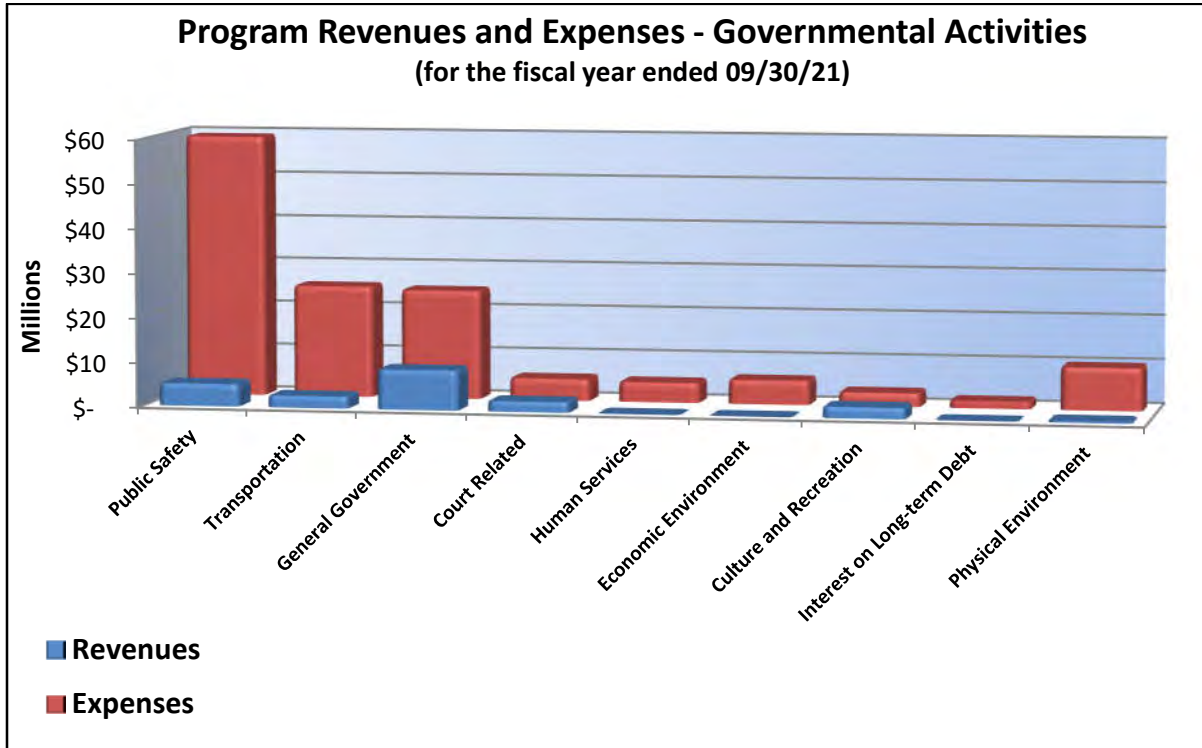


# Management's Discussion and Analysis

## Nassau County, Florida Changes in Net Position

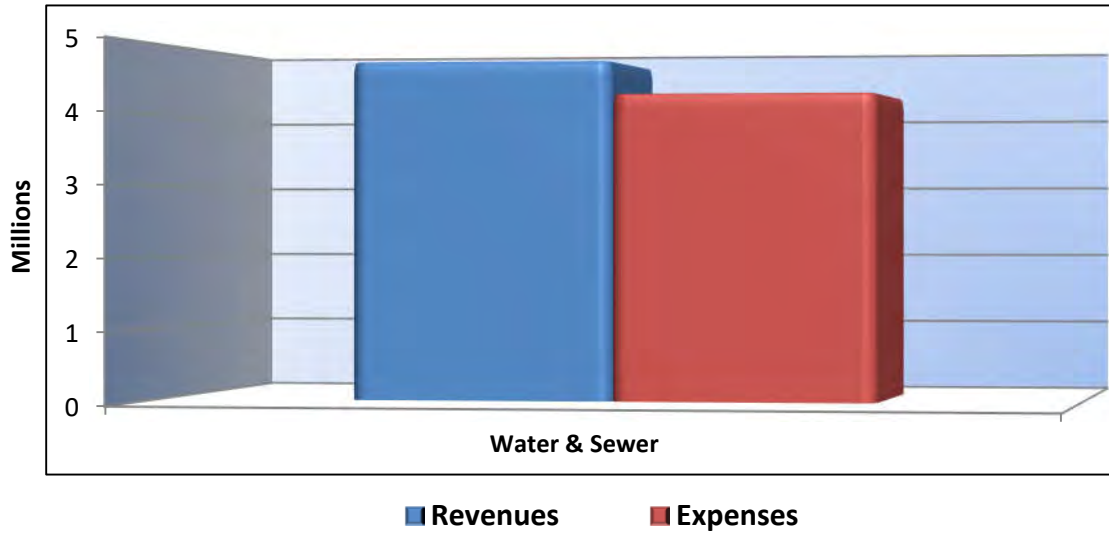
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 22,433,610	\$ 14,465,086	\$ 4,726,612	\$ 4,597,503	\$ 27,160,222	\$ 19,062,589
Operating Grants and Contributions	.	.	-	-	-	-
Contributions	8,262,459	19,224,067	-	-	8,262,459	19,224,067
Capital Grants and Contributions	18,934,716	6,903,996	-	-	18,934,716	6,903,996
General Revenues:						
Property Taxes	89,177,944	82,040,440	-	-	89,177,944	82,040,440
Other Taxes	35,235,200	28,041,345	-	-	35,235,200	28,041,345
Other Revenues	2,448,076	3,920,263	8,294	17,476	2,456,370	3,937,739
<b>Total Revenues</b>	<b>176,492,005</b>	<b>154,595,197</b>	<b>4,734,906</b>	<b>4,614,979</b>	<b>181,226,911</b>	<b>159,210,176</b>
<b>Expenses</b>						
General Government	24,625,283	26,615,321	-	-	24,625,283	26,615,321
Court Related	4,987,940	5,000,815	-	-	4,987,940	5,000,815
Public Safety	59,147,820	66,518,596	-	-	59,147,820	66,518,596
Physical Environment	9,694,197	6,060,528	-	-	9,694,197	6,060,528
Transportation	25,223,668	28,262,200	-	-	25,223,668	28,262,200
Economic Environment	5,510,707	4,485,952	-	-	5,510,707	4,485,952
Human Services	4,578,441	5,573,204	-	-	4,578,441	5,573,204
Culture/Recreation	3,164,970	3,056,005	-	-	3,164,970	3,056,005
Interest on Long-term Debt	1,682,236	1,564,588	-	-	1,682,236	1,564,588
Water and Sewer	-	-	4,271,458	3,357,334	4,271,458	3,357,334
<b>Total Expenses</b>	<b>138,615,262</b>	<b>147,137,209</b>	<b>4,271,458</b>	<b>3,357,334</b>	<b>142,886,720</b>	<b>150,494,543</b>
Excess of Revenue Over						
Expense	37,876,743	7,457,988	463,448	1,257,645	38,340,191	8,715,633
Add: Contributions	-	-	-	-	-	-
Add: Transfers	65,958	65,119	(65,958)	(65,119)	-	-
<b>Change in Net Position</b>	<b>37,942,701</b>	<b>7,523,107</b>	<b>397,490</b>	<b>1,192,526</b>	<b>38,340,191</b>	<b>8,715,633</b>
<b>Net Position-</b>						
<b>Beginning of Year</b>	<b>402,118,374</b>	<b>394,595,267</b>	<b>14,773,851</b>	<b>13,581,325</b>	<b>416,892,225</b>	<b>408,176,592</b>
<b>Net Position-End of Year</b>	<b>\$ 440,061,075</b>	<b>\$ 402,118,374</b>	<b>\$ 15,171,341</b>	<b>\$ 14,773,851</b>	<b>\$ 455,232,416</b>	<b>\$ 416,892,225</b>

## Management's Discussion and Analysis

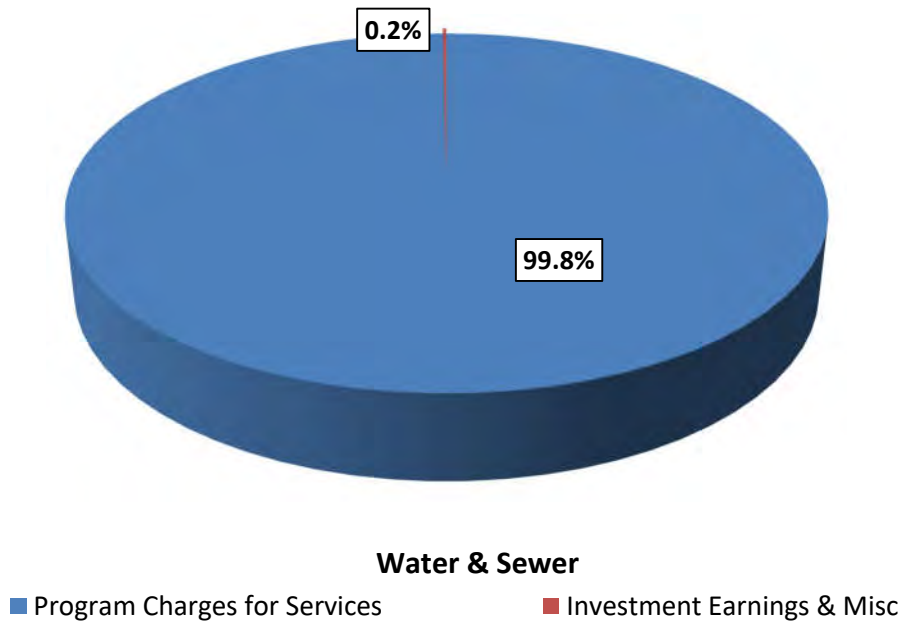


# Management's Discussion and Analysis

### Program Revenues and Expenses - Business-type Activities (for the fiscal year ended 09/30/2021)



### Sources of Revenues - Business-type Activities (for the fiscal year ended 09/30/2021)



## Management's Discussion and Analysis

### Analysis of the County's Fund Financials

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on *near-term* inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2021, the County's governmental funds reported combined ending fund balances of \$159,888,058. This represents an increase of \$30,846,447 when compared to the prior year ending balance. A portion of fund balance in the amount of \$65,165,024 is internally designated by the County for a specific purpose or available to be spent at the County's discretion. The remainder of fund balance in the amount of \$94,723,034 is non-spendable, restricted or committed to indicate that it is not available for new spending because it has already been committed for: 1) inventories, 2) prepaid items, 3) grants, 4) state law, or 5) constrained by external third parties.

The general fund is the main operating fund of the County. At the end of fiscal year 2021, the general fund had a total fund balance of \$56,196,804, an increase of \$15,544,340 from the prior year. General fund revenues increased by \$11,649,445 when compared to the prior fiscal year, due primarily to a \$7,743,503 increase in tax revenue and a \$2,917,438 increase in intergovernmental revenues. The net increase in tax revenue resulted from an increase in Ad Valorem taxes and an increase in one-cent and half-cent taxes. Expenditures in the general fund increased year to year by \$8,610,286. Major components of this increase included a \$5,070,640 increase in public safety expenditures and a \$1,805,822 increase in general government expenditures. Transfers-in of \$5,988,408 (a \$2,271,046 increase from fiscal year 2020), as well as transfers-out of \$11,650,309 (a \$1,107,425 increase from fiscal year 2020), also contributed to a net change in fund balance of \$15,554,340 and an ending fund balance of \$56,196,804.

A majority of the fund balance in the general fund in the amount of \$47,458,907 is internally designated by the County for a specific purpose or available to be spent at the County's discretion. The remainder of fund balance in the amount of \$8,737,897 is non-spendable, restricted or committed. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of the total General Fund expenditures. Total fund balance represents 67.5% of that same amount.

At the end of fiscal year 2021, the transportation fund had a fund balance of \$12,790,388, an increase of \$4,449,915 when compared to the prior year fund balance. The increase was primarily due to a \$3,147,582 increase of pooled investments due to the increase in ad valorem taxes.

The municipal services fund had a total fund balance of \$12,260,348 at the end of fiscal year 2021. The net increase in fund balance of \$1,167,767 was primarily due to a \$2,952,258 excess of revenues to expenditures and a \$1,784,496 deficiency of transfers-in to transfer-out. The excess of revenue to expenditures was due in large part to an increase in taxes, and licenses and permits.

The capital projects transportation fund had a fund balance of \$17,384,579 at the end of the fiscal year, an increase of \$3,602,581 as compared to the prior year ending balance. The increase was a result of \$8,586,366 of transfers in, offset by expenditures exceeding revenues by \$4,983,755. The excess of expenditures over revenues was due primarily to increases in road projects of \$5.9M.

## Management’s Discussion and Analysis

The comprehensive impact fee ordinance fund had a fund balance of \$11,943,744 at the end of fiscal year 2021. This is a \$3,723,455 increase from the prior year, which is due solely to the collection of 2021 impact fees. There were no expenditures in the fund for 2021.

The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The water and sewer fund is reported as a major enterprise fund. The funds overall net position decreased by \$608,012 when comparing to the prior year. The decrease was comprised of a \$996,092 increase in investment in capital assets, a \$441,445 decrease in restricted net position and a \$1,162,659 decrease in unrestricted net position. Operating income in fiscal year 2021 of \$447,315 was down from prior year operating income of \$1,294,878. Operating revenues increased in 2021 by \$83,984 and operating costs increased by \$931,547 compared to fiscal year 2020.

Unrestricted net position of the water and sewer fund at the end of the fiscal year amounted to:

Fund	Unrestricted Net Position	
	2021	2020
Water and Sewer	\$ 7,104,740	\$ 8,267,399

### Budgetary Highlights

Budget and actual comparison schedules are provided as Required Supplementary Information for the general fund and all major special revenue funds with annually appropriated budgets. Budget and actual comparison schedules are also provided in the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for all non-major funds with annually appropriated budgets. The budget and actual comparison schedules show the original budget, the final revised budget, actual results, and variance with final budget columns.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, corrections of errors, new bond or loan proceeds, new grant awards, and other revenues. During fiscal year 2021, supplemental appropriations to the General Fund (Board only) budget were approximately \$23.9 million, or 21.8% of the original adopted budget.

- The major source of supplemental revenue was \$16,266,969, in adjustments for county-wide grant revenue.
- Major appropriations of the supplemental revenue include \$6,435,299 to Reserves, \$12,785,598 to Emergency Management for COVID-19, \$713,667 to Maintenance of ceiling/attic/roof repair in the County, and \$353,230 for Public Safety Training.
- The significant revenue budgetary variances in the general fund were mainly the result of COVID-19 grant revenue and sales tax revenues above state projections. This includes an additional half-cent sales tax revenue of \$1,578,092, and one-cent sales tax revenue of \$3,822,950. The COVID-19 revenue allowed us to give financial assistance to eligible Nassau County businesses, and foreclosure prevention and rental/utility assistance for the citizens of Nassau County. This additional sales tax revenue is the result of the economy stabilizing from the pandemic and external dollars flowing into our hotels, restaurants and across our service industry.

## Management’s Discussion and Analysis

- The significant general fund budgetary expenditure variances resulted for the most part from projects being scaled back in preparation of a continued projected revenue shortfall due to COVID-19. Other measures taken in preparation of COVID-19, which caused budget variances, included freezing vacant budgeted positions and deferring budgeted equipment replacements.

### Capital Assets

The County’s investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to \$421,054,628 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Additional information on Nassau County’s capital assets can be found in Note 5 in Notes to Financial Statements.

Major capital asset events during the fiscal year include the following:

- Completed County Road 115 at a cost of \$9.6M
- Started Crawford Road paving with a budget of \$8.5M
- Started Pages Dairy widening and resurfacing with a budget of \$4.9M
- Completed Fire Station 71 within the Heron Isles Development at a cost of \$3.2M
- Started Westside Regional Park, Phase 1 (design), with a budget of \$4.4M
- Completed Detention Center Improvements (HVAC modifications at a cost of \$650K and Security System Upgrade at a cost of \$122K)

### Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	80,596,590	80,552,717	167,966	167,966	80,764,556	80,720,683
Construction Work in Progress	21,699,113	11,817,431	872,897	218,284	22,572,010	12,035,715
Buildings & Improvements	44,799,091	43,344,150	426,537	446,376	45,225,628	43,790,526
Machinery & Equipment	25,776,537	21,028,921	12,829,823	12,851,200	38,606,360	33,880,121
Improvements Other than Bldg	993,723	993,323	-	-	993,723	993,323
Infrastructure	232,892,351	249,013,706	-	-	232,892,351	249,013,706
<b>Total</b>	<b>406,757,405</b>	<b>406,750,248</b>	<b>14,297,223</b>	<b>13,683,826</b>	<b>421,054,628</b>	<b>420,434,074</b>

## Management's Discussion and Analysis

### Long-Term Obligations

At the end of the fiscal year, the County had total outstanding bonds, notes, and other long-term obligations, including net pension liability, and other postemployment benefits in the amount of \$107,437,143. The revenue bonds are collateralized by specific revenue sources while the remainder of the debt utilizes a covenant to budget and appropriate to pledge payment of the debt. The County's bonds payable decreased by \$3,183,842 in fiscal year 2021 with a balance outstanding of \$29,842,213 on September 30, 2021.

The County's outstanding obligations decreased by \$83,319,095 in fiscal year 2021 primarily due to a \$72,847,835 decrease in net pension liability costs, and a \$6,931,805 decrease in Other Postemployment Benefit costs. Additional information on Nassau County's outstanding debt can be found in Note 8 in Notes to Financial Statements.

### Long-Term Obligations

		2021	2020
<b>Governmental Activities:</b>			
Notes Payable		\$ 508,441	\$ 646,281
Revenue Bonds		22,077,213	24,246,055
Compensated Absences		8,835,793	8,323,627
Capital Lease Payable		211,677	317,517
Other Post-Employment Benefits		20,309,601	27,041,354
Landfill Closure/Post Closures		15,795,295	16,337,291
Net Pension Liability		31,770,089	104,009,051
	<b>Total Gov't Activities</b>	<b>99,508,109</b>	<b>180,921,176</b>
<b>Business-Type Activities:</b>			
Revenue Bonds, Net		7,765,000	8,780,000
Compensated Absences		33,418	115,521
Other Post-Employment Benefits		75,971	276,023
Net Pension Liability		54,645	663,518
	<b>Total Business-Type Activities</b>	<b>7,929,034</b>	<b>9,835,062</b>
<b>Total Outstanding Liabilities</b>		<b>\$ 107,437,143</b>	<b>\$ 190,756,238</b>

### Request for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have any questions concerning the information provided in this report, or need additional financial information, contact the Clerk of the Circuit Court and Comptroller's Financial Services Department at 76347 Veterans Way, Suite 456, Yulee, Florida. Additional information concerning the County can be found on our website [www.nassauclerk.com](http://www.nassauclerk.com).

## **BASIC FINANCIAL STATEMENTS**



**NASSAU COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 29,121,918	\$ 3,883,738	\$ 33,005,656
Equity in Pooled Investments	144,059,405	4,079,139	148,138,544
Accounts Receivable, Net	977,712	450,853	1,428,565
Internal Balances	(789)	789	-
Loans Receivable, Net	40,000	-	40,000
Due from Other Governments	15,524,092	483,914	16,008,006
Inventories	546,015	74,363	620,378
Prepaid Items	1,146,830	589	1,147,419
Cash and Cash Equivalents - Restricted	-	906,589	906,589
Capital Assets:			
Non-Depreciable	102,295,703	1,040,863	103,336,566
Depreciable, Net	304,461,702	13,256,360	317,718,062
<b>Total Assets</b>	<b>598,172,588</b>	<b>24,177,197</b>	<b>622,349,785</b>
<b>Deferred Outflow of Resources</b>			
Unamortized Refunding Loss	-	314,227	314,227
Pension Related	23,380,051	37,033	23,417,084
OPEB Related	4,129,205	15,446	4,144,651
<b>Total Deferred Outflow of Resources</b>	<b>27,509,256</b>	<b>366,706</b>	<b>27,875,962</b>
<b>Liabilities</b>			
Accounts Payable	9,107,244	1,030,138	10,137,382
Other Current Liabilities	2,335,121	-	2,335,121
Retainage Payable	596,891	-	596,891
Due to Other Governments	347,853	188,952	536,805
Unearned Revenue	8,607,184	-	8,607,184
Deposits	336,719	97,792	434,511
Accrued Interest Payable	373,750	-	373,750
Non-Current Liabilities:			
Due Within One Year	8,124,732	1,064,795	9,189,527
Due in More Than One Year	91,383,377	6,864,239	98,247,616
<b>Total Liabilities</b>	<b>121,212,871</b>	<b>9,245,916</b>	<b>130,458,787</b>
<b>Deferred Inflows of Resources</b>			
Pension Related	55,477,541	93,241	55,570,782
OPEB Related	8,930,357	33,405	8,963,762
<b>Total Deferred Inflow of Resources</b>	<b>64,407,898</b>	<b>126,646</b>	<b>64,534,544</b>
<b>Net Position</b>			
Net Investment in Capital Assets	386,334,402	6,846,450	393,180,852
Restricted for:			
Debt Service	1,496,251	561,736	2,057,987
Impact Fees	16,178,298	240,329	16,418,627
Mobility Fees	4,906,380	-	4,906,380
Capital Projects	3,284	-	3,284
Court Facilities	1,962,707	-	1,962,707
Tourist Development	13,167,925	-	13,167,925
Building Department	6,802,751	-	6,802,751
Grants and Other Purposes	22,105,317	-	22,105,317
Unrestricted	(12,896,240)	7,522,826	(5,373,414)
<b>Total Net Position</b>	<b>\$ 440,061,075</b>	<b>\$ 15,171,341</b>	<b>\$ 455,232,416</b>

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

**NASSAU COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
Governmental Activities:							
General Government	\$ 24,625,283	\$ 9,045,288	\$ 372,003	\$ 248,328	\$ (14,959,664)	\$ -	\$ (14,959,664)
Court-Related	4,987,940	2,418,256	187,981	-	(2,381,703)	-	(2,381,703)
Public Safety	59,147,820	5,092,010	4,661,821	-	(49,393,989)	-	(49,393,989)
Physical Environment	9,694,197	493,028	786,537	7,140,728	(1,273,904)	-	(1,273,904)
Transportation	25,223,668	2,728,725	1,833,003	10,900,494	(9,761,446)	-	(9,761,446)
Economic Environment	5,510,707	-	244,849	645,166	(4,620,692)	-	(4,620,692)
Human Services	4,578,441	74,866	21,016	-	(4,482,559)	-	(4,482,559)
Culture and Recreation	3,164,970	2,581,437	155,249	-	(428,284)	-	(428,284)
Interest on Long-Term Debt	1,682,236	-	-	-	(1,682,236)	-	(1,682,236)
<b>Total Governmental Activities</b>	<b>138,615,262</b>	<b>22,433,610</b>	<b>8,262,459</b>	<b>18,934,716</b>	<b>(88,984,477)</b>	<b>-</b>	<b>(88,984,477)</b>
Business-Type Activities:							
Water and Sewer	4,271,458	4,726,612	-	-	-	455,154	455,154
<b>Total Business-Type Activities</b>	<b>4,271,458</b>	<b>4,726,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455,154</b>	<b>455,154</b>
<b>Total Primary Government</b>	<b>\$ 142,886,720</b>	<b>\$ 27,160,222</b>	<b>\$ 8,262,459</b>	<b>\$ 18,934,716</b>	<b>(88,984,477)</b>	<b>455,154</b>	<b>(88,529,323)</b>
<b>General Revenues</b>							
Property Taxes					89,177,944	-	89,177,944
Sales Taxes					27,436,151	-	27,436,151
State Revenue Sharing					2,716,214	-	2,716,214
Fuel Taxes					4,457,382	-	4,457,382
Utility Services Taxes					625,453	-	625,453
Investment Earnings					517,175	8,294	525,469
Miscellaneous					1,930,901	-	1,930,901
<b>Transfers</b>					<b>65,958</b>	<b>(65,958)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>126,927,178</b>	<b>(57,664)</b>	<b>126,869,514</b>
<b>Change in Net Position</b>					<b>37,942,701</b>	<b>397,490</b>	<b>38,340,191</b>
<b>Net Position, Beginning of Year</b>					<b>402,118,374</b>	<b>14,773,851</b>	<b>416,892,225</b>
<b>Net Position, End of Year</b>					<b>\$ 440,061,075</b>	<b>\$ 15,171,341</b>	<b>\$ 455,232,416</b>

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

**NASSAU COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 12,654,260	\$ 553,341	\$ 299,862
Equity in Pooled Investments	45,492,971	12,694,460	11,071,221
Accounts Receivable (Net of Allowance for Uncollectibles)	889,565	68	18,294
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	1,048,593	61,746	129,440
Due from Other Governments	4,411,830	590,529	255,378
Inventories	493,263	52,752	-
Prepaid Expenditures	311,047	900	823,424
<b>Total Assets</b>	<u><u>65,301,529</u></u>	<u><u>13,953,796</u></u>	<u><u>12,597,619</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	2,730,563	1,126,837	231,694
Accrued Liabilities	2,314,809	-	-
Retainage Payable	3,927	-	-
Due to Other Funds	859,425	-	3,039
Due to Other Governments	246,354	292	2,281
Unearned Revenue	-	-	-
Deposits	-	10,440	-
<b>Total Liabilities</b>	<u><u>6,155,078</u></u>	<u><u>1,137,569</u></u>	<u><u>237,014</u></u>
<b>Deferred Inflows of Resources</b>	<u><u>2,949,647</u></u>	<u><u>25,839</u></u>	<u><u>100,257</u></u>
<b>Fund Balances</b>			
Non-Spendable	804,340	53,652	823,424
Restricted	1,064,777	-	16,329
Committed	6,868,780	5,725,957	842,952
Assigned	26,935,576	7,010,779	10,577,643
Unassigned	20,523,331	-	-
<b>Total Fund Balances</b>	<u><u>56,196,804</u></u>	<u><u>12,790,388</u></u>	<u><u>12,260,348</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 65,301,529</u></u>	<u><u>\$ 13,953,796</u></u>	<u><u>\$ 12,597,619</u></u>

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

<b>Grants</b>	<b>Capital Projects - Transportation Fund</b>	<b>Comprehensive Impact Fee Ordinance</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 481,699	\$ -	\$ 15,132,756	\$ 29,121,918
8,615,315	18,310,075	11,985,260	35,890,103	144,059,405
-	-	-	69,785	977,712
-	-	-	40,000	40,000
-	-	-	55,963	1,295,742
-	7,084,311	-	3,182,044	15,524,092
-	-	-	-	546,015
-	-	-	11,459	1,146,830
<u>8,615,315</u>	<u>25,876,085</u>	<u>11,985,260</u>	<u>54,382,110</u>	<u>192,711,714</u>
442	1,724,598	41,516	3,251,594	9,107,244
-	-	-	20,312	2,335,121
-	592,964	-	-	596,891
-	-	-	434,067	1,296,531
-	-	-	98,926	347,853
8,607,184	-	-	-	8,607,184
-	-	-	326,279	336,719
<u>8,607,626</u>	<u>2,317,562</u>	<u>41,516</u>	<u>4,131,178</u>	<u>22,627,543</u>
-	6,173,944	-	946,426	10,196,113
-	-	-	11,429	1,692,845
7,689	-	11,943,744	43,405,507	56,438,046
-	17,384,579	-	5,769,875	36,592,143
-	-	-	117,695	44,641,693
-	-	-	-	20,523,331
<u>7,689</u>	<u>17,384,579</u>	<u>11,943,744</u>	<u>49,304,506</u>	<u>159,888,058</u>
<u>\$ 8,615,315</u>	<u>\$ 25,876,085</u>	<u>\$ 11,985,260</u>	<u>\$ 54,382,110</u>	<u>\$ 192,711,714</u>

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

**NASSAU COUNTY, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

**Total Fund Balances of Governmental Funds** \$ 159,888,058

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Total Capital Assets	\$ 883,798,765	
(Less: Accumulated Depreciation)	<u>(477,041,360)</u>	
		406,757,405

Certain receivables do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the funds. 10,196,113

Certain pension and OPEB related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension and OPEB plans made after the measurement date:

Deferred Outflows Related to Pensions	23,380,051	
Deferred Outflows Related to OPEB	4,129,205	
Deferred Inflows Related to Pensions	(55,477,541)	
Deferred Inflows Related to OPEB	<u>(8,930,357)</u>	
		(36,898,642)

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is generally not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Revenue Bonds Payable	(21,334,730)	
Premium on Bonds Payable	(742,483)	
Notes Payable	(508,441)	
Capital Leases Payable	(211,677)	
Compensated Absences	(8,835,793)	
Accrued Interest Payable	(373,750)	
Post-Closure Landfill Liability	(15,795,295)	
Net OPEB Obligation	(20,309,601)	
Net Pension Liability	<u>(31,770,089)</u>	
		<u>(99,881,859)</u>

**Total Net Position of Governmental Activities** \$ 440,061,075

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

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

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
<b>Revenues</b>			
Taxes	\$ 79,701,616	\$ 9,296,357	\$ 16,631,751
Licenses and Permits	73,483	14,936	737,835
Intergovernmental Revenues	18,080,387	2,035,560	1,071,629
Charges for Services	5,706,785	34,858	663,676
Fines and Forfeitures	20,058	176	7,098
Interest Earnings	207,938	46,744	50,968
Miscellaneous	685,572	131,660	102,847
<b>Total Revenues</b>	<u>104,475,839</u>	<u>11,560,291</u>	<u>19,265,804</u>
<b>Expenditures</b>			
Current:			
General Government Services	21,062,487	-	1,926,902
Public Safety	44,714,394	-	10,486,635
Physical Environment	1,797,885	-	-
Transportation	-	7,376,711	-
Economic Environment	1,064,462	-	-
Human Services	2,984,090	-	1,344,649
Culture and Recreation	2,575,704	-	-
Court-Related Expenditures	2,183,710	-	-
Capital Outlay	6,638,176	577,810	2,555,360
Debt Service:			
Principal Retirement	243,679	-	-
Interest and Fiscal Charges	15,818	-	-
<b>(Total Expenditures)</b>	<u>83,280,405</u>	<u>7,954,521</u>	<u>16,313,546</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>21,195,434</u>	<u>3,605,770</u>	<u>2,952,258</u>
<b>Other Financing Sources (Uses)</b>			
Reversion to State of Florida	-	-	-
Transfers in	5,988,408	987,261	1,422,726
Transfers (out)	(11,650,309)	(162,847)	(3,207,222)
Aid from Individuals	-	-	-
Sale of Capital Assets	10,807	19,731	5
<b>Total Other Financing Sources (Uses)</b>	<u>(5,651,094)</u>	<u>844,145</u>	<u>(1,784,491)</u>
<b>Net Change in Fund Balances</b>	15,544,340	4,449,915	1,167,767
<b>Fund Balances at Beginning of Year</b>	<u>40,652,464</u>	<u>8,340,473</u>	<u>11,092,581</u>
<b>Fund Balances at End of Year</b>	<u>\$ 56,196,804</u>	<u>\$ 12,790,388</u>	<u>\$ 12,260,348</u>

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

<u>Grants</u>	<u>Capital Projects - Transportation Fund</u>	<u>Comprehensive Impact Fee Ordinance</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 9,919,443	\$ 115,549,167
-	-	5,565,982	6,836,824	13,229,060
-	6,392,188	-	3,681,987	31,261,751
-	-	-	2,493,233	8,898,552
-	-	-	684,870	712,202
8,131	37,263	30,150	135,981	517,175
-	-	-	1,052,186	1,972,265
<u>8,131</u>	<u>6,429,451</u>	<u>5,596,132</u>	<u>24,804,524</u>	<u>172,140,172</u>
-	-	-	2,159,158	25,148,547
-	-	-	1,428,816	56,629,845
442	-	-	831,862	2,630,189
-	2,100	-	2,018,885	9,397,696
-	-	-	4,447,709	5,512,171
-	-	-	119,878	4,448,617
-	-	-	23,208	2,598,912
-	-	-	1,828,237	4,011,947
-	11,411,106	-	11,116,052	32,298,504
-	-	-	1,656,125	1,899,804
-	-	-	1,666,418	1,682,236
<u>442</u>	<u>11,413,206</u>	<u>-</u>	<u>27,296,348</u>	<u>146,258,468</u>
<u>7,689</u>	<u>(4,983,755)</u>	<u>5,596,132</u>	<u>(2,491,824)</u>	<u>25,881,704</u>
-	-	-	(68,739)	(68,739)
-	8,586,336	-	7,145,668	24,130,399
-	-	(1,872,677)	(7,171,386)	(24,064,441)
-	-	-	4,936,981	4,936,981
-	-	-	-	30,543
<u>-</u>	<u>8,586,336</u>	<u>(1,872,677)</u>	<u>4,842,524</u>	<u>4,964,743</u>
7,689	3,602,581	3,723,455	2,350,700	30,846,447
-	13,781,998	8,220,289	46,953,806	129,041,611
<u>\$ 7,689</u>	<u>\$ 17,384,579</u>	<u>\$ 11,943,744</u>	<u>\$ 49,304,506</u>	<u>\$ 159,888,058</u>

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

**NASSAU COUNTY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Net Change in Fund Balances - Total Governmental Funds** \$ 30,846,447

**Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:**

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$ 23,919,185	
(Current Year Depreciation)	(24,161,394)	
Contributions of Capital Assets	286,750	
Gain (Loss) on Disposal of Capital Assets	<u>(37,479)</u>	
		7,062

Certain revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds. (585,144)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,338,273

The changes in net pension liability and pension related deferred outflows and inflows of resources result in an adjustment to pension expense in the statement of activities, but not in the governmental fund statements. 5,694,372

The changes in the OPEB liability and OPEB related deferred outflows and inflows of resources result in an adjustment to OPEB expense in the statement of activities, but not in the governmental fund statements. (494,752)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Accrued Interest Payable	32,365	
Amortization of Premiums	74,248	
Change in Post-Closure Liability	541,996	
Change in Accrued Compensated Absences	<u>(512,166)</u>	
		<u>136,443</u>

**Change in Net Position - Governmental Activities** \$ 37,942,701

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



**NASSAU COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**SEPTEMBER 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>American Beach</b>	
		<b>Water and Sewer District</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,507,010	\$ 376,728	\$ 3,883,738
Cash and Cash Equivalents - Restricted	906,589	-	906,589
Equity in Pooled Investments	4,079,139	-	4,079,139
Accounts Receivable, Net	450,853	-	450,853
Due from Other Funds	803	642,576	643,379
Due from Other Governments	483,914	-	483,914
Inventories	74,363	-	74,363
Prepays	589	-	589
<b>Total Current Assets</b>	<b>9,503,260</b>	<b>1,019,304</b>	<b>10,522,564</b>
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	13,709,807	587,416	14,297,223
<b>Total Non-Current Assets</b>	<b>13,709,807</b>	<b>587,416</b>	<b>14,297,223</b>
<b>Total Assets</b>	<b>23,213,067</b>	<b>1,606,720</b>	<b>24,819,787</b>
<b>Deferred Outflow of Resources</b>			
Unamortized Refunding Loss	314,227	-	314,227
Pension Related	37,033	-	37,033
OPEB Related	15,446	-	15,446
<b>Total Deferred Outflow of Resources</b>	<b>366,706</b>	<b>-</b>	<b>366,706</b>
<b>Total Assets and Deferred Outflows</b>	<b>23,579,773</b>	<b>1,606,720</b>	<b>25,186,493</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	380,337	601,218	981,555
Retainage Payable	48,583	-	48,583
Due to Other Funds	642,590	-	642,590
Due to Other Governments	188,952	-	188,952
Deposits	97,792	-	97,792
Bonds Payable	1,040,000	-	1,040,000
Other Postemployment Benefits	12,810	-	12,810
Net Pension Liability - HIS Current Portion	322	-	322
Compensated Absences	11,663	-	11,663
<b>Total Current Liabilities</b>	<b>2,423,049</b>	<b>601,218</b>	<b>3,024,267</b>
Non-Current Liabilities:			
Compensated Absences	21,755	-	21,755
Other Postemployment Benefits	63,161	-	63,161
Bonds Payable Long-Term	6,725,000	-	6,725,000
Net Pension Liability	54,323	-	54,323
<b>Total Non-Current Liabilities</b>	<b>6,864,239</b>	<b>-</b>	<b>6,864,239</b>
<b>Total Liabilities</b>	<b>9,287,288</b>	<b>601,218</b>	<b>9,888,506</b>
<b>Deferred Inflow of Resources</b>			
Pension Related	93,241	-	93,241
OPEB Related	33,405	-	33,405
<b>Total Deferred Inflow of Resources</b>	<b>126,646</b>	<b>-</b>	<b>126,646</b>
<b>Total Liabilities and Deferred Inflows</b>			
<b>Net Position</b>			
Investment in Capital Assets	6,259,034	587,416	6,846,450
Restricted for:			
Debt Service	561,736	-	561,736
Renewal and Replacement	240,329	-	240,329
Unrestricted	7,104,740	418,086	7,522,826
<b>Total Net Position</b>	<b>\$ 14,165,839</b>	<b>\$ 1,005,502</b>	<b>\$ 15,171,341</b>

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

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

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

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>American Beach</u>	
		<u>Water and Sewer District</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 5,231,099	\$ 45,125	\$ 5,276,224
Cash Payments to Vendors for Goods and Services	(3,472,216)	(55,161)	(3,527,377)
Cash Payments to Employees	(426,230)	-	(426,230)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,332,653</u>	<u>(10,036)</u>	<u>1,322,617</u>
<b>Non-Capital Financing Activities</b>			
Due from other Governments	(294,267)	-	(294,267)
Intergovernmental Revenue	199,265	-	199,265
Transfer in (out)	(1,040,138)	974,180	(65,958)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<u>(1,135,140)</u>	<u>974,180</u>	<u>(160,960)</u>
<b>Capital and Related Financing Activities</b>			
Acquisition of Property, Plant, and Equipment	(952,140)	-	(952,140)
Principal Payments on Bonds	(1,015,000)	(587,416)	(1,602,416)
Payment of Interest and Other Debt Costs	(177,859)	-	(177,859)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(2,144,999)</u>	<u>(587,416)</u>	<u>(2,732,415)</u>
<b>Investing Activities</b>			
Interest Received	8,294	-	8,294
Purchase of Investments	(7,381)	-	(7,381)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>913</u>	<u>-</u>	<u>913</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,946,573)	376,728	(1,569,845)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>6,360,172</u>	<u>-</u>	<u>6,360,172</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,413,599</u>	<u>\$ 376,728</u>	<u>\$ 4,790,327</u>
<b><u>Reported in Statement of Net Position as:</u></b>			
Cash and Cash Equivalents	\$ 3,507,010	\$ 376,728	\$ 3,883,738
Cash and Cash Equivalents - Restricted	906,589	-	906,589
<b>Total</b>	<u>\$ 4,413,599</u>	<u>\$ 376,728</u>	<u>\$ 4,790,327</u>

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

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

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>American Beach</b>		<b>Total</b>
	<b>Water and Sewer</b>	<b>Water and Sewer District</b>	
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	\$ 447,315	\$ 31,322	\$ 478,637
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	926,159	-	926,159
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(9,739)	-	(9,739)
Decrease (Increase) in Assessments Receivable	-	(642,576)	(642,576)
Decrease (Increase) in Due from Other Funds	3,511	-	3,511
Decrease (Increase) in Inventory	(6,220)	-	(6,220)
Decrease (Increase) in Prepaid Expense	1,078	-	1,078
Decrease (Increase) in Deferred Outflows	224,398	-	224,398
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	(42,500)	601,218	558,718
Increase (Decrease) in Due to Other Governments	35,119	-	35,119
Increase (Decrease) in Due to Other Funds	569,474	-	569,474
Increase (Decrease) in Deposits	(13,673)	-	(13,673)
Increase (Decrease) in Compensated Absences	(82,103)	-	(82,103)
Increase (Decrease) in Net Pension Liability	(608,873)	-	(608,873)
Increase (Decrease) in Deferred Inflows	88,759	-	88,759
Increase (Decrease) in Other Postemployment Benefits	(200,052)	-	(200,052)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,332,653</b>	<b>\$ (10,036)</b>	<b>\$ 1,322,617</b>

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

**NASSAU COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

	<b>Total Custodial Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 6,676,071
Equity in Pooled Investments	1,898,234
Accounts Receivable	917,140
Due from Other Governments	1,406
<b>Total Assets</b>	9,492,851
 <b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	150,101
Due to Other Governments	4,390,454
Due to Bond Holders	95,207
Other Liabilities	2,542
Undistributed Collections	3,153,425
<b>Total Liabilities</b>	7,791,729
 <b>Net Position, Held in a Custodial Capacity to be Disbursed</b>	\$ 1,701,122

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

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

	<b>Total Custodial Funds</b>
<b>Additions</b>	
Property Taxes and Fees Collected	\$ 182,068,249
Licenses and Tag Fees Collected	16,186,915
Impact Fees Collected for Other Governments	8,688,960
Inmate Funds Collected	1,069,813
Fines, Forfeitures and Fees Collected	11,894,834
Tax Deeds and Fees Collected	830,003
Support and Fees Collected	52,215
Registry of the Court and Fees Collected	12,321,192
Recording Fees Collected	11,611,801
Bail Bonds and Fees Collected	478,170
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	49,180,991
Tourist Development Fees Collected	8,581,415
<b>Total Additions</b>	<b>302,964,558</b>
<b>Deductions</b>	
Inmate Funds Disbursed	1,056,687
Fines, Forfeitures, and Fees Disbursed	11,740,530
Licenses and Tag Fees Disbursed	16,186,915
Property Taxes and Fees Disbursed	182,068,249
Tax Deeds and Fees Disbursed	482,565
Support and Fees Disbursed	52,215
Registry of the Court and Fees Disbursed	12,028,119
Recording Fees Disbursed	11,600,283
Bail Bonds and Fees Disbursed	554,078
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	49,185,222
Tourist Development Fees Disbursed	8,581,415
Impact Fees Disbursed	8,693,006
<b>Total Deductions</b>	<b>302,229,284</b>
<b>Non Operating Revenues</b>	
Interest Earnings	4,046
<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,046</b>
Change in Net Position	739,320
<b>Net Position, Beginning of Year</b>	-
Prior Period Adjustment	961,802
<b>Net Position, Beginning of Year Restated</b>	<b>961,802</b>
<b>Total Net Position, End of Year</b>	<b>\$ 1,701,122</b>

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

NASSAU COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS INDEX

September 30, 2021

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**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

The accounting policies of Nassau County (the County) conform to accounting principles generally accepted in the United States of America as applied to governmental units. The significant accounting policies followed by the County are described below to enhance the usefulness of the financial statements to the reader.

**A. Reporting Entity**

Nassau 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 of County Commissioners (Board) and the offices of the Clerk of the Circuit Court (Clerk), Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The office of the Tax Collector operates on a fee system, whereby the officer retains fees, commissions, and other revenues to pay all operating expenditures, including statutory compensation, any excess income is remitted to the Board or other taxing districts at the end of the fiscal year. The office of the Property Appraiser operates on a budget system, whereby appropriated funds are received from the Board and taxing authorities and all unexpended appropriations are required to be returned to the Board and taxing authorities at year-end. The offices of the Sheriff and Supervisor of Elections operate on a budget system, whereby County-appropriated funds are received from the Board, and any unexpended appropriations are required to be returned to the Board at the end of the fiscal year. The office of the Clerk of the Circuit Court operates on a combined fee and budget system. The budget system relates to the Clerk's function as the accountant and the Clerk of the Board, in accordance with the provisions of Section 125.17, Florida Statutes. Beginning July 1, 2013, the court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the Board at year-end. Any excess of revenues over court-related expenditures of the court fund are remitted to the State of Florida at year-end.

The accompanying financial statements present the County (primary government), and the component units for which the County is considered to be financially accountable. Also included are other entities for which the nature and significance of their relationship with the County are such that exclusion could cause the County's basic financial statements to be misleading or incomplete.

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



**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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 Board of County Commissioners sits as the governing body. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2021. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the County.

These statements include separate columns for the governmental and business-type activities of the primary government and its component units. Generally, the effect of the interfund activity has been eliminated from these statements, unless interfund services were provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly related to a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting specific requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

**C. Fund Accounting**

The accounts of the County 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 various funds are organized by governmental funds, proprietary funds, and fiduciary funds in the financial statements. The following funds are used by the County:

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■ **Governmental Funds**

● **Major Governmental Funds**

- ▶ The **General Fund**—is used to account for all revenues and expenditures applicable to the general operations of the County, which are not properly accounted for in other funds. The General Fund for the County includes the General Fund for the Board and each of the Constitutional Officers. The effect of interfund activity has been eliminated from these financial statements.
- ▶ The **County Transportation 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 and state revenue sharing.
- ▶ The **Grants Fund**—is used to account for the proceeds of grant revenue sources that are restricted or committed to expenditure for specified purposes.
- ▶ The **Capital Projects - Transportation Fund**—is used to account for all financial resources used for the acquisition or construction of major transportation related capital facilities and/or projects. Funding is provided from a variety of funding sources.
- ▶ The **Comprehensive Impact Fee Ordinance Fund**—use to account for the district expenditures associated with capital expansion. Funding is provided from impact fees on new constructions.

● **Non-Major Governmental Funds**

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

■ **Major Proprietary Funds**

- **Proprietary Funds**—are used to account for operations either: (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body 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 governing body 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.

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- ▶ **The Water and Sewer Fund**—accounts for water and wastewater services provided to approximately 3,300 customers on 4,800 acres located entirely in the County, situated north of the Duval County line and south of the City of Fernandina Beach.

- **Non-Major Proprietary Funds**

- ▶ **American Beach Water Sewer District**—are used to account for the proceeds of specific revenue sources related to the planning, design and construction of water and sewer facility located at American Beach.

- **Fiduciary Funds**

- The custodial funds are fiduciary funds which are used it to account for assets received and held by the County in the capacity of a trustee or as an agent for individuals, government agencies, and other public organizations.

**D. Measurement Focus**

- **Government-Wide Financial Statements**—The government-wide financial statements are accounted for on an “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources and 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 of resources less total reported liabilities and deferred inflows of resources) provides an indication of the economic net worth of the funds. The statement of activities reports increases (revenues) and decreases (expenses) in total net position.

- **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 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 provides an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net position.

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

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

**E. Basis of Accounting**

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

The government-wide financial statements 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.

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 County considers revenues to be “available” if they are collected within sixty days after year-end.

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

The proprietary funds and fiduciary 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.

**F. 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.

**G. Deposits and Investments**

The County’s investment practices are governed by Section 218.415, Florida Statutes, and County Ordinance 95-144. The County 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

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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).

**H. 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 are based upon aging schedules of related collection experiences of such receivables.

**I. 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. Any residual balances outstanding between the governmental activities and the business-type activities are reported as “internal balances” in the government-wide financial statements.

**J. 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. On the balance sheet - governmental funds, the prepaid and inventory balances reported are offset by a non-spendable fund balance classification which indicates these balances do not constitute “available spendable resources” even though it is a component of net current assets. The cost of governmental fund-type inventories is recorded as expenditure when consumed; therefore the inventory asset amount is not available for appropriation.

Prepaid items are certain payments to vendors that reflect costs applicable to future accounting periods and are recorded, under the consumption method, as prepaid items in both government-wide and fund financial statements.

**K. 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.

**L. Fund Balance**

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

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

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- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority (the Board of County Commissioners). These committed amounts cannot be used for any other purpose unless the Board of County Commissioners 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 less-than-formal action of the County’s governing body (e.g., resolution). The County’s fund balance policy was adopted under the County’s resolution No. 2013-105. Changes in assigned fund balance require prior approvals from the governing body through less-than-formal action (e.g., resolution), the County Manager and Budget Officer. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective funds.
- **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 County’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 County’s policy to use committed resources first, then assigned, and then unassigned as needed.

**M. Net Position**

Net position of proprietary funds, governmental activities, and business-type activities are made up of three components. *Net investment in capital assets* represents net capital assets less related long-term liabilities, where unspent debt proceeds increase this amount. *Restricted net position* represents 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*.

**N. Restricted Assets**

Certain resources in the water and sewer enterprise fund are set-aside for payment of capital reserves, renewal and replacement, and the utility system. These resources are classified as restricted cash and investments on the statement of net position 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 County’s practice is to use the restricted resources first, then unrestricted resources as they are needed.

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**O. Capital Assets and Long-Term Liabilities**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic signals, stormwater drainage, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

■ **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 County in the statement of net position as part of the basic financial statements of the County.

The capital assets used in the operations of the Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Property Appraiser, and Supervisor of Elections are accounted for by the Board of County Commissioners 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.

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

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic signals, stormwater drainage, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

Long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

Governmental long-term liabilities are financed from governmental funds for principal and interest.

■ **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

**P. Capitalization of Interest Costs**

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

**Q. Deferred Inflows/Outflows of Resources**

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measureable 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.

**R. Compensated Absences**

Annual, sick, bonus, and compensatory leave amounts accumulate and vest in accordance with the policies of the Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser, Supervisor of Elections, and negotiated union contracts. Provisions of these policies and the union contracts specify how benefits are earned, accumulated, and when and to what extent they vest. For governmental activities, compensated absences are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department.



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**S. Other Postemployment Benefits**

The County has recorded the liability in the government-wide statements and the enterprise funds for postemployment benefits other than pensions. For governmental activities, other postemployment benefits are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department. The financial reporting requirements for governments whose employees are provided with OPEB, include the recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expenses.

**T. Net Pension Liability**

In the government-wide and proprietary fund statements, the net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This liability represents a share of the present value of projected benefit payments to be provided through cost-sharing plans, less the amount of the cost-sharing plans' fiduciary net position. The County participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by the Florida Division of Retirement. The County allocated the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense to the funds and functions/activities based on their respective contribution made to the pension plans for that fiscal year.

**U. Property Taxes**

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1st of each year. Section 200.071, Florida Statutes, authorizes the Board to levy ad valorem tax millage against real property and tangible personal property for the County, including dependent districts, not to exceed 10 mills, except for voted levies. The Board shall determine the amount of millage to be levied and shall certify such millage to the Property Appraiser. For the year ended September 30, 2021, the Board levied 7.4278 mills. An additional 2.3093 mills and 0.0960 was levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment MSTU, respectively.

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 of County Commissioners. 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:

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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.

**V. Recent GASB Standards**

The County is currently evaluating the effects that the following GASB Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- Statement No. 87, *“Leases.”* This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
- Statement No. 89, *“Accounting for Interest Cost Incurred Before the End of a Construction Period.”* This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for fiscal years beginning after December 15, 2020.

**Note 2 - Cash and Investments**

**Deposits with Financial Institutions**

The carrying amount of the County’s deposits with financial institutions was \$40,588,316 and the bank balances were \$45,074,743 at September 30, 2021. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, 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.

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**Investments**

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 County's investments conform to the provisions of Florida Statutes, Section 218.415. The following items discuss the County'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 County has a formal investment policy for operating surplus funds that limits investment maturities to twelve months as a means of managing its exposure to fair value losses from increasing interest rates. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of a Master Repurchase Agreement in form approved by the Public Securities Association.

*Custodial Credit Risk*—For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The certificates of deposit and money market accounts are held in qualified public depositories or at levels below FDIC insurance thresholds.

In accordance with the provisions of Rule 62-701, *Florida Administrative Code*, the Board has established escrow accounts to provide proof of financial responsibility for the post-closure costs associated with the Old West Nassau and New West Nassau Landfills. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are reported as cash and cash equivalents - restricted.

*External Investment Pool*—The County participates in the Florida Local Government Investment Trust (FLGIT) Short-term Bond Fund. The fund was created in December 12, 1991 through the joint efforts of the Florida Court Clerks and Comptrollers and the Florida Association of Counties. The fund is rated AA+ by Standard & Poor's. The weighted average maturity at September 30, 2021 was 2.00 years. The fund is structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. Separately issued financial statements for the FLGIT Short-Term Bond Fund can be obtained from the Florida Local Government Investment Trust website (<https://www.floridatrustononline.com>).

**Detail of the County's Cash and Investments**

<u>Description</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 40,588,316
Florida Local Government Investment Trust	12,390,872
Certificates of Deposit	51,234,288
Money Market Accounts	<u>86,411,618</u>
<b>Total Cash and Investments</b>	<b><u>\$ 190,625,094</u></b>

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Reported in accompanying financial statements as follows:

	<u>Governmental</u> <u>Funds</u>	<u>Proprietary</u> <u>Funds</u>	<u>Custodial</u> <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 29,121,918	\$ 3,883,738	\$ 6,676,071	\$ 39,681,727
Equity in Pooled Investments	144,059,405	4,079,139	1,898,234	150,036,778
Restricted Cash and Cash Equivalents	-	906,589	-	906,589
<b>Total Cash and Investments</b>	<u>\$ 173,181,323</u>	<u>\$ 8,869,466</u>	<u>\$ 8,574,305</u>	<u>\$ 190,625,094</u>

**Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's investments in certificates of deposits and money market accounts have remaining maturities at the time of purchase of one year or less, and are therefore reported at amortized cost. The FLGIT Short-Term Bond Fund is an external investment pool and is reported at Net Asset Value (NAV).

**Investments Measured at Net Asset Value (NAV)**

	<u>September 30, 2021</u>
Florida Government Investment Trust	
Short-Term Bond Fund	<u>\$ 12,390,872</u>

**Note 3 - Accounts Receivable**

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

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Governmental Funds</b>			
General Fund	\$ 2,157,756	\$ (1,268,191)	\$ 889,565
County Transportation	68	-	68
Municipal Services	18,294	-	18,294
Non-Major Funds	<u>69,785</u>	<u>-</u>	<u>69,785</u>
<b>Total Governmental Funds</b>	<u>\$ 2,245,903</u>	<u>\$ (1,268,191)</u>	<u>\$ 977,712</u>
<b>Business-Type Funds</b>			
Water	<u>\$ 452,713</u>	<u>\$ (1,860)</u>	<u>\$ 450,853</u>

**Note 4 - Restricted Assets**

Restricted assets in the proprietary funds at September 30, 2021, 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, 2021, were restricted for the following purposes:

<b>Proprietary Funds</b>	
Customer Deposits	\$ 104,524
Impact Fees (Water/Sewer)	240,329
Debt Service	<u>561,736</u>
<b>Total</b>	<u>\$ 906,589</u>

**NASSAU COUNTY, FLORIDA**  
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**Note 5 - Capital Assets**

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

	<u>Balance</u> <u>10/1/2020</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/2021</u>
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 80,552,717	\$ 43,873	\$ -	\$ 80,596,590
Construction Work in Progress	11,817,431	12,451,742	(2,570,060)	21,699,113
Total Capital Assets not Being Depreciated	<u>92,370,148</u>	<u>12,495,615</u>	<u>(2,570,060)</u>	<u>102,295,703</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	73,817,610	3,464,599	-	77,282,209
Machinery and Equipment	57,466,848	10,352,408	(1,834,372)	65,984,884
Improvements other than Buildings	993,323	400	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	635,733,131	468,599	-	636,201,730
Total Capital Assets Being Depreciated	<u>769,051,428</u>	<u>14,286,006</u>	<u>(1,834,372)</u>	<u>781,503,062</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(31,088,100)	(1,936,615)	-	(33,024,715)
Machinery and Equipment	(36,437,927)	(5,561,782)	1,791,362	(40,208,347)
Leasehold Improvements	(425,876)	(73,043)	-	(498,919)
Infrastructure	(386,719,425)	(16,589,954)	-	(403,309,379)
Total Accumulated Depreciation	<u>(454,671,328)</u>	<u>(24,161,394)</u>	<u>1,791,362</u>	<u>(477,041,360)</u>
Total Capital Assets Being Depreciated, Net	<u>314,380,100</u>	<u>(9,875,388)</u>	<u>(43,010)</u>	<u>304,461,702</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 406,750,248</u>	<u>\$ 2,620,227</u>	<u>\$ (2,613,070)</u>	<u>\$ 406,757,405</u>
<b>Business-Type Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	218,284	655,918	(1,305)	872,897
Total Capital Assets not Being Depreciated	<u>386,250</u>	<u>655,918</u>	<u>(1,305)</u>	<u>1,040,863</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	754,865	-	-	754,865
Equipment	24,491,517	885,401	(113,302)	25,263,616
Total Capital Assets Being Depreciated	<u>25,246,382</u>	<u>885,401</u>	<u>(113,302)</u>	<u>26,018,481</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(308,489)	(19,839)	-	(328,328)
Infrastructure	(11,208,538)	(826,498)	-	(12,035,036)
Equipment	(431,779)	(79,822)	112,844	(398,757)
Total Accumulated Depreciation	<u>(11,948,806)</u>	<u>(926,159)</u>	<u>112,844</u>	<u>(12,762,121)</u>
Total Capital Assets Being Depreciated, Net	<u>13,297,576</u>	<u>(40,758)</u>	<u>(458)</u>	<u>13,256,360</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 13,683,826</u>	<u>\$ 615,160</u>	<u>\$ (1,763)</u>	<u>\$ 14,297,223</u>

**NASSAU COUNTY, FLORIDA**  
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Depreciation expense was charged to functions/programs of the governmental and business-type activities as follows:

<b>Governmental Activities</b>	
General Government	\$ 930,730
Public Safety	5,571,088
Physical Environment	148,537
Transportation	15,905,570
Human Services	163,274
Culture and Recreation	472,922
Court-Related	<u>969,273</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 24,161,394</u></b>
<b>Business-Type Activities</b>	
Water and Sewer	<u>\$ 926,159</u>

**Note 6 - Interfund Activity**

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

<b>Due From</b>	<b>Due To</b>				<b>Total</b>
	<b>General</b>	<b>Municipal Services</b>	<b>Water and Sewer Fund</b>	<b>Non-Major Governmental</b>	
General Fund	\$ -	\$ 3,039	\$ 642,590	\$ 402,964	\$ 1,048,593
County Transportation	61,746	-	-	-	61,746
Municipal Services Fund	129,440	-	-	-	129,440
Non-Major Governmental	24,860	-	-	31,103	55,963
Water and Sewer Fund	803	-	-	-	803
NM Business-Type	642,576	-	-	-	642,576
<b>Total</b>	<b><u>\$ 859,425</u></b>	<b><u>\$ 3,039</u></b>	<b><u>\$ 642,590</u></b>	<b><u>\$ 434,067</u></b>	<b><u>\$ 1,939,121</u></b>

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.

<b>Transfers Out</b>	<b>Transfers In</b>						<b>Total</b>
	<b>General</b>	<b>County Transportation</b>	<b>Municipal Services</b>	<b>Capital Project</b>	<b>Non-Major Government</b>	<b>Non-Major Business Type</b>	
General	\$ -	\$ 987,261	\$ 1,422,726	\$ 4,269,736	\$ 3,996,406	\$ 974,180	\$ 11,650,309
County Transportation	114,117	-	-	-	48,730	-	162,847
Municipal Services	3,207,222	-	-	-	-	-	3,207,222
Comprehensive Impact Fee	-	-	-	-	1,872,677	-	1,872,677
Non-Major Governmental	1,626,931	-	-	4,316,600	1,227,855	-	7,171,386
Water and Sewer	1,040,138	-	-	-	-	-	1,040,138
<b>Total</b>	<b><u>\$ 5,988,408</u></b>	<b><u>\$ 987,261</u></b>	<b><u>\$ 1,422,726</u></b>	<b><u>\$ 8,586,336</u></b>	<b><u>\$ 7,145,668</u></b>	<b><u>\$ 974,180</u></b>	<b><u>\$ 25,104,579</u></b>

The purposes for these interfund transfers include transfers to: (a) match for special revenue grant requirements, (b) other funds based on budgetary requirements, and (c) 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, FLORIDA  
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**Note 7 - Leases**

■ **Governmental Funds**

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

- *Tower Site (14<sup>th</sup> Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing August 1, 2006. The lease has three automatic (unless 90 days’ notice is given) renewal terms of 60 months each. The lease automatically renewed for an additional five-years, which has an effective date of August 2021. Operating lease payments for the year ended September 30, 2021, were \$35,562.
- *Two Tower Sites (Hilliard and Dahoma)*—the Board entered into five year lease with American Tower Asset Sub, LLC, commencing May 2021. Operating lease payments for the year ended September 30, 2021, were \$69,983.
- *West Nassau Land Development*—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2015. The lease was renewed effective July 1, 2020 for an additional five years, with an expiration date of June 30, 2025. Operating lease payments for the year ended September 30, 2021, were \$89,897.

Future minimum lease payments under these leases follow:

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

Three constitutional officers entered into several leases for office equipment and a building lease under operating leases. Total cost for such leases were \$116,078 for the year ended September 30, 2021. The future minimum lease payments for the leases are as follows:

Year Ending September 30	Total
2022	\$ 91,536
2023	47,198
2024	22,709
2025	10,110
2026	4,382
Thereafter	4,950
<b>Total</b>	<u>\$ 180,885</u>

**NASSAU COUNTY, FLORIDA  
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**Capital Lease**

In October of 2018, the Sheriff entered into a capital lease agreement with Axon for the purchase of taser equipment. The lease agreement requires annual installments of \$105,839 for five years until October of 2023 with no interest.

Future minimum lease payments under this capital lease are as follows:

Year Ending September 30,	Future Lease Payments
2022	\$ 105,839
2023	<u>105,838</u>
Total Future Minimum Lease Payments (Less Amount Representing Interest)	<u>211,677</u> <u>-</u>
<b>Present Value of Future Minimum Lease Payments</b>	<b><u>\$ 211,677</u></b>

**Note 8 - Long-Term Obligations**

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

	Balance 10/1/20	Additions	Reductions	Balance 9/30/21	Due Within One Year
<b>Governmental Activities</b>					
Notes Payable	\$ 646,281	\$ -	\$ (137,840)	\$ 508,441	\$ 142,445
Bonds Payable	23,429,324	-	(2,094,594)	21,334,730	1,703,643
Premium on Bonds Payable	<u>816,731</u>	-	<u>(74,248)</u>	<u>742,483</u>	<u>74,248</u>
Total Bonds and Notes Payable	24,892,336	-	(2,306,682)	22,585,654	1,920,336
Capital Lease Payable	317,517	-	(105,840)	211,677	105,839
Compensated Absences	8,323,627	512,166	-	8,835,793	4,036,853
Other Postemployment Benefits	27,041,354	-	(6,731,753)	20,309,601	1,140,277
Landfill Post-Closure	16,337,291	-	(541,996)	15,795,295	738,043
Net Pension Liability	<u>104,009,051</u>	-	<u>(72,238,962)</u>	<u>31,770,089</u>	<u>183,384</u>
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 180,921,176</u>	<u>\$ 512,166</u>	<u>\$ (81,925,233)</u>	<u>\$ 99,508,109</u>	<u>\$ 8,124,732</u>
<b>Business-Type Activities</b>					
Bonds Payable					
(Direct Placement Bonds)	\$ 8,780,000	\$ -	\$ (1,015,000)	\$ 7,765,000	\$ 1,040,000
Compensated Absences	115,521	12,039	(94,142)	33,418	11,663
Other Postemployment Benefits	276,023	-	(200,052)	75,971	12,810
Net Pension Liability	<u>663,518</u>	-	<u>(608,873)</u>	<u>54,645</u>	<u>322</u>
<b>Total Business-Type Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 9,835,062</u>	<u>\$ 12,039</u>	<u>\$ (1,918,067)</u>	<u>\$ 7,929,034</u>	<u>\$ 1,064,795</u>



**NASSAU COUNTY, FLORIDA  
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**Governmental Activities**

The County's governmental activities related bonds were offered for sale through a public offering and were not a direct borrowing or direct placements. A brief synopsis of long-term debt existing at September 30, 2021, follows:

**2000 Optional Gas Tax Revenue Bonds**

The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of \$6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 Bonds. The 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2021, totaled \$2,374,328.

The Series 2000 Bonds are special limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by resolution. Annual principal and interest on the bonds are expected to require approximately 40% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled \$945,000 and gas tax revenues totaled \$2,371,718. At year-end, pledged future revenues totaled \$3,780,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 278,643	\$ 666,357	\$ 945,000
2023	262,086	682,914	945,000
2024	246,976	698,024	945,000
2025	<u>232,697</u>	<u>712,303</u>	<u>945,000</u>
<b>Total</b>	<u>\$ 1,020,402</u>	<u>\$ 2,759,598</u>	<u>\$ 3,780,000</u>

**2007 Public Improvement Revenue Refunding Bonds**

The Board, in June 2007, issued the Public Improvement Revenue and Refunding Bonds, Series 2007, in the amount of \$29,630,000. The purposes of the Series 2007 Bonds are to: (1) acquire and construct certain public improvements; (2) partially advance refund the Board's outstanding Public Improvement Revenue Bonds, Series 2001; and (3) pay certain issuance costs of the Series 2007 Bonds, including the municipal bond insurance premium.

**NASSAU COUNTY, FLORIDA**  
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The Series 2007 Bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non-ad valorem tax revenues in accordance with the terms of the resolution. Annual principal and interest on the bonds are expected to require approximately 25% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,325,000 and non-ad valorem tax revenues totaled \$9,291,180. At year-end, pledged future revenues totaled \$23,232,500, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,425,000	\$ 897,000	\$ 2,322,000
2023	1,500,000	825,750	2,325,750
2024	1,575,000	750,750	2,325,750
2025	1,650,000	672,000	2,322,000
2026	1,735,000	589,500	2,324,500
2027-2031	<u>10,055,000</u>	<u>1,557,500</u>	<u>11,612,500</u>
<b>Total</b>	<u>\$ 17,940,000</u>	<u>\$ 5,292,500</u>	<u>\$ 23,232,500</u>

**Note Payable**

In July 2020, the Sheriff entered into a promissory note agreement with First Port City Bank to purchase Virtualization Infrastructure Equipment. The note is secured by the equipment as detailed in the promissory note documents and is due in monthly installments of \$12,804 at a stated interest rate of 2.500% per annum.

Maturities of note payables are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 142,445	\$ 11,213	\$ 153,658
2023	146,098	7,560	153,658
2024	149,844	3,814	153,658
2025	<u>70,054</u>	<u>474</u>	<u>70,528</u>
<b>Total</b>	<u>\$ 508,441</u>	<u>\$ 23,061</u>	<u>\$ 531,502</u>

**NASSAU COUNTY, FLORIDA**  
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**Compensated Absences**

*Compensated Absences*—are recorded on the government-wide financial statements. Following is a summary of compensated absences by constitutional officer as of September 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Board	\$ 6,320,703	\$ 3,105,521	\$ (2,780,253)	\$ 6,645,971
Clerk	100,865	215,472	(206,661)	109,676
Sheriff	1,550,398	1,500,357	(1,321,915)	1,728,840
Tax Collector	126,163	167,780	(196,475)	97,468
Property Appraiser	156,824	144,904	(123,278)	178,450
Supervisor of Elections	<u>68,674</u>	<u>35,879</u>	<u>(29,165)</u>	<u>75,388</u>
<b>Total</b>	<u>\$ 8,323,627</u>	<u>\$ 5,169,913</u>	<u>\$ (4,657,747)</u>	<u>\$ 8,835,793</u>

**Business-Type Activities**

*Advance Refunding*—On April 9, 2013, the Board issued through a direct placement 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 in the amount of the County’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 Water and Sewer Utility System (the System). Annual principal and interest on the bond is expected to require approximately 94% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,192,859, and revenues totaled \$1,266,654. At year-end, pledged future revenues totaled \$8,363,290, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

**Rate Covenant**

The County has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 120% of the bond service requirements for that year. The County 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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,040,000	\$ 155,767	\$ 1,195,767
2023	1,065,000	133,139	1,198,139
2024	1,085,000	110,026	1,195,026
2025	1,105,000	86,484	1,191,484
2026	1,135,000	62,403	1,197,403
2027-2031	<u>2,335,000</u>	<u>50,471</u>	<u>2,385,471</u>
<b>Total</b>	<u>\$ 7,765,000</u>	<u>\$ 598,290</u>	<u>\$ 8,363,290</u>

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

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

**Note 9 - Bond Arbitrage Rebate**

The County 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 Re-Nourishment Bond, Series 2011.

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

**Note 10 - Landfill Post-Closure Care Costs**

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

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

**NASSAU COUNTY, FLORIDA  
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These post-closure care costs are based on estimates of what it would cost to perform all post-closure care using 2021 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state law to deposit into the escrow accounts, at the time of closing and each year thereafter, sufficient funds to cover the following year’s long-term care costs. In addition, the Board must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law (amounts required by state law are \$738,042 as of September 30, 2021). At September 30, 2021, the actual escrow balances are as follows:

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

**Note 11 - Retirement Plans**

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

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

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**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2021, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	9.16%	1.66%
Special Risk Class	24.23%	1.66%
Senior Management Service Class	27.35%	1.66%
Elected Officials	49.76%	1.66%
DROP from FRS	16.68%	1.66%

The County's contributions for the year ended September 30, 2021, were \$7,928,227 to the FRS Pension Plan and \$809,961 to the HIS Program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2021, the County reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2021. The County's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Investment Plan</u>
Net Pension Liability	\$ 15,155,296	\$ 16,669,438	N/A
Proportion at:			
Current Measurement Date	0.200629743%	0.13589396%	N/A
Prior Measurement Date	0.205551903%	0.12762941%	N/A
Pension Expense	\$ 1,023,342	\$ 1,671,186	\$ 1,072,858

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 2,039,648	\$ -	\$ 194,721	\$ -
Difference Between Expected and Actual Experience	2,597,641	-	557,801	6,982
Change of Assumptions	10,370,006	-	1,309,845	686,824
Changes of Proportion and Difference Between County Contributions and Proportionate Share of Contributions	4,041,543	1,839,482	2,288,501	164,473
Net Difference Between Projected and Actual Earnings on Pension Investments	-	52,873,021	17,378	-
<b>Total</b>	<u>\$ 19,048,838</u>	<u>\$ 54,712,503</u>	<u>\$ 4,368,246</u>	<u>\$ 858,279</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS Amount	HIS Amount
2022	\$ (6,166,070)	\$ 808,242
2023	(7,588,076)	585,580
2024	(10,290,996)	627,383
2025	(13,555,418)	664,654
2026	(102,753)	504,298
Thereafter	-	125,089
<b>Total</b>	<u>\$ (37,703,313)</u>	<u>\$ 3,315,246</u>

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2021. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2021. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2021.

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increases	3.25%	3.25%
Investment Rate of Return	6.80%	N/A
Discount Rate	6.80%	2.16%

Mortality assumptions for FRS Pension Plan were based on the PUB2010 base table varying by member category and sex, project generationally with Scale MP-2018. The HIS Plan was based on the Generational RP-2000 with Projection Scale BB.

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For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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)	Annual Arithmetic Return	Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation – Mean			2.4%	1.2%

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

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. 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.

The discount rate used to measure the total pension liability for the HIS Pension Plan was 2.16%. 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.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

FRS – County:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's Proportionate Share of the Net Pension Liability	\$ 67,775,503	\$ 15,155,296	\$ (28,829)



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NOTES TO FINANCIAL STATEMENTS  
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*HIS – County:*

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
County's Proportionate Share of the Net Pension Liability	\$ 19,271,484	\$ 16,669,438	\$ 14,537,642

*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 Annual Comprehensive Financial Report.

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County 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 member's accounts during the 2020-2021 fiscal year were as follows:

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

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. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain

**NASSAU COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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 County's Investment Plan pension expense totaled \$1,182,105 for the fiscal year ended September 30, 2021.

**Other Pension Disclosures**

The County recognized pension expense for fiscal year 2021 as follows:

**September 30, 2021**

	<u>FRS</u>	<u>HIS</u>	<u>FRS Inv. Plan</u>	<u>Total</u>
Pension Expense	\$ 1,023,342	\$ 1,671,186	\$ 1,182,105	\$ 3,876,633

**NPL, Deferred Outflows and Inflows  
September 30, 2021**

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability	\$ 15,155,296	\$ 16,669,438	\$ 31,824,734
Deferred Outflows	19,048,838	4,368,246	23,417,084
Deferred Inflows	54,712,503	858,279	55,570,782

**Note 12 - Deferred Compensation Plan**

The County, 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 County, permits such employees to defer a portion of their salaries until future years. Participation in the plan is optional. The deferred compensation plan amount is not available for withdrawal by employee participants until termination, retirement, death, or unforeseeable emergency of such participants.

The County 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 County has no administrative involvement, and does not perform the investing function for this plan.

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**Note 13 - Other Postemployment Benefits (OPEB)**

**Plan Description**

The OPEB Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB Plan does not issue a stand-alone report and is not included in the report of the System or other entity.

<b>Percent of Direct Subsidy up to Subsidy Base Maximum</b>			
<b>Years of Service With Nassau County</b>	<b>Hired Before 10/1/05 (Other than Sheriff)</b>	<b>Hired on or After 10/1/05 (Other than Sheriff)</b>	<b>Sheriff's Office (Regardless of Hire Date)</b>
At Least 6 Years	100%	0%	0%
15 Years	100%	50%	0%
20 Years	100%	65%	0%
25 Years	100%	80%	0/100%
30 or More Years	100%	100%	100%

Note: Sheriff's special risk employees subsidy starts at twenty-five years and other employees at thirty years.

**Membership Information**

The following table provides a summary of the number of participants in the plan as of September 30, 2020 (the latest valuation date).

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	100
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	723
<b>Total Plan Members</b>	<b>823</b>

**Funding Policy**—For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board or Constitutional Officers. Currently, the County's OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate trust fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the System. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments.

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**Total OPEB Liability**—The County’s total OPEB liability of \$20,385,572 was measured as of September 30, 2020, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2020.

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability,</b>	
<b>Beginning of Year</b>	<u>\$ 27,317,377</u>
Service Cost	1,155,802
Interest on Total OPEB Liability	767,173
Difference Between Expected and Actual Experience	760,056
Changes of Assumptions and Other Inputs	(8,462,896)
Benefit Payments	<u>(1,151,940)</u>
Net Change in Total OPEB Liability	<u>(6,931,805)</u>
<b>Total OPEB Obligation, End of Year</b>	<u>\$ 20,385,572</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following table presents the total OPEB liability of the County as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate 2.41%</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	\$ 22,136,593	\$ 20,385,572	\$ 18,791,758

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following table presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
<b>Total OPEB Liability</b>	\$ 18,156,593	\$ 20,385,572	\$ 23,083,710

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2021, the County recognized OPEB expense of \$1,310,293. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,136,461	\$ -
Changes in Assumptions and Other Inputs	2,046,175	8,963,762
Benefits Paid After Measurement Date	962,015	-
<b>Total</b>	<u>\$ 4,144,651</u>	<u>\$ 8,963,762</u>

**NASSAU COUNTY, FLORIDA  
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Of the total amount reported as deferred outflows of resources related to OPEB, \$962,015 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending September 30</b>	<b>\$ Amount</b>
2022	(612,682)
2023	(612,682)
2024	(612,682)
2025	(612,682)
2026	(612,682)
Thereafter	(2,717,716)
<b>Total</b>	<b>\$ (5,781,126)</b>

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For plans that are not funded, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purposes of the actuarial roll-forward, the municipal bond rate is 2.41% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date. The discount rate was 2.75% in the prior year.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2020
Measurement Date:	September 30, 2020
Reporting Date:	September 30, 2021
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	2.41%
 Projected Salary Increases:	 Salary increase rates used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System; 3.4%-7.8%, including inflation.
 Retirement Age:	 Retirement rates used for Regular Class and Special Risk Class members in the July 1, 2020, actuarial valuation of the Florida Retirement System. They are based on the results of the statewide experience study covering the period 2013 through 2018.

**NASSAU COUNTY, FLORIDA  
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SEPTEMBER 30, 2021**

Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020, actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering period 2013 through 2018.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 6.25% for 2021, followed by 6.00% for 2022, and gradually decreasing to an ultimate trend rate of 3.99%.
Aging Factors:	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”.
Expenses:	Administrative expenses are included in the per capita health costs.

**Note 14 - Fund Balance Classification**

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

<b>Non-Spendable Fund Balance</b>	
Prepaid Expenses	\$ 1,146,830
Inventory	<u>546,015</u>
<b>Total Non-Spendable Fund Balance</b>	<u>1,692,845</u>
 <b>Restricted Fund Balance</b>	
General Government	205,434
General Government – Court-Related	1,698,206
Crime Prevention	130,045
Economic Development	38,289
Other Human Services	1,000
Physical Environment	3,434,030
Law Enforcement	2,659,907
Impact Fees	16,178,299
Law Library	109,000
Public Safety	581,690
Other Culture/Recreation	221,845
State Housing Initiative Program	1,085,658
Court Facilities	655,118
Criminal Justice	118,615
Tourist Development	13,167,924
Building Department	6,802,750
Debt Services – Bonds	1,496,250
Capital Projects – Transportation	4,909,664
Clerk Public Records	1,316,489
Clerk Child Support	420,902
Sheriff Inmate Commissary	<u>1,206,931</u>
<b>Total Restricted Fund Balance</b>	<u>56,438,046</u>

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

<b>Committed Fund Balance</b>	
General Government	\$ 245,432
General Government – Court Related	355,885
Culture/Recreation	5,199,842
Physical Environment	393,621
Public Safety	4,763,457
Economic Environment	150,000
Human Services	1,541,383
Transportation	23,892,246
Sheriff Investigative	<u>50,277</u>
<b>Total Committed Fund Balance</b>	<u><u>36,592,143</u></u>
<b>Assigned Fund Balance</b>	
General Government	637,230
Public Safety	2,404,745
Economic Development	1,863
Transportation	1,265,954
Culture and Recreation	74,923
Court-Related	80,605
Physical Environment	295,996
Reserves - Capital Projects	9,781,341
Capital Projects – Public Safety	14,544,512
Minimum Fund Balance	<u>15,554,524</u>
<b>Total Assigned Fund Balance</b>	<u><u>44,641,693</u></u>
<b>Unassigned Fund Balance</b>	<u>20,523,331</u>
<b>Total</b>	<u><u>\$ 159,888,058</u></u>

**Minimum Fund Balance Reserve Policy**

The County has adopted a policy that requires a reserve for minimum fund balance be budgeted at a target level equal to two months of County-wide operating expenditures as reported in the previous year’s audited financial statements for the General Fund, County Transportation Fund, and Municipal Services Fund. The purpose of the minimum fund balance is to protect the County against potential financial risk, ensure cash flow prior to receipt of budgeted revenue for use in the event of a disaster or emergency, and to protect the County’s credit rating.

**Note 15 - Risk Management**

The County 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 County is limited to premiums paid and losses exceeding or not covered by insurance. The premiums are paid from various funds based on coverage required.

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

**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**Note 16 - Commitments and Contingencies**

The County 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 County cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the County.

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

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

**Note 17 - Conduit Debt Obligations**

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

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

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



**NASSAU COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**Note 18 - No Commitment Special Assessment Debt**

To finance the costs of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization Municipal Services Benefit Unit, the County has issued the South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2021. The bonds do not constitute a debt or pledge of the faith and credit of the County, and accordingly, has not been reported in the accompanying financial statements.

At September 30, 2021, the Special Assessment Bond outstanding totaled \$4,934,504.

**Note 19 - Tax Abatement**

Pursuant to Section 125.045, Florida Statutes and Nassau County Ordinance 2012-32, the Economic Development Grant (EDG) incentive is available for companies with the goal to facilitate the development of capital investment and high-wage jobs in Nassau County. The incentives in the tiered program include a specified grant on the Board-only portion of their ad valorem taxes for a specified period of time after meeting or exceeding a specified number/wage level of new jobs, and/or new capital investment in Nassau County. As of September 30, 2019, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC.

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

**Note 20 - Change in Accounting Principle**

During the year ended September 30, 2021, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the County to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The County has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

<b>Net Position, October 1, 2020, As Previously Reported</b>	\$ -
Change in Accounting Principle - GASB 84	<u>961,802</u>
<b>Net Position, October 1, 2020, As Previously Reported</b>	<u>\$ 961,802</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**NASSAU COUNTY, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 75,336,210	\$ 75,332,842	\$ 79,701,616	\$ 4,368,774
Licenses and Permits	88,171	88,171	73,483	(14,688)
Intergovernmental Revenues	7,409,418	21,791,797	18,080,387	(3,711,410)
Charges for Services	5,427,280	5,820,528	5,706,785	(113,743)
Fines and Forfeitures	44,912	44,912	20,058	(24,854)
Interest Earnings	340,384	340,384	207,938	(132,446)
Miscellaneous	202,852	543,609	685,572	141,963
<b>Total Revenues</b>	<u>88,849,227</u>	<u>103,962,243</u>	<u>104,475,839</u>	<u>513,596</u>
<b>Expenditures</b>				
Current:				
General Government Services	23,188,873	23,385,929	21,062,487	2,323,442
Public Safety	42,656,604	46,606,898	44,714,394	1,892,504
Physical Environment	2,390,279	2,390,279	1,797,885	592,394
Transportation	4,007	3,978	-	3,978
Economic Environment	292,477	1,149,634	1,064,462	85,172
Human Services	3,009,282	3,137,008	2,984,090	152,918
Culture and Recreation	2,831,615	2,934,562	2,575,704	358,858
Court-Related Expenditures	2,838,272	2,821,544	2,183,710	637,834
Reserve for Contingency	50,000	264,492	-	264,492
Capital Outlay	4,824,384	9,978,678	6,638,176	3,340,502
Debt Service:				
Principal Retirement	233,814	243,679	243,679	-
Interest and Fiscal Charges	14,476	15,818	15,818	-
<b>(Total Expenditures)</b>	<u>82,334,083</u>	<u>92,932,499</u>	<u>83,280,405</u>	<u>9,652,094</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>6,515,144</u>	<u>11,029,744</u>	<u>21,195,434</u>	<u>10,165,690</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,636,537	5,612,555	5,988,408	375,853
Transfers (out)	(10,702,152)	(12,035,511)	(11,650,309)	385,202
Sale of Capital Assets	-	-	10,807	10,807
<b>Total Other Financing Sources (Uses)</b>	<u>(6,065,615)</u>	<u>(6,422,956)</u>	<u>(5,651,094)</u>	<u>771,862</u>
<b>Net Change in Fund Balances</b>	449,529	4,606,788	15,544,340	10,937,552
<b>Fund Balances at Beginning of Year</b>	<u>26,113,637</u>	<u>35,005,250</u>	<u>40,652,464</u>	<u>5,647,214</u>
<b>Fund Balances at End of Year</b>	<u>\$ 26,563,166</u>	<u>\$ 39,612,038</u>	<u>\$ 56,196,804</u>	<u>\$ 16,584,766</u>

Note: Original and amended budgeted transfers in the County-wide General Fund are presented as consolidated after the elimination of intra-general fund budgeted transfers between the Board and Constitutional Officers.

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,039,153	\$ 8,039,153	\$ 9,296,357	\$ 1,257,204
Licenses and Permits	7,419	7,419	14,936	7,517
Intergovernmental Revenues	1,986,268	2,003,117	2,035,560	32,443
Fines and Forfeitures	-	-	176	176
Charges for Services	12,353	12,353	34,858	22,505
Interest Earnings	75,000	75,000	46,744	(28,256)
Miscellaneous	109,203	109,203	131,660	22,457
<b>Total Revenues</b>	<u>10,229,396</u>	<u>10,246,245</u>	<u>11,560,291</u>	<u>1,314,046</u>
<b>Expenditures</b>				
Current:				
Transportation	10,198,983	11,368,906	7,376,711	3,992,195
Capital Outlay	475,835	1,211,361	577,810	633,551
<b>(Total Expenditures)</b>	<u>10,674,818</u>	<u>12,580,267</u>	<u>7,954,521</u>	<u>4,625,746</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(445,422)</u>	<u>(2,334,022)</u>	<u>3,605,770</u>	<u>5,939,792</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	972,940	972,940	987,261	14,321
Transfers (out)	(144,699)	(163,430)	(162,847)	583
Sale of General Capital Assets	2,500	2,500	19,731	17,231
<b>Total Other Financing Sources (Uses)</b>	<u>830,741</u>	<u>812,010</u>	<u>844,145</u>	<u>32,135</u>
<b>Net Change in Fund Balances</b>	385,319	(1,522,012)	4,449,915	5,971,927
<b>Fund Balances at Beginning of Year</b>	<u>4,291,150</u>	<u>4,288,299</u>	<u>8,340,473</u>	<u>4,052,174</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,676,469</u>	<u>\$ 2,766,287</u>	<u>\$ 12,790,388</u>	<u>\$ 10,024,101</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 16,494,957	\$ 16,494,957	\$ 16,631,751	\$ 136,794
Licenses and Permits	312,851	322,851	737,835	414,984
Intergovernmental Revenues	685,437	1,093,860	1,071,629	(22,231)
Charges for Services	385,366	385,366	663,676	278,310
Fines and Forfeitures	2,020	2,020	7,098	5,078
Interest Earnings	83,452	83,452	50,968	(32,484)
Miscellaneous	2,000	66,504	102,847	36,343
<b>Total Revenues</b>	<u>17,966,083</u>	<u>18,449,010</u>	<u>19,265,804</u>	<u>816,794</u>
<b>Expenditures</b>				
Current:				
General Government Services	2,363,463	2,452,923	1,926,902	526,021
Public Safety	10,248,463	10,848,777	10,486,635	362,142
Human Services	1,363,472	1,569,372	1,344,649	224,723
Capital Outlay	4,109,568	4,081,494	2,555,360	1,526,134
<b>(Total Expenditures)</b>	<u>18,084,966</u>	<u>18,952,566</u>	<u>16,313,546</u>	<u>2,639,020</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(118,883)</u>	<u>(503,556)</u>	<u>2,952,258</u>	<u>3,455,814</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,372,051	1,362,051	1,422,726	60,675
Transfers (out)	(3,208,420)	(3,208,853)	(3,207,222)	1,631
Sale of General Capital Assets	-	-	5	5
<b>Total Other Financing Sources (Uses)</b>	<u>(1,836,369)</u>	<u>(1,846,802)</u>	<u>(1,784,491)</u>	<u>62,311</u>
<b>Net Change in Fund Balances</b>	(1,955,252)	(2,350,358)	1,167,767	3,518,125
<b>Fund Balances at Beginning of Year</b>	<u>6,182,036</u>	<u>8,294,618</u>	<u>11,092,581</u>	<u>2,797,963</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,226,784</u>	<u>\$ 5,944,260</u>	<u>\$ 12,260,348</u>	<u>\$ 6,316,088</u>

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

**Budgets and Budgetary Accounting**

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

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

Chapter 129, Florida Statutes, provides that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Board adopted a level of control at the object level (personal services, operating expenses, and capital outlay) by department by fund. Chapter 129, Florida Statutes, also governs the manner in which the budget may be legally amended once it has been approved. Department managers may make budget amendments within an object level without Board approval; budget amendments between object levels up to \$50,000 can be approved by the County Budget Officer and County Administrator. Budget amendments greater than \$50,000 require Board approval.

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 County, as an extension of the statutorily required budgetary process under Florida Statutes. The County maintained a computerized encumbrance system, which is a part of the computerized accounting system. All appropriations lapse at year-end, except those that the County 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 or Constitutional Officer, as applicable.

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

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

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Total OPEB Liability</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 1,155,802	\$ 886,271	\$ 936,087	\$ 1,048,668
Interest on the Total OPEB Liability	767,173	936,424	851,315	762,264
Difference Between Expected and Actual Experience	760,056	-	627,352	-
Changes of Assumptions and Other Inputs	(8,462,896)	2,527,629	(1,089,112)	(852,311)
Benefit Payments	(1,151,940)	(1,192,756)	(1,106,072)	(1,117,724)
Net Change in Total OPEB Liability	(6,931,805)	3,157,568	219,570	(159,103)
Total OPEB Liability - Beginning	27,317,377	24,159,809	23,940,239	24,099,342
Total OPEB Liability - Ending	<u>\$ 20,385,572</u>	<u>\$ 27,317,377</u>	<u>24,159,809</u>	<u>23,940,239</u>
Covered-Employee Payroll	<u>\$ 37,936,430</u>	<u>\$ 37,693,430</u>	<u>\$ 32,405,785</u>	<u>\$ 34,941,733</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	53.74%	72.47%	74.55%	68.51%

**Notes to the Schedule**

No assets are being accumulated in a trust to pay for the benefits.

**Valuation Date:** September 30, 2020

**Measurement Date:** September 30, 2020

**Roll Forward Procedures:** The Total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Note: Covered Payroll presented above for the 2020 measurement year, is an estimate based on data submitted for the September 30, 2020 valuation. GASB Statement No. 75 defined Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

The discount rate was changed from 2.75% as of the previous measurement date to 2.41% as of September 30, 2020.

This change is reflected in the Schedule of Changes in Total OPEB Liability.

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF**  
**OF THE NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS**  
**SEPTEMBER 30, 2021**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the FRS Net Pension Plan	0.200629743%	0.205551903%
Nassau County's Proportion Share of the FRS Net Pension Plan	\$ 15,155,296	\$ 89,089,224
Nassau County's Covered Payroll (FYE 6/30)	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	31.50%	201.08%
<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	96.40%	78.85%

**Note:** (1) The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the HIS Net Pension Plan	0.13589396%	0.12762941%
Nassau County's Proportion Share of the HIS Net Pension Plan	\$ 16,669,438	\$ 15,583,344
Nassau County's Covered Payroll (FYE 6/30)	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	34.64%	35.17%
<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	3.56%	3.00%

**Note:** (1) The amounts shown above as reported on the date indicated, have a measurement date three months prior. Covered-employee payroll is for the year shown.



**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>
0.192962199%	0.182113027%	0.186608807%	0.174464593%	0.165580704%
\$ 66,453,495	\$ 54,853,388	\$ 55,197,633	\$ 44,052,447	\$ 21,386,969
\$ 39,858,133	\$ 36,538,795	\$ 35,221,567	\$ 32,521,989	\$ 31,678,266
166.73%	150.12%	156.72%	135.45%	67.51%
82.61%	84.26%	83.89%	84.88%	92.00%

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>
0.11915289%	0.11846251%	0.110442831%	0.104032153%	0.104338602%
\$ 13,332,016	\$ 11,837,933	\$ 11,809,057	\$ 12,124,517	\$ 10,640,896
\$ 39,858,133	\$ 36,538,795	\$ 35,221,567	\$ 32,521,989	\$ 31,678,266
33.45%	32.40%	33.53%	37.28%	33.59%
2.63%	2.15%	1.64%	9.70%	0.50%

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS**  
**SEPTEMBER 30, 2021**

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 7,928,227	\$ 6,932,819
FRS Contribution in Relation to the Contractually Required Contribution	<u>7,928,227</u>	<u>6,932,819</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 48,792,831	\$ 44,668,675
FRS Contributions as a Percentage of Covered Payroll	16.25%	15.52%

Note: Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 809,961	\$ 741,500
HIS Contribution in Relation to the Contractually Required Contribution	<u>809,961</u>	<u>741,500</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 48,792,831	\$ 44,668,675
HIS Contributions as a Percentage of Covered Payroll	1.66%	1.66%

Note: Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**FLORIDA RETIREMENT SYSTEM PENSION PLAN**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 6,228,511	\$ 5,395,176	\$ 4,839,874	\$ 4,390,275	\$ 4,083,702
<u>6,228,511</u>	<u>5,395,176</u>	<u>4,839,874</u>	<u>4,390,275</u>	<u>4,083,702</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 41,236,506	\$ 37,449,919	\$ 35,056,145	\$ 32,521,989	\$ 31,678,266
15.10%	14.41%	13.81%	13.50%	12.89%

**HEALTH INSURANCE SUBSIDY PENSION PLAN**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 684,526	\$ 621,018	\$ 582,630	\$ 539,064	\$ 431,586
<u>684,526</u>	<u>621,018</u>	<u>582,630</u>	<u>539,064</u>	<u>431,586</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 41,236,506	\$ 37,449,919	\$ 35,056,145	\$ 32,521,989	\$ 31,678,266
1.66%	1.66%	1.66%	1.66%	1.36%

## **OTHER INFORMATION**

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Grant Agency/Grant Title	Assistance Listing	Contract/Grant Number	Expenditures
<b>United States Department of Justice</b>			
Direct:			
Nassau County Adult Drug Court Implementation Project	16.585	2019-DC-BX-0022	\$ 55,888
Office of Community Oriented Policing Services	16.710	2017-UM-WX-0133	50,181
Office of Community Oriented Policing Services	16.710	2020-UM-WX-0225	201,652
<b>Subtotal Expenditures - CFDA 16.710</b>			<u>251,833</u>
Indirect:			
Passed Through Office of the Attorney General of Florida Victims of Crimes Act (VOCA)	16.575	VOCA-2019-Nassau County-03191	53,349
Passed Through Florida Department of Law Enforcement:			
Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-NASS-1-C9-074	37,151
Edward Byrne Memorial Justice Assistance	16.738	PGI	12,674
2019 Drug Eradication and Special Response Team	16.738	2020-JAGD-NASS-1Y5-042	44,988
2020 JAG Florida Direct Enhancement Grant	16.738	2020-JAGD-NASS-1Y6-023	9,353
<b>Subtotal Expenditures - CFDA 16.738</b>			<u>67,015</u>
Equitable Sharing Program	16.922		
<b>Total United States Department of Justice</b>			<u>465,236</u>
<b>United States Department of Transportation</b>			
Indirect:			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction	20.205	441214--1-38-01	3,633
Highway Planning and Construction	20.205	441217-1-68-02	813
Highway Planning and Construction	20.205	443248-1-38-02	1,929
Highway Planning and Construction	20.205	439496-1-58-01 & 68-02	5,039
Highway Planning and Construction	20.205	437336-1-38-02	662
Highway Planning and Construction	20.205	437334-1-38-02	1,054
Highway Planning and Construction	20.205	437337-1-38-02	662
Highway Planning and Construction	20.205	437335-1-38-02	1,268
Highway Planning and Construction	20.205	441241-1-38-02	1,436
<b>Subtotal Expenditures - CFDA 20.205</b>			<u>16,496</u>
<b>Total United States Department of Transportation</b>			<u>16,496</u>
<b>United States Department of the Treasury</b>			
Indirect:			
Passed Through Florida Department of Law Enforcement:			
Equitable Sharing Program	21.016	N/A	216,928
Passed Through Florida Division of Emergency Management:			
Coronavirus Relief Fund (CARES Act)	21.019	Y2286	38,307
Passed Through Florida Housing Finance Corporation:			
Coronavirus Relief Fund (CARES Act)	21.019	079-2020	591,549
<b>Subtotal Expenditures - CFDA 21.019</b>			<u>629,856</u>
<b>Total United States Department of the Treasury</b>			<u>846,784</u>

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Grant Agency/Grant Title	Assistance Listing	Contract/Grant Number	Expenditures
<b>United States Election Assistance Commission</b>			
Indirect:			
Passed Through Florida Division of Elections			
Help America Vote Act	90.404		
Help America Vote Act	90.404	21.e.es.00.013	\$ 66,487
Help America Vote Act - COVID	90.404	MOA #2020-001-NAS	35,699
<b>Subtotal Expenditures - CFDA 90.404</b>			<u>102,186</u>
<b>Total United States Election Assistance Commission</b>			<u>102,186</u>
<b>United States Department of Health and Human Services</b>			
Indirect:			
Passed Through Florida Department of Revenue:			
Child Support Enforcement	93.563	CSS45	5,700
Child Support Enforcement	93.563	CSOC45	103,055
<b>Subtotal Expenditures - CFDA 93.563</b>			<u>108,755</u>
<b>Total United States Department of Health and Human Services</b>			<u>108,755</u>
<b>United States Department of Homeland Security</b>			
Indirect:			
Passed Through Florida Division of Emergency Management:			
Disaster Grant - Public Assistance - FEMA	97.036	N/A	992,354
Disaster Grant - Public Assistance - FEMA	97.036	N/A	973,638
<b>Subtotal Expenditures - CFDA 97.036</b>			<u>1,965,992</u>
Emergency Management Performance Grant (EMPG)	97.042	G0114	5,167
Emergency Management Performance Grant, COVID-19 Supplemental	97.042	EMPG-S	9,944
<b>Subtotal Expenditures - CFDA 97.042</b>			<u>15,111</u>
Assistance to Firefighters	97.044	EMW-2020-FG-00700	31,486
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-201900FF-00837	311,179
<b>Total United States Department of Homeland Security</b>			<u>2,323,768</u>
<b>Florida Department of State</b>			
Indirect:			
Passed Through Division of Library and Information Services			
DLIS Florida CARES Act Grant	45.310	<b>21.1.ca000.104</b>	51,886
<b>Total Federal Awards</b>			<u>\$ 3,915,111</u>

**NASSAU COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Grant Agency/Grant Title	State CSFA Number	Contract/Grant Number	Expenditures
<b>Executive Office of the Governor</b>			
Emergency Management Programs	31.063	21-BG-21-04-55-01-011	\$ 8,419
<b>Total Executive Office of the Governor</b>			<u>8,419</u>
<b>Florida Department of Environmental Protection</b>			
Beach Management Funding Assistance Program	37.003	17NA3	238,934
Beach Management Funding Assistance Program	37.003	19NA1	116,383
Beach Management Funding Assistance Program	37.003	20NA1	2,353,865
Beach Management Funding Assistance Program	37.003	19NA3	82,982
<b>Subtotal Expenditures - CSFA 37.003</b>			<u>2,792,164</u>
Small County Consolidated Waste Grants	37.012	SC025	93,750
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0029	199,265
<b>Total Department of Environmental Protection</b>			<u>3,085,179</u>
<b>Florida Department of State</b>			
State Aid to Libraries Grant Program	45.030	21-ST-36	24,336
<b>Total Florida Department of State</b>			<u>24,336</u>
<b>Florida Housing Finance Corporation</b>			
State Housing Initiatives Partnership Program	40.901	18/19	84,084
State Housing Initiatives Partnership Program	40.901	19/20	60,792
<b>Subtotal Expenditures - CSFA No. 40.901</b>			<u>144,876</u>
<b>Total Florida Housing Finance Corporation</b>			<u>144,876</u>
<b>Florida Department of Transportation</b>			
Small County Outreach Program (SCOP)	55.009	431638-1-58-01	4,007,283
Small County Outreach Program (SCOP)	55.009	430691-1-58-01	1,225,872
Small County Outreach Program (SCOP)	55.009	430691-2-58-01	3,516,072
Small County Outreach Program (SCOP)	55.009	438209-1-54-01	242,735
<b>Subtotal Expenditures - CSFA No. 55.009</b>			<u>8,991,962</u>
County Incentive Grant Program (CIGP)	55.008	436465-1-54-01	867,753
Local Transportation Projects	55.039	443400-2-54-01	188,331
<b>Total Florida Department of Transportation</b>			<u>10,048,046</u>
<b>Florida Department of Health</b>			
County Grant Awards	64.005	C9045	8,750
<b>Total Florida Department of Health</b>			<u>8,750</u>
<b>Florida Department of Highway Safety and Motor Vehicles</b>			
Florida Arts License Plates Project	76.041	SC025	5,625
<b>Total Florida Department of Highway Safety and Motor Vehicles</b>			<u>5,625</u>
<b>Florida Department of Juvenile Justice</b>			
Sheriff Work Ethics and Training	80.029	10661	184,655
<b>Total Florida Department of Juvenile Justice</b>			<u>184,655</u>
<b>Total State Financial Assistance</b>			<u>\$ 13,509,886</u>
<b>Total Federal Awards and State Financial Assistance</b>			<u>\$ 17,424,997</u>

**NASSAU COUNTY, FLORIDA  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the state award activity of Nassau County, Florida, and is presented on the modified accrual basis of accounting.

During the year ended September 30, 2021, FEMA approved \$236,434 of eligible expenditures that were incurred in a prior year and are included in the accompanying schedule of expenditures of federal awards and state financial assistance.

Nassau County did not elect to use the 10% de minimis indirect cost rate in Section 200.44, Indirect (F&A) Costs, of the Uniform Guidance.



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

**Report on Compliance for Each Major Federal Award and State Project**

We have audited Nassau County, Florida's (the County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of the County's compliance.

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**Opinion on Each Major Federal Program and State Project**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the year ended September 30, 2021.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**Purpose**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



March 18, 2022  
Gainesville, Florida

**NASSAU COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Summary of Auditor’s Results**

1. The independent auditor’s report expresses an unmodified opinion on the financial statements of Nassau County, Florida (the County).
2. The audit did not report any material weaknesses and reported a significant deficiency 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*.
3. There were no instances of non-compliance material to the financial statements identified during the audit of the financial statements required to be reported in the 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*.
4. The audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs or state projects that are required to be reported in the schedule of findings and questioned costs.
5. The report on compliance for the major federal programs and state projects expresses an unmodified opinion.
6. The audit disclosed no findings that are required to be reported in accordance with the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.
7. The programs tested as major federal program and state financial assistance projects included:

<b>Federal Programs</b>	<b><u>Assistance Listing No.</u></b>
Coronavirus Relief Fund	21.019
Disaster Grant – Public Assistance – FEMA	97.036
<b>State Projects</b>	<b><u>CSFA No.</u></b>
Beach Management Funding Assistance Program	37.003
County Incentive Grant Program	55.008
Small County Outreach Program (SCOP)	55.009

8. The threshold for distinguishing Type A and B programs was \$750,000 for federal programs and \$750,000 for state projects.
9. The County qualified as a low risk auditee for federal grant programs.

**Financial Statement Findings**

Financial statement findings, if any, are reported in the individual reports of the Board and the Constitutional Officers.

**Findings and Questioned Costs for Major Federal Programs and State Projects**

The audit disclosed no findings for major federal programs and state projects to be reported under the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.

**Status of Prior Audit Findings**

There were no prior year findings required to be reported in accordance with the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*.

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

The Honorable Board of County Commissioners  
and Constitutional Officers  
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 governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of Nassau County, Florida (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness for the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County's financial statements 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 weaknesses, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, disclosed in the individual report of the Board of County Commissioners as an item that we consider to be a significant deficiency.

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Nassau County, Florida

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

**Compliance and Other Matters**

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

**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 County's internal control on or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 18, 2022  
Gainesville, Florida

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

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

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

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

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

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

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



March 18, 2022  
Gainesville, Florida

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
COMPLIANCE WITH SECTION 365.172(10)  
AND SECTION 365.173(2)(d), FLORIDA STATUTES**

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

We have examined Nassau County, Florida's, (the County) compliance with Section 365.172(10) Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of (E911) Funds*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

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



March 18, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

### Report on the Financial Statements

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

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

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

### Prior Audit Findings

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

### 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 County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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The Honorable Board of County Commissioners  
and Constitutional Officers  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.
- Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Special District Component Units

- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statement of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Specific information for the American Beach Water and Sewer District is disclosed in the individual management letter of the Board of County Commissioners.

### Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address non-compliance with provisions of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### Purpose of the 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 Representative, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



March 18, 2022  
Gainesville, Florida

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# 2021

Nassau County Board of County Commissioners

Financial Statements  
and Independent Auditor's Report

September 30, 2021

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

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

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## **INTRODUCTORY SECTION**

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

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**Serving as of September 30, 2021**

**ELECTED OFFICIALS**

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

**APPOINTED OFFICIALS**

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



**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Nassau County, Florida

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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## INDEPENDENT AUDITOR'S REPORT

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

#### *Incomplete Presentation*

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

### Other Matters

#### *Required Supplementary Information*

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

#### *Supplementary Information*

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

The Honorable Board of County Commissioners  
Nassau County, Florida

### INDEPENDENT AUDITOR'S REPORT

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

#### **Other Reporting Required by *Government Auditing Standards***

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



March 18, 2022  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NOTES TO FINANCIAL STATEMENTS**



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

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

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

**Reporting Entity**

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

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

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

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

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

**Basis of Presentation**

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

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

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

**Fund Accounting**

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

■ **Governmental Funds**

● **Major Governmental Funds**

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

● **Non-Major Governmental Funds**

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

■ **Major Proprietary Funds**

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

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

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

**Measurement Focus**

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

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

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

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

**Basis of Accounting**

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

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

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

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

**Cash and Cash Equivalents**

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

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

**Deposits and Investments**

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

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

**Accounts Receivable**

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

**Interfund Balances**

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

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

**Inventories and Prepaid Items**

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

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

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

**Unamortized Refunding Loss**

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

**Fund Balance**

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

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

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

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

**Net Position**

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

**Restricted Assets**

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

**Capital Assets and Long-Term Liabilities**

■ **Governmental Funds**

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

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

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

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

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

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

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

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

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

**Proprietary Enterprise Funds**

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

Buildings	15-40 Years
Equipment	3-20 Years

**Capitalization of Interest Costs**

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

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

**Deferred Inflows/Outflows of Resources**

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

**Compensated Absences**

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

**Use of Estimates**

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

**Other Postemployment Benefits (OPEB)**

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

**Retirement Plans**

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

**Property Taxes**

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1st of each year. Section 200.071, Florida Statutes, authorizes the Board to levy ad valorem tax millage against real property and tangible personal property for the County, including dependent districts, not to exceed 10 mills, except for voted levies. The Board shall determine the amount of millage to be levied and shall certify such millage to the Property Appraiser. For the year ended September 30, 2021, the Board levied 7.4278 mills. An additional 2.3093 mills and 0.0960 mills were levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment MSTU, respectively.



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

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

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

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

**Note 2 - Cash and Investments**

**Deposits with Financial Institutions**

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

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

**Investments**

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

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

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

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

In accordance with the provisions of Rule 62-701, *Florida Administrative Code*, the Board has established escrow accounts to provide proof of financial responsibility for the post-closure costs associated with the Old West Nassau and New West Nassau Landfills. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are reported as cash and cash equivalents - restricted.

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

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

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

Reported in accompanying financial statements as follows:

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

**Note 3 - Accounts Receivable**

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

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

**Note 4 - Restricted Assets**

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

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

Reported in accompanying financial statements as follows:

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
NOTES TO FINANCIAL STATEMENTS  
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**Note 5 - Capital Assets**

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

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

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

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**Note 6 - Interfund Activity**

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

Due to/from other funds:

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

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

Interfund transfers:

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

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

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

**Note 7 - Leases**

■ **Governmental Funds**

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

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

Future minimum lease payments under these leases follow:

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

**Note 8 - Long-Term Obligations**

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

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

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

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

**Governmental Activities**

The County's governmental activities related bonds were offered for sale through a public offering and were not a direct borrowing or direct placements. A brief synopsis of long-term debt existing at September 30, 2021, follows:

**2000 Optional Gas Tax Revenue Bonds**

The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of \$6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 Bonds. The 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2021, totaled \$2,374,328.

The Series 2000 Bonds are special limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by resolution. Annual principal and interest on the bonds are expected to require approximately 40% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled \$945,000 and gas tax revenues totaled \$2,371,718. At year-end, pledged future revenues totaled \$3,780,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of \$5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of \$945,000, which is on hand at year-end.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 278,643	\$ 666,357	\$ 945,000
2023	262,086	682,914	945,000
2024	246,976	698,024	945,000
2025	<u>232,697</u>	<u>712,303</u>	<u>945,000</u>
<b>Total</b>	<u>\$ 1,020,402</u>	<u>\$ 2,759,598</u>	<u>\$ 3,780,000</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
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**2007 Public Improvement Revenue and Refunding Bonds**

The Board, in June 2007, issued the Public Improvement Revenue and Refunding Bonds, Series 2007, in the amount of \$29,630,000. The purposes of the Series 2007 Bonds are to: (1) acquire and construct certain public improvements; (2) partially advance refund the Board’s outstanding Public Improvement Revenue Bonds, Series 2001; and (3) pay certain issuance costs of the Series 2007 Bonds, including the municipal bond insurance premium.

The Series 2007 Bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non ad valorem tax revenues in accordance with the terms of the resolution. Annual principal and interest on the bonds are expected to require approximately 25% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,325,000 and non ad valorem tax revenues totaled \$9,291,180. At year-end, pledged future revenues totaled \$23,232,500, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,425,000	\$ 897,000	\$ 2,322,000
2023	1,500,000	825,750	2,325,750
2024	1,575,000	750,750	2,325,750
2025	1,650,000	672,000	2,322,000
2026	1,735,000	589,500	2,324,500
2027-2031	<u>10,055,000</u>	<u>1,557,500</u>	<u>11,612,500</u>
<b>Total</b>	<u>\$ 17,940,000</u>	<u>\$ 5,292,500</u>	<u>\$ 23,232,500</u>

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

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



**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
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**Business-Type Activities**

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

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bond is expected to require approximately 94% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,192,859, and revenues totaled \$1,266,654. At year-end, pledged future revenues totaled \$8,363,290, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

**Rate Covenant**

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,040,000	\$ 155,767	\$ 1,195,767
2023	1,065,000	133,139	1,198,139
2024	1,085,000	110,026	1,195,026
2025	1,105,000	86,484	1,191,484
2026	1,135,000	62,403	1,197,403
2027-2031	<u>2,335,000</u>	<u>50,471</u>	<u>2,385,471</u>
<b>Total</b>	<u>\$ 7,765,000</u>	<u>\$ 598,290</u>	<u>\$ 8,363,290</u>

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

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
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**Note 9 - Bond Arbitrage Rebate**

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

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

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

**Note 10 - Landfill Post-Closure Care Costs**

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

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

These post-closure care costs are based on estimates of what it would cost to perform all post-closure care using 2021 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state law to deposit into the escrow accounts, at the time of closing and each year thereafter, sufficient funds to cover the following year's long-term care costs. In addition, the Board must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The Board is in compliance with these requirements with escrow balances that exceed the amounts required by state law (amounts required by state law are \$738,042 as of September 30, 2021). At September 30, 2021, the actual escrow balances are as follows:

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

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

**Note 11 - Retirement Plans**

**General Information about the Florida Retirement System (FRS)**

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

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

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

Class	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	10.82	3.00	10.00
FRS, Special Risk Class	3.00	25.89	3.00	24.45
FRS, Elected County Officers	3.00	51.42	3.00	49.18
FRS, Senior Management Service	3.00	29.01	3.00	27.29
DROP - Applicable to Members from All of the Above Classes	0.00	18.34	0.00	16.98
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

**Notes:** (1) Contribution rates are dependent upon retirement class in which reemployed.  
(2) These rates include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan.

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

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

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

**HIS Pension Plan**

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

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

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

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

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

**FRS – Defined Contribution Pension Plan**

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

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

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

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

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

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

**Note 12 - Deferred Compensation Plan**

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

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

**Note 13 - Other Postemployment Benefits**

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

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

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

**Note 14 - Fund Balance Classification and Minimum Fund Balance Policy**

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

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

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<b>Committed Fund Balance</b>	
General Government	\$ 245,432
General Government – Court-Related	355,885
Culture/Recreation	5,199,842
Physical Environment	393,621
Public Safety	4,763,457
Economic Environment	150,000
Human Services	1,541,383
Transportation	<u>23,892,246</u>
<b>Total Committed Fund Balance</b>	<u><u>36,541,866</u></u>
<b>Assigned Fund Balance</b>	
General Government	637,230
Public Safety	2,404,745
Economic Development	1,863
Transportation	1,265,954
Culture and Recreation	74,923
Court-Related	80,605
Physical Environment	295,996
Reserves - Capital Projects	9,781,341
Capital Projects – Public Safety	14,544,512
Minimum Fund Balance	<u>15,554,524</u>
<b>Total Assigned Fund Balance</b>	<u><u>44,641,693</u></u>
<b>Unassigned Fund Balance</b>	<u><u>20,628,791</u></u>
<b>Total</b>	<u><u>\$ 155,095,749</u></u>

**Minimum Fund Balance Reserve Policy**

The County has adopted a policy that requires a reserve for minimum fund balance be budgeted at a target level equal to two months of County-wide operating expenditures as reported in the previous year’s audited financial statements for the General Fund, County Transportation Fund, and Municipal Services Fund. The purpose of the minimum fund balance is to protect the County against potential financial risk, ensure cash flow prior to receipt of budgeted revenue for use in the event of a disaster or emergency, and to protect the County’s credit rating.

**Note 15 - Risk Management**

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

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

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



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NOTES TO FINANCIAL STATEMENTS  
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**Note 16 - Commitments and Contingencies**

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

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

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

**Note 17 - Conduit Debt Obligations**

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

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

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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
NOTES TO FINANCIAL STATEMENTS  
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**Note 18 - No Commitment Special Assessment Debt**

To finance the costs of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization Municipal Services Benefit Unit, the County has issued the South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2021. The bonds do not constitute a debt or pledge of the faith and credit of the County, and accordingly, has not been reported in the accompanying financial statements.

At September 30, 2021, the Special Assessment Bond outstanding totaled \$4,934,504.

**Note 19 - Tax Abatement**

Pursuant to Section 125.045 Florida Statutes and Nassau County Ordinance 2012-32, the Economic Development Grant (EDG) incentive is available for companies with the goal to facilitate the development of capital investment and high-wage jobs in Nassau County. The incentives in the tiered program include a specified grant on the Board-only portion of their ad valorem taxes for a specified period of time after meeting or exceeding a specified number/wage level of new jobs, and/or new capital investment in Nassau County. As of September 30, 2021, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 75,336,210	\$ 75,332,842	\$ 79,701,616	\$ 4,368,774
Licenses and Permits	88,171	88,171	73,483	(14,688)
Intergovernmental Revenues	7,249,218	21,232,780	17,523,074	(3,709,706)
Charges for Services	2,043,768	2,043,768	3,464,289	1,420,521
Fines and Forfeitures	44,912	44,912	20,058	(24,854)
Interest Earnings	340,384	340,384	207,757	(132,627)
Miscellaneous	194,852	245,323	354,228	108,905
<b>Total Revenues</b>	<u>85,297,515</u>	<u>99,328,180</u>	<u>101,344,505</u>	<u>2,016,325</u>
<b>Expenditures</b>				
Current:				
General Government Services	11,076,751	11,590,477	9,510,127	2,080,350
Public Safety	15,088,612	19,386,863	17,326,374	2,060,489
Physical Environment	2,390,279	2,390,279	1,797,885	592,394
Transportation	4,007	3,978	-	3,978
Economic Environment	208,054	1,082,432	997,260	85,172
Human Services	3,009,282	3,137,008	2,984,090	152,918
Culture and Recreation	2,831,615	2,934,562	2,575,704	358,858
Court-Related Expenditures	1,459,268	1,559,007	921,173	637,834
Capital Outlay	3,392,672	6,979,794	3,806,494	3,173,300
<b>(Total Expenditures)</b>	<u>39,460,540</u>	<u>49,064,400</u>	<u>39,919,107</u>	<u>9,145,293</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>45,836,975</u>	<u>50,263,780</u>	<u>61,425,398</u>	<u>11,161,618</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	502,514	502,514	2,486,695	1,984,181
Transfers to Constitutional Officers	(39,270,294)	(41,117,358)	(39,968,206)	1,149,152
Transfers in	1,146,799	2,122,847	2,114,057	(8,790)
Transfers (out)	(8,959,889)	(10,289,442)	(10,289,442)	-
Sale of General Capital Assets	-	-	10,807	10,807
<b>Total Other Financing Sources (Uses)</b>	<u>(46,580,870)</u>	<u>(48,781,439)</u>	<u>(45,646,089)</u>	<u>3,135,350</u>
<b>Net Change in Fund Balances</b>	(743,895)	1,482,341	15,779,309	14,296,968
<b>Fund Balances at Beginning of Year</b>	<u>25,878,668</u>	<u>34,770,281</u>	<u>40,417,495</u>	<u>5,647,214</u>
<b>Fund Balances at End of Year</b>	<u>\$ 25,134,773</u>	<u>\$ 36,252,622</u>	<u>\$ 56,196,804</u>	<u>\$ 19,944,182</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,039,153	\$ 8,039,153	\$ 9,296,357	\$ 1,257,204
Licenses and Permits	7,419	7,419	14,936	7,517
Intergovernmental Revenues	1,986,268	2,003,117	2,035,560	32,443
Charges for Services	12,353	12,353	34,858	22,505
Fines and Forfeitures	-	-	176	176
Interest Earnings	75,000	75,000	46,744	(28,256)
Miscellaneous	109,203	109,203	131,660	22,457
<b>Total Revenues</b>	<u>10,229,396</u>	<u>10,246,245</u>	<u>11,560,291</u>	<u>1,314,046</u>
<b>Expenditures</b>				
Current:				
Transportation	10,198,983	11,368,906	7,376,711	3,992,195
Capital Outlay	475,835	1,211,361	577,810	633,551
<b>(Total Expenditures)</b>	<u>10,674,818</u>	<u>12,580,267</u>	<u>7,954,521</u>	<u>4,625,746</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(445,422)</u>	<u>(2,334,022)</u>	<u>3,605,770</u>	<u>5,939,792</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Constitutional Officers	7,000	7,000	21,321	14,321
Transfers to Constitutional Officers	(114,699)	(114,699)	(114,116)	583
Transfers in	965,940	965,940	965,940	-
Transfers (out)	(30,000)	(48,731)	(48,731)	-
Sale of General Capital Assets	2,500	2,500	19,731	17,231
<b>Total Other Financing Sources (Uses)</b>	<u>830,741</u>	<u>812,010</u>	<u>844,145</u>	<u>32,135</u>
<b>Net Change in Fund Balances</b>	385,319	(1,522,012)	4,449,915	5,971,927
<b>Fund Balances at Beginning of Year</b>	<u>4,291,150</u>	<u>8,235,601</u>	<u>8,340,473</u>	<u>104,872</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,676,469</u>	<u>\$ 6,713,589</u>	<u>\$ 12,790,388</u>	<u>\$ 6,076,799</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, 2021**

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

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenues	\$ -	\$ 8,607,184	\$ -	\$ (8,607,184)
Interest Earnings	-	-	8,131	8,131
<b>Total Revenues</b>	<u>-</u>	<u>8,607,184</u>	<u>8,131</u>	<u>(8,599,053)</u>
<b>Expenditures</b>				
Current:				
Physical Environment	-	443	442	1
<b>(Total Expenditures)</b>	<u>-</u>	<u>443</u>	<u>442</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>8,606,741</u>	<u>7,689</u>	<u>(8,599,052)</u>
<b>Net Change in Fund Balances</b>	-	8,606,741	7,689	(8,599,052)
<b>Fund Balances at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ 8,606,741</u>	<u>\$ 7,689</u>	<u>\$ (8,599,052)</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, 2021**

**Budgets and Budgetary Accounting**

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

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

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

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

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

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

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



**COMBINING NON-MAJOR  
GOVERNMENTAL FUNDS**

# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

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

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

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

### Debt Service Funds

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

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

### Capital Projects Funds

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

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

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

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

Special Revenue Funds

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

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

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

Special Revenue Funds

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

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

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



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

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

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

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

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

Special Revenue Funds

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

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

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

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

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

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

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



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

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

## **OTHER INFORMATION**

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

The Honorable Board of County Commissioners  
Nassau County, Florida

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

**Internal Control Over Financial Reporting**

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

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

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

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The Honorable Board of County Commissioners  
Nassau County, Florida

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

**Compliance and Other Matters**

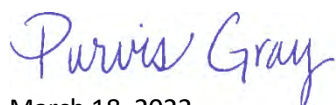
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material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

**Board's Response to Findings**

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

**Purpose of this Report**

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



March 18, 2022  
Gainesville, Florida

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

The Honorable Board of County Commissioners  
Nassau County, Florida

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

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

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

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

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



March 18, 2022  
Gainesville, Florida

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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, 2021, and have issued our report thereon dated March 18, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

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

### Prior Audit Findings

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

### Official Title and Legal Authority

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

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**MANAGEMENT LETTER**

**Financial Management**

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

**Special District Component Units**

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

**Specific Information**

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

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

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

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

The Nassau County Housing Finance Authority, and the Recreation and Water Conservation and Control District No. 1 had no employees or financial activity.

The Honorable Board of County Commissioners  
Nassau County, Florida

## MANAGEMENT LETTER

### Additional Matters

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

### Purpose of this Letter

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

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



August 15, 2022  
Gainesville, Florida



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

**SECTION I – FINANCIAL STATEMENT FINDINGS**

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

**Condition**

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

**Criteria**

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

**Cause of Condition**

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

**Effect of Condition**

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

**Recommendation**

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



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

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

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

TACO E. POPE, AICP  
County Manager

JOHN A. CRAWFORD  
Ex-Officio Clerk

DENISE MAY  
Interim County Attorney

March 22, 2022

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

Dear Ms. Norman,

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

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

##### **Condition**

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

##### **Criteria**

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

##### **Cause of Condition**

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

**Effect of Condition**

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

**Recommendation**

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

**Views of Responsible Officials and Planned Corrective Actions**

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

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

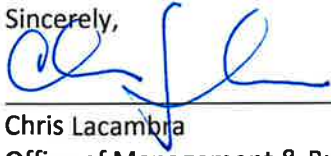
As further noted in the Management Letter, it notes that Section 10.554(1)(i)2., Rules of the Auditor General, requires that the Auditor communicate any recommendations to improve financial management. In connection with the audit, the Auditor did not have any such recommendations.

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

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "CL", is written over a horizontal line.

Chris Lacambra  
Office of Management & Budget Director

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



# 2021

Nassau County Clerk of the Circuit Court

Nassau County, Florida

## Financial Statements and Independent Auditor's Report

September 30, 2021

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

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

### **Emphasis of Matter**

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

### *Change in Accounting Principle*

As described in Note 7 to the financial statements, the Clerk of Courts adopted Governmental Accounting Standards Board No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Supplementary Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2022, on our consideration of the Clerk'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 the effectiveness of the Clerk's 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 Clerk's internal control over financial reporting and compliance.



February 15, 2022  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Jury Services	
<b>Assets</b>						
Cash	\$ 639,520	\$ 93,874	\$ 1,320,473	\$ 403,790	\$ 1,052	\$ 2,458,709
Due from Board of County Commissioners	22,047	-	-	-	-	22,047
Due from Other Funds	121,858	117,005	36,560	-	-	275,423
Due from Other Governments	53,869	-	-	20,920	1,954	76,743
Prepaid Expenses	1,072	30	-	-	-	1,102
<b>Total Assets</b>	<b>838,366</b>	<b>210,909</b>	<b>1,357,033</b>	<b>424,710</b>	<b>3,006</b>	<b>2,834,024</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	155,064	195	34,990	97	1,222	191,568
Due to Board of County Commissioners	508,277	127	-	-	-	508,404
Due to Other Funds	-	34,798	-	3,711	1,784	40,293
Due to Other Governments	398	55,900	5,554	-	-	61,852
Unearned Revenue	-	119,889	-	-	-	119,889
Other Accrued Liabilities	174,627	-	-	-	-	174,627
<b>Total Liabilities</b>	<b>838,366</b>	<b>210,909</b>	<b>40,544</b>	<b>3,808</b>	<b>3,006</b>	<b>1,096,633</b>
<b>Fund Balances</b>						
Restricted:						
Records Modernization	-	-	1,316,489	-	-	1,316,489
Child Support	-	-	-	420,902	-	420,902
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,316,489</b>	<b>420,902</b>	<b>-</b>	<b>1,737,391</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 838,366</b>	<b>\$ 210,909</b>	<b>\$ 1,357,033</b>	<b>\$ 424,710</b>	<b>\$ 3,006</b>	<b>\$ 2,834,024</b>

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Jury Services	
<b>Revenues</b>						
Intergovernmental Revenue	\$ -	\$ 16,824	\$ -	\$ 105,780	\$ 65,377	\$ 187,981
Charges for Services	934,851	941,632	434,057	-	-	2,310,540
Judgments and Fines	-	398,722	-	-	-	398,722
Miscellaneous Revenue	20,023	2,071	57	-	-	22,151
<b>Total Revenues</b>	<b>954,874</b>	<b>1,359,249</b>	<b>434,114</b>	<b>105,780</b>	<b>65,377</b>	<b>2,919,394</b>
<b>Expenditures</b>						
Current:						
General Government:						
Personnel Services	2,682,945	-	-	-	-	2,682,945
Operating Expenditures	779,741	-	-	-	-	779,741
Economic Environment:						
Personnel Services	62,553	-	-	-	-	62,553
Operating Expenditures	4,649	-	-	-	-	4,649
Court-Related:						
Personnel Services	-	1,247,910	-	96,537	57,709	1,402,156
Operating Expenditures	-	42,600	129,110	6,519	7,668	185,897
Capital Outlay	91,303	-	-	-	-	91,303
<b>(Total Expenditures)</b>	<b>(3,621,191)</b>	<b>(1,290,510)</b>	<b>(129,110)</b>	<b>(103,056)</b>	<b>(65,377)</b>	<b>(5,209,244)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,666,317)</b>	<b>68,739</b>	<b>305,004</b>	<b>2,724</b>	<b>-</b>	<b>(2,289,850)</b>
<b>Other Financing Sources (Uses)</b>						
Reversion to State of Florida	-	(68,739)	-	-	-	(68,739)
Transfers in from Board of County Commissioners	3,174,396	-	20,477	-	-	3,194,873
Transfers (out) to Board of County Commissioners	(508,079)	-	-	-	-	(508,079)
<b>Total Other Financing Sources (Uses)</b>	<b>2,666,317</b>	<b>(68,739)</b>	<b>20,477</b>	<b>-</b>	<b>-</b>	<b>2,618,055</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>325,481</b>	<b>2,724</b>	<b>-</b>	<b>328,205</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>991,008</b>	<b>418,178</b>	<b>-</b>	<b>1,409,186</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,316,489</b>	<b>\$ 420,902</b>	<b>\$ -</b>	<b>\$ 1,737,391</b>

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$ 555,256	\$ 948,504	\$ 934,851	\$ (13,653)
Miscellaneous Revenue	8,000	8,000	20,023	12,023
<b>Total Revenues</b>	<u>563,256</u>	<u>956,504</u>	<u>954,874</u>	<u>(1,630)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personnel Services	2,834,458	2,682,945	2,682,945	-
Operating Expenditures	752,382	779,741	779,741	-
Economic Environment:				
Personnel Services	78,013	62,553	62,553	-
Operating Expenditures	6,410	4,649	4,649	-
Capital Outlay	-	91,303	91,303	-
<b>(Total Expenditures)</b>	<u>(3,671,263)</u>	<u>(3,621,191)</u>	<u>(3,621,191)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,108,007)</u>	<u>(2,664,687)</u>	<u>(2,666,317)</u>	<u>(1,630)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	3,108,007	3,172,766	3,174,396	1,630
Transfers (out) to Board of County Commissioners	-	(508,079)	(508,079)	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,108,007</u>	<u>2,664,687</u>	<u>2,666,317</u>	<u>1,630</u>
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances, Beginning of Year</b>	-	-	-	-
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes to Schedule**

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Court Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 16,828	\$ 16,828	\$ 16,824	\$ (4)
Charges for Services	939,987	939,987	941,632	1,645
Judgments and Fines	482,852	482,852	398,722	(84,130)
Miscellaneous Revenue	-	-	2,071	2,071
<b>Total Revenues</b>	<u>1,439,667</u>	<u>1,439,667</u>	<u>1,359,249</u>	<u>(80,418)</u>
<b>Expenditures</b>				
Current:				
Court-Related:				
Personnel Services	1,341,578	1,293,024	1,247,910	45,114
Operating Expenditures	98,089	146,643	42,600	104,043
<b>(Total Expenditures)</b>	<u>(1,439,667)</u>	<u>(1,439,667)</u>	<u>(1,290,510)</u>	<u>149,157</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	68,739	68,739
<b>Other Financing Sources (Uses)</b>				
Reversion to State of Florida	-	-	(68,739)	(68,739)
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances, Beginning of Year</b>	-	-	-	-
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes to Schedule**

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The fund is the legal level of control. All excess revenues over expenditures is required by Statute to be reverted to the Clerk of Court Trust Fund.

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Public Records Modernization Trust Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for Services	\$ 302,125	\$ 302,125	\$ 434,057	\$ 131,932
Miscellaneous Revenue	-	-	57	57
<b>Total Revenues</b>	<u>302,125</u>	<u>302,125</u>	<u>434,114</u>	<u>131,989</u>
<b>Expenditures</b>				
Current:				
Court-Related:				
Operating Expenditures	1,293,133	1,293,133	129,110	1,164,023
<b>(Total Expenditures)</b>	<u>(1,293,133)</u>	<u>(1,293,133)</u>	<u>(129,110)</u>	<u>1,164,023</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(991,008)</u>	<u>(991,008)</u>	<u>305,004</u>	<u>1,296,012</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	-	-	20,477	20,477
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>20,477</u>	<u>20,477</u>
<b>Net Change in Fund Balances</b>	(991,008)	(991,008)	325,481	1,316,489
<b>Fund Balances, Beginning of Year</b>	<u>991,008</u>	<u>991,008</u>	<u>991,008</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,316,489</u>	<u>\$ 1,316,489</u>

**Notes to Schedule**

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Child Support Fund</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 120,055	\$ 120,055	\$ 105,780	\$ (14,275)
Miscellaneous Revenue	418,178	418,178	-	(418,178)
<b>Total Revenues</b>	<u>538,233</u>	<u>538,233</u>	<u>105,780</u>	<u>(432,453)</u>
<b>Expenditures</b>				
Current:				
Court-Related:				
Personnel Services	116,631	116,631	96,537	20,094
Operating Expenditures	421,602	421,602	6,519	415,083
<b>(Total Expenditures)</b>	<u>(538,233)</u>	<u>(538,233)</u>	<u>(103,056)</u>	<u>435,177</u>
<b>Net Change in Fund Balances</b>	-	-	2,724	2,724
<b>Fund Balances, Beginning of Year</b>	-	-	418,178	418,178
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,902</u>	<u>\$ 420,902</u>

**Notes to Schedule**

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

See accompanying notes to financial statements.



**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

**Assets**

Cash	\$ 2,320,268
Accounts Receivable	742,985
Due from Other Governments	<u>71</u>

**Total Assets** 3,063,324

**Liabilities**

Due to Board of County Commissioners	59,035
Due to Other Funds	235,130
Due to Other Governments	1,102,212
Other Liabilities	<u>2,542</u>

**Total Liabilities** 1,398,919

**Net Position, Held in a Custodial Capacity to be Disbursed** \$ 1,664,405

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

**Additions**

Fines and Forfeitures and Fees Collected	\$ 11,775,004
Tax Deeds and Fees Collected	830,003
Support and Fees Collected	52,215
Registry of the Court and Fees Collected	12,321,192
Recording Fees Collected	11,611,801
Bail Bonds and Fees Collected	478,170

<b>Total Additions</b>	37,068,385
------------------------	------------

**Deductions**

Fines and Forfeitures and Fees Distributions	11,620,700
Tax Deeds and Fees Distributions	482,565
Support and Fees Distributions	52,215
Registry of the Court and Fees Distributions	12,028,119
Recording Fees Distributions	11,600,283
Bail Bonds and Fees Distributions	554,078

<b>Total Deductions</b>	36,337,960
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<b>Change in Net Position</b>	730,425
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<b>Net Position, Beginning as Restated</b>	933,980
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<b>Net Position, Ending</b>	\$ 1,664,405
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See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

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

The accounting policies of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements:

**Reporting Entity**

Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Clerk is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is a part of the primary government of the County. The Clerk is responsible for the administration and operation of the Clerk's office, and the Clerk's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The Clerk funds his non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129, and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County General Fund. The receipts from the County General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County General Fund at year-end. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Court Fund. Such provisions may be amended at any time by further action from the Florida Legislature. At year-end, any excess of revenues over court-related expenditures of the Court fund are remitted to the State of Florida pursuant to Florida Statute 28.37.

**Basis of Presentation**

The Clerk of Courts' financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk of Courts has not presented the government-wide financial statements, reconciliations to the government-wide financial statements or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The financial transactions of the Clerk are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Clerk.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.
  - ▶ **Court Fund**—The court fund was established to account for court-related revenues and expenditures and is required to be reported separately from the Clerk’s general fund activities.
  - ▶ **Public Records Modernization Trust Fund**—This fund accounts for proceeds of specific revenues that are legally restricted for expenditures of the public records program.
  - ▶ **Child Support Fund**—This fund accounts for proceeds of specific revenues that are restricted for expenditures of the child support program.
- **Non-Major Governmental Fund**
- ▶ **Jury Services Fund**—This fund accounts for proceeds of specific revenues that are restricted for expenditures related to jury services.

■ **Fiduciary Funds**

- **Custodial Funds**—Custodial Funds are used to account for assets held in a custodial capacity.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. 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. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The Custodial Funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

**Budgetary Requirement**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the general fund, the public records fund, and child support. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. A budget was adopted for the court fund and approved by the Legislative Budget Commission pursuant to Florida Statute 28.35. Budgets are prepared on the modified accrual basis of accounting.

The Clerk's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by his office.

**Accrued Compensated Absences**

The Clerk maintains a policy of granting employees annual leave based upon the number of years of employment. At December 31 of each year, employees can carry over up to a maximum of 75 hours of paid annual leave. Any unused vacation leave accrued over the 75 hours at the end of the calendar year will be forfeited. Any exception would require the Clerk's or designee's approval.

In addition, sick leave is accumulated at the rate of 3.75 hours per pay period for a maximum of 400 hours as of December 31 of each year. Any hours over 400 will be paid out each year. There will be no payment in lieu of unused sick leave at the time of separation effective July 1, 2010, and thereafter. The Clerk reserves the right to use a combination of overtime pay and/or compensatory time for compensating overtime worked.

**Unearned Revenue**

In accordance with requirements of the Clerk of Court Operations Corporation (CCOC), the Clerk reports unearned revenue for court related fines and fees collected in September of 2021, which are to be used as advance funding for the Clerk's Court operations in the following fiscal year.

**Workers' Compensation and Group Health Insurance**

For the Clerk's non-court employees, the Board provided workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Board and recorded on its records and, consequently, are not recorded on the Clerk's records. For the Clerk's Court employees, the Clerk provides workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Clerk and recorded on his records.

**Risk Management**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Board, which uses commercial insurance to cover the following types of risk:

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

- |                               |                            |
|-------------------------------|----------------------------|
| ■ Workers' Compensation       | ■ Personal Property Damage |
| ■ Automobile Liability        | ■ General Liability        |
| ■ Public Officials' Liability |                            |

Workers' compensation coverage is provided under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the Board's experience for this type of risk.

**Fund Balance Reporting**

The Clerk has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable funds.
- **Restricted**—This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Clerk's governing authority.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Clerk's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- **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.

When both restricted and unrestricted resources are available for use, it is the Clerk'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, it is the Clerk's policy to use committed resources first, then assigned, and then unassigned as needed.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash and Investments**

At September 30, 2021, the carrying amount of the Clerk's deposits was \$4,772,825 and the bank balance was \$5,474,459. The Clerk also held \$6,150 in change funds at September 30, 2021. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash funds of the Clerk are deposited in accordance with Florida Statutes 280 and 218.415, and Nassau County Resolution 95-144.

**Investments**

The Clerk's investment practices are governed by Chapters 28.33 and 218.415, Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury and the Local Government Surplus Funds Trust Fund (the State Board of Administration). There were no investments as of September 30, 2021.

**Note 3 - Employee Retirement Plan**

**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 Clerk 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 non-integrated programs. An annual comprehensive 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](http://www.dms.myflorida.com)).

**FRS Pension Plan**

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



**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

- *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.

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, 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>Percent Value</u>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	3.00
<b><i>Senior Management Service Class</i></b>	2.00

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

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.

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

<u>Class</u>	<u>Year Ended June 30, 2021</u>		<u>Year Ended June 30, 2022</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management				
Service	3.00	25.57	3.00	27.29
DROP – Applicable to				
Members from All of				
the Above Classes	0.00	15.32	0.00	16.68
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

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

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Clerk’s contributions (employer) to the FRS Plan totaled \$386,694 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2021, the Clerk’s proportionate share of the FRS net pension liability was \$698,133. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

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

**HIS Pension Plan**

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amended the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of state-administered retirement systems in Florida in paying their health insurance costs.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

*Benefits Provided.* For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under one of the state-administered retirement systems 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. For the fiscal years ended June 30, 2020 and 2019, the contribution rates were 1.66% and 1.66% of payroll, respectively, pursuant to Section 112.363, Florida Statutes. The Clerk 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 Clerk's contributions to the HIS Plan totaled \$50,502 for the fiscal year ended September 30, 2021.

*Pension Liabilities and Pension Expense.* At September 30, 2021, the Clerk's proportionate share of the HIS net pension liability was \$954,651. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2019-20 fiscal year contributions of all participating members.

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

**FRS - Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk 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. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the 0.06% administrative fee. 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 2020-21 fiscal year were as follows:

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

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

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

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 Clerk’s Investment Plan pension expense totaled \$61,138 for the fiscal year ended September 30, 2021.

**Note 4 - Other Postemployment Benefits**

The County offers certain postemployment health care benefits that are considered part of an Other Postemployment Benefit (OPEB) plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

**Percent of Direct Subsidy up to "Subsidy Base Maximum"**

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

Currently, the Clerk has 65 active employees and three retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk's portion of the OPEB obligation at September 30, 2021, totaled \$1,722,011. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Long-Term Liabilities**

The long-term liabilities presented below are not reported in the financial statements of the Clerk since they are not payable from available resources at September 30, 2021.

The Clerk's long-term debt is recorded in the statement of net position as part of the basic financial statements of the County.

A summary of the changes in long-term liabilities is as follows:

	<b>Balance October 1, 2020</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance September 30, 2021</b>
Liability for Compensated Absences	\$ 100,865	\$ 215,472	\$ (206,661)	\$ 109,676
Other Postemployment Benefits	2,372,299	-	(650,288)	1,722,011
Net Pension Liabilities:				
FRS Plan	4,192,096	-	(3,493,963)	698,133
HIS Plan	<u>1,024,888</u>	-	<u>(70,237)</u>	<u>954,651</u>
<b>Total Long-Term Debt</b>	<u>\$ 7,690,148</u>	<u>\$ 215,472</u>	<u>\$ (4,421,149)</u>	<u>\$ 3,484,471</u>

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

See Note 4 for a description of the County's policies on OPEB.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 – Interfund Receivables and Payables**

Interfund receivables and payables at September 30, 2021, are as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
<b>General Fund</b>	\$ 121,858	\$ -
<b>Special Revenue Funds</b>		
Court Fund	117,005	34,798
Public Records Modernization Fund	36,560	-
Child Support Fund	-	3,711
Jury Services	-	1,784
<b>Custodial Funds</b>		
Civil Trust Fund	-	52,849
Recording Trust Fund	-	118,111
Criminal Trust Fund	-	3,590
Special Trust Fund	-	60,094
Domestic Relations Fund	-	486
<b>Total</b>	\$ 275,423	\$ 275,423

**Note 7 - Change in Accounting Principle**

During the year ended September 30, 2021, the Clerk adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Clerk to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Clerk has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

<b>Net Position, October 1, 2020, As Previously Reported</b>	\$ -
Change in Accounting Principle - GASB 84	933,980
<b>Net Position, October 1, 2020, As Restated</b>	\$ 933,980

## **SUPPLEMENTARY INFORMATION**

## CUSTODIAL FUNDS

**Civil Trust**—This fund accounts for the receipt and disbursement of filing fees, service charges, and bonds relating to civil actions.

**Recording Trust**—This fund accounts for the receipt and disbursement of fees and service charges for official records.

**Criminal Trust**—This fund accounts for the receipt and disbursement of criminal fines and fees.

**Special Trust**—This fund accounts for the receipt and disbursement of traffic and misdemeanor fines, court costs, fees, and service charges.

**Jury and Witness**—This fund accounts for the receipt and expenditure of funds pertaining to the Juror Services department.

**Domestic Relations**—This fund accounts for the collection and disbursement of court-ordered child support payments and fees.

**Registry of the Court**—This fund accounts for the collection and disbursement of deposits required by court legal actions.

**Bail Bonds**—Accounts for funds received from defendants of criminal and traffic arrests required to assure that the defendant will meet the requirement to appear in court. Disposition of these bond funds is made as ordered by the court.



**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

	<b>Civil Trust</b>	<b>Recording Trust</b>	<b>Criminal Trust</b>	<b>Special Trust</b>	<b>Jury and Witness</b>	<b>Domestic Relations</b>	<b>Registry of the Court</b>	<b>Bail Bonds</b>	<b>Total</b>
<b>Assets</b>									
Cash	\$ 560,253	\$ 1,015,289	\$ 41,465	\$ 171,603	\$ -	\$ 671	\$ 488,061	\$ 42,926	\$ 2,320,268
Accounts Receivable	-	742,884	-	101	-	-	-	-	742,985
Due from Other Governments	-	-	-	-	-	71	-	-	71
<b>Total Assets</b>	<b>560,253</b>	<b>1,758,173</b>	<b>41,465</b>	<b>171,704</b>	<b>-</b>	<b>742</b>	<b>488,061</b>	<b>42,926</b>	<b>3,063,324</b>
<b>Liabilities</b>									
Due to Board of County Commissioners	-	29,122	658	29,255	-	-	-	-	59,035
Due to Other Funds	52,849	118,111	3,590	60,094	-	486	-	-	235,130
Due to Other Governments	27,296	1,029,337	1,761	43,562	-	256	-	-	1,102,212
Other Liabilities	796	476	517	753	-	-	-	-	2,542
<b>Total Liabilities</b>	<b>80,941</b>	<b>1,177,046</b>	<b>6,526</b>	<b>133,664</b>	<b>-</b>	<b>742</b>	<b>-</b>	<b>-</b>	<b>1,398,919</b>
<b>Net Position, Held in a Custodial Capacity to be Disbursed</b>	<b>\$ 479,312</b>	<b>\$ 581,127</b>	<b>\$ 34,939</b>	<b>\$ 38,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 488,061</b>	<b>\$ 42,926</b>	<b>\$ 1,664,405</b>

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Civil Trust</b>	<b>Recording Trust</b>	<b>Criminal Trust</b>	<b>Special Trust</b>	<b>Jury and Witness</b>	<b>Domestic Relations</b>	<b>Registry of the Court</b>	<b>Bail Bonds</b>	<b>Total</b>
<b>Additions</b>									
Fines and Forfeitures and Fees Collected	\$ 5,944,038	\$ -	\$ 566,113	\$ 5,261,538	\$ 3,315	\$ -	\$ -	\$ -	\$ 11,775,004
Tax Deeds and Fees Collected	-	830,003	-	-	-	-	-	-	830,003
Support and Fees Collected	-	-	-	-	-	52,215	-	-	52,215
Registry of the Court and Fees Collected	-	-	-	-	-	-	12,321,192	-	12,321,192
Recording Fees Collected	-	11,611,801	-	-	-	-	-	-	11,611,801
Bail Bonds and Fees Collected	-	-	-	-	-	-	-	478,170	478,170
<b>Total Additions</b>	<b>5,944,038</b>	<b>12,441,804</b>	<b>566,113</b>	<b>5,261,538</b>	<b>3,315</b>	<b>52,215</b>	<b>12,321,192</b>	<b>478,170</b>	<b>37,068,385</b>
<b>Deductions</b>									
Fines and Forfeitures and Fees Distributions	5,799,224	-	553,115	5,265,046	3,315	-	-	-	11,620,700
Tax Deeds and Fees Distributions	-	482,565	-	-	-	-	-	-	482,565
Support and Fees Distributions	-	-	-	-	-	52,215	-	-	52,215
Registry of the Court and Fees Distributions	-	-	-	-	-	-	12,028,119	-	12,028,119
Recording Fees Distributions	-	11,600,283	-	-	-	-	-	-	11,600,283
Bail Bonds and Fees Distributions	-	-	-	-	-	-	-	554,078	554,078
<b>Total Deductions</b>	<b>5,799,224</b>	<b>12,082,848</b>	<b>553,115</b>	<b>5,265,046</b>	<b>3,315</b>	<b>52,215</b>	<b>12,028,119</b>	<b>554,078</b>	<b>36,337,960</b>
<b>Change in Net Position</b>	<b>144,814</b>	<b>358,956</b>	<b>12,998</b>	<b>(3,508)</b>	<b>-</b>	<b>-</b>	<b>293,073</b>	<b>(75,908)</b>	<b>730,425</b>
<b>Net Position, Beginning of Year, as Restated</b>	<b>334,498</b>	<b>222,171</b>	<b>21,941</b>	<b>41,548</b>	<b>-</b>	<b>-</b>	<b>194,988</b>	<b>118,834</b>	<b>933,980</b>
<b>Net Position, End of Year</b>	<b>\$ 479,312</b>	<b>\$ 581,127</b>	<b>\$ 34,939</b>	<b>\$ 38,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 488,061</b>	<b>\$ 42,926</b>	<b>\$ 1,664,405</b>

## **OTHER REPORTS**

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

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
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 each major fund and the aggregate remaining fund information of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated February 15, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Clerk's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 Clerk's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida


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

**Compliance and Other Matters**

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

**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 Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 15, 2022  
Gainesville, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

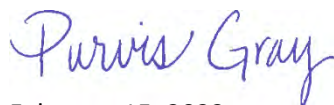
We have examined Nassau County, Florida, Clerk of the Circuit Court (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the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

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

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



February 15, 2022  
Gainesville, Florida

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

We have examined Nassau County, Florida, Clerk of the Circuit Court (the Clerk) compliance with the requirements of Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and 28.36, Florida Statutes, *Budget Procedure*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(c), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2021.

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



February 15, 2022  
Gainesville, Florida

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida


We have examined Nassau County, Florida, Clerk of the Circuit Court (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees* as of and for the year ended September 30, 2021, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, for the year ended September 30, 2021.

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



February 15, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 15, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on our examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 15, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such recommendations made 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 Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.

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The Honorable John A. Crawford  
Nassau County Clerk of the Circuit Court  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements that is less than material but which warrants that attention of those charged with governance. 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 and other granting agencies, the Board of County Commissioners of Nassau County, Florida, the Clerk and applicable 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.



February 15, 2022  
Gainesville, Florida



# 2021

Nassau County Sheriff

Nassau County, Florida

## Financial Statements and Independent Auditor's Report

September 30, 2021

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

**NASSAU COUNTY SHERIFF  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

#### *Incomplete Presentation*

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida as of September 30, 2021, and the changes in its financial position 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 these matters.

#### *Change in Accounting Principle*

As described in Note 9 to the financial statements, the Sheriff adopted Governmental Accounting Standards Board No. 84, *Fiduciary Activities* effective October 1, 2020 as required. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Other Financial Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic 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 basic 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 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 basic financial statements as a whole.

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2022 on our consideration of the Sheriff'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 included under the heading Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely 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 the effectiveness of the Sheriff's 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 Sheriff's internal control over financial reporting and compliance.



March 1, 2022  
Gainesville, Florida



## **FINANCIAL STATEMENTS**

**NASSAU COUNTY SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<b>Major Funds</b>				<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Inmate Commissary</b>	<b>Federal Inmate</b>	<b>Capital Projects</b>		
<b>Assets</b>						
Cash in Bank	\$ 1,268,036	\$ 1,149,856	\$ 319,792	\$ 1,821,001	\$ 91,963	\$ 4,650,648
Cash on Hand	500	-	-	-	3,581	4,081
Accounts Receivable	31,335	50,550	-	-	-	81,885
Due from Other Funds	1,053	7,184	-	3,806	-	12,043
Due from Board of County Commissioners	366,806	-	-	-	-	366,806
Due from Other Governments	941	-	36,927	-	-	37,868
<b>Total Assets</b>	<b>1,668,671</b>	<b>1,207,590</b>	<b>356,719</b>	<b>1,824,807</b>	<b>95,544</b>	<b>5,153,331</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	154,217	659	-	27,097	1,323	183,296
Due to Board of County Commissioners	138,263	-	349,173	-	31,103	518,539
Due to Other Funds	3,806	-	-	-	75	3,881
Other Current Liabilities	1,372,385	-	7,546	-	12,766	1,392,697
<b>Total Liabilities</b>	<b>1,668,671</b>	<b>659</b>	<b>356,719</b>	<b>27,097</b>	<b>45,267</b>	<b>2,098,413</b>
<b>Fund Balances</b>						
Restricted:						
Inmate Welfare	-	1,206,931	-	-	-	1,206,931
Capital Projects	-	-	-	1,797,710	-	1,797,710
Committed:						
Investigative	-	-	-	-	50,277	50,277
<b>Total Fund Balances</b>	<b>-</b>	<b>1,206,931</b>	<b>-</b>	<b>1,797,710</b>	<b>50,277</b>	<b>3,054,918</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,668,671</b>	<b>\$ 1,207,590</b>	<b>\$ 356,719</b>	<b>\$ 1,824,807</b>	<b>\$ 95,544</b>	<b>\$ 5,153,331</b>

See accompanying notes to financial statements.

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

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Inmate Commissary	Federal Inmate	Capital Projects		
<b>Revenues</b>						
Intergovernmental	\$ 196,735	\$ -	\$ 612,331	\$ -	\$ -	\$ 809,066
Miscellaneous	290,286	323,062	-	-	1,691	615,039
<b>Total Revenues</b>	<b>487,021</b>	<b>323,062</b>	<b>612,331</b>	<b>-</b>	<b>1,691</b>	<b>1,424,105</b>
<b>Expenditures</b>						
Current:						
Court-Related:						
Personal Services	1,221,726	-	-	-	-	1,221,726
Operating Expenditures	40,811	-	-	-	-	40,811
Public Safety:						
Personal Services	21,069,475	-	212,623	-	232,351	21,514,449
Operating Expenditures	5,976,588	88,512	4,444	-	208,345	6,277,889
Capital Outlay	2,633,777	2,450	46,091	792,222	585,944	4,060,484
Debt Service:						
Principal	243,679	-	-	-	-	243,679
Interest	15,818	-	-	-	-	15,818
<b>(Total Expenditures)</b>	<b>(31,201,874)</b>	<b>(90,962)</b>	<b>(263,158)</b>	<b>(792,222)</b>	<b>(1,026,640)</b>	<b>(33,374,856)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(30,714,853)</b>	<b>232,100</b>	<b>349,173</b>	<b>(792,222)</b>	<b>(1,024,949)</b>	<b>(31,950,751)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in (out) to Other Funds	(3,806)	-	-	3,806	-	-
Transfers in from Board of County Commissioners	30,880,009	-	-	1,163,952	684,272	32,728,233
Transfers (out) to Board Board of County Commissioners	(161,350)	-	(349,173)	-	(31,103)	(541,626)
<b>Total Other Financing Sources (Uses)</b>	<b>30,714,853</b>	<b>-</b>	<b>(349,173)</b>	<b>1,167,758</b>	<b>653,169</b>	<b>32,186,607</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>232,100</b>	<b>-</b>	<b>375,536</b>	<b>(371,780)</b>	<b>235,856</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>974,831</b>	<b>-</b>	<b>1,422,174</b>	<b>422,057</b>	<b>2,819,062</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 1,206,931</b>	<b>\$ -</b>	<b>\$ 1,797,710</b>	<b>\$ 50,277</b>	<b>\$ 3,054,918</b>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 196,735	\$ 196,735	\$ -
Miscellaneous	-	290,286	290,286	-
<b>Total Revenues</b>	-	487,021	487,021	-
<b>Expenditures</b>				
Current:				
Court-Related:				
Personal Services	1,336,043	1,221,726	1,221,726	-
Operating Expenditures	42,961	40,811	40,811	-
Public Safety:				
Personal Services	21,851,035	21,069,475	21,069,475	-
Operating Expenditures	5,542,985	5,976,588	5,976,588	-
Capital Outlay	1,068,012	2,633,777	2,633,777	-
Debt Service:				
Principal	233,814	243,679	243,679	-
Interest	14,476	15,818	15,818	-
<b>(Total Expenditures)</b>	<b>(30,089,326)</b>	<b>(31,201,874)</b>	<b>(31,201,874)</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(30,089,326)</b>	<b>(30,714,853)</b>	<b>(30,714,853)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out) to Other Funds	-	(3,806)	(3,806)	-
Transfers in from Board of County Commissioners	30,190,990	30,880,009	30,880,009	-
Transfers (out) to Board of County Commissioners	(101,664)	(161,350)	(161,350)	-
<b>Total Other Financing Sources (Uses)</b>	<b>30,089,326</b>	<b>30,714,853</b>	<b>30,714,853</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - INMATE COMMISSARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Inmate Commissary Fund</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$ 240,000	\$ 323,061	\$ 323,062	\$ 1
<b>Total Revenues</b>	<u>240,000</u>	<u>323,061</u>	<u>323,062</u>	<u>1</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Operating Expenditures	1,214,831	1,295,442	88,512	1,206,930
Capital Outlay	<u>-</u>	<u>2,450</u>	<u>2,450</u>	<u>-</u>
<b>(Total Expenditures)</b>	<u>(1,214,831)</u>	<u>(1,297,892)</u>	<u>(90,962)</u>	<u>1,206,930</u>
<b>Net Change in Fund Balance</b>	(974,831)	(974,831)	232,100	1,206,931
<b>Fund Balance, Beginning of Year</b>	<u>974,831</u>	<u>974,831</u>	<u>974,831</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,206,931</u>	<u>\$ 1,206,931</u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - FEDERAL INMATE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Federal Inmate Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 511,000	\$ 612,331	\$ 612,331	\$ -
<b>Total Revenues</b>	<u>511,000</u>	<u>612,331</u>	<u>612,331</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal Services	391,983	212,623	212,623	-
Operating Expenditures	39,510	4,444	4,444	-
Capital Outlay	79,507	46,091	46,091	-
<b>(Total Expenditures)</b>	<u>(511,000)</u>	<u>(263,158)</u>	<u>(263,158)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>349,173</u>	<u>349,173</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out) to Board of County Commissioners	-	(349,173)	(349,173)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(349,173)</u>	<u>(349,173)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2021**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 198,731
Other Receivables	90
<b>Total Assets</b>	<b>198,821</b>
<b>Liabilities</b>	
Accounts Payable	150,101
Due to Other Funds	8,162
Due to Board of County Commissioners	6,928
<b>Total Liabilities</b>	<b>165,191</b>
<b>Net Position</b>	<b>\$ 33,630</b>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2021**

	<b>Custodial Funds</b>
<b>Additions</b>	
Inmate Funds Collected	\$ 1,069,813
Fines, Forfeitures, and Fees Collected	119,830
<b>Total Additions</b>	<b>1,189,643</b>
 <b>Deductions</b>	
Inmate Funds Disbursed	1,056,687
Fines, Forfeitures, and Fees Disbursed	119,830
<b>Total Deductions</b>	<b>1,176,517</b>
 <b>Change in Net Position</b>	<b>13,126</b>
 <b>Net Position, Beginning of Year</b>	-
Prior Period Adjustment	20,504
<b>Net Position, Beginning of Year, Restated</b>	<b>20,504</b>
 <b>Net Position, End of Year</b>	<b>\$ 33,630</b>

See accompanying notes to financial statements.



## **NOTES TO FINANCIAL STATEMENTS**

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

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

The accounting policies of the Nassau County, Florida, Sheriff (the Sheriff) conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Reporting Entity**

Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Sheriff is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is a part of the primary government of the County. The Sheriff is responsible for the administration and operation of the Sheriff's office, and the Sheriff's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**Basis of Presentation**

The accompanying financial statements include all the funds and accounts of the Sheriff's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with 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*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

■ **Governmental Funds**

● **Major Funds**

- ▶ **General Fund**—The General Fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except for those required to be accounted for in another fund.
- ▶ **Inmate Commissary Fund**—This fund accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.
- ▶ **Federal Inmate Fund**—This fund accounts for the revenues and associated expenditures of housing federal inmates at the Nassau County Jail.
- ▶ **Capital Projects Fund**—This fund accounts for the transfers from the Board of County Commissioners related to the construction of facilities for the benefit of the Sheriff's Office operations.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

- **Other Governmental Funds**

- ▶ **Special Revenue Funds**—Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports four non-major special revenue funds in the financial statements under the following titles: Sheriff’s Investigative Fund, CARES Act Fund, Equitable Sharing Fund, and 911 Operations Fund. The Sheriff’s Investigative Fund accounts for monies used in accordance with Section 925.055, Florida Statutes. The CARES Act Fund accounts for monies received and expended pursuant to the CARES Act in response to the COVID-19 pandemic. The Equitable Sharing fund accounts for monies received from the forfeiture of assets through the Department of Justice’s Federal Equitable Sharing Program and administered by the Nassau County Board of County Commissioners. The 911 Operations Fund accounts for the proceeds of telephone charges collected for the operation of the 911 emergency response system.

- **Fiduciary Funds**

- **Custodial Funds**—The custodial funds are fiduciary funds, which are used to account for assets received and held by the Sheriff in the capacity of a trustee or as an agent for individuals, government agencies, and other public organizations.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. 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. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 31 days of the end of the current fiscal period, except for grant revenues, which are considered to be available if collected within 60 days. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken by the beneficiary to release the assets.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Budgetary Requirement**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. The Inmate Commissary Fund and the Sheriff's Investigative Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board.

All budget amounts presented for the General Fund in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting. The Sheriff's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under capital leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets at fair value at the time received. Capital assets are depreciated using the straight-line method over three to ten years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

**Accrued Compensated Absences**

The Sheriff maintains a policy of granting employees Paid Time Off Leave (PTO Leave), which is accrued bi-weekly at an hourly rate determined based upon months of service with the Sheriff. PTO Leave may be used for annual, personal, or sick leave purposes. An employee can receive payment for such accumulated PTO Leave, up to a limit determined based upon months of service with the Sheriff, upon termination of employment.

The Sheriff also allows employees to accumulate compensatory time earned. Compensatory time earned is calculated bi-weekly, and is limited to an accrual of 40 hours. An employee can receive payment for unused compensatory time upon termination of employment or at the discretion of the Sheriff.

**Workers' Compensation and Group Health Insurance**

The Board provided the Sheriff and his employees with workers' compensation and group health insurance coverage. Accidental death coverage for Law Enforcement Officers was also provided by the Board. The premiums for such coverage were paid by the Board and recorded on its records and, consequently, are not recorded on the Sheriff's records.

**Risk Management**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

The Sheriff participates in two Florida Sheriffs Self-Insurance Funds for risk related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public officials' coverage. Coverage limits for automobile risks are \$200,000 per accident for bodily injury and \$100,000 per accident for property damage.

In addition, the Sheriff has obtained an excess loss reimbursement policy to cover catastrophic inmate medical claims.

**Fund Balance Reporting**

The Sheriff implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any non-spendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing 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 or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Sheriff, or by an individual or body to whom the Sheriff has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year's budget deficit.
- **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.

When both restricted and unrestricted resources are available for use, it is the Sheriff'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, it is the Sheriff's policy to use committed resources first, then assigned, and then unassigned as needed.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash**

**Cash Deposits**

At September 30, 2021, the carrying amount of the Sheriff's deposits was \$4,849,379 and the bank balance was \$6,082,399. Cash on hand was \$4,081. Deposits in banks are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Sheriff are placed with qualified financial institutions, which means they are insured or collateralized.

**Note 3 - Employee Retirement Plan**

**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 Sheriff 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 non-integrated programs. An annual comprehensive 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](http://www.dms.myflorida.com)).

**FRS Pension Plan**

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

- *Regular Class*—Members of the Plan 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 as law enforcement officers and meet the criteria to qualify for this class.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

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 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 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. 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, 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. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>Percent Value</b>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	<b>3.00</b>
<b><i>Senior Management Service Class</i></b>	<b>2.00</b>
<b><i>Special Risk Regular</i></b>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

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.

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

<u>Class</u>	<u>Year Ended June 30, 2021</u>		<u>Year Ended June 30, 2022</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
FRS, Special Risk Regular	3.00	22.73	3.00	24.17
DROP – Applicable to Members from All of the Above Classes	0.00	15.32	3.00	16.68
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

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

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for HIS of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Sheriff's contributions (employer) to the FRS Plan totaled \$3,086,149 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2021, the Sheriff's proportionate share of the FRS net pension liability was \$6,036,582. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's contributions to the FRS Plan compared to the contributions of all participating members.

Further information about the Sheriff's net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the FRS Plan can be found in the County-wide annual financial report.



**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**HIS Pension Plan**

*Plan Description.* The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

*Benefits Provided.* For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under one of the State-administered retirement systems 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. For the fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The Sheriff 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 Sheriff's contributions to the HIS Plan totaled \$286,678 for the fiscal year ended September 30, 2021 (modified accrual basis).

*Pension Liabilities.* At September 30, 2021, the Sheriff's proportionate share of the HIS net pension liability was \$6,036,582. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's contributions to the HIS Plan compared to the contributions of all participating members.

Further information about the Sheriff's net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the HIS Plan can be found at the County-wide level.

**FRS – Defined Contribution Pension Plan**

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

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

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. The Sheriff 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. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the .06% administrative fee. 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 (employer and employee) during the 2020-21 fiscal year were as follows:

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

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

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 Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For the fiscal year ended September 30, 2021, the Sheriff's pension expense related to the Investment Plan totaled \$618,937.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 - Other Postemployment Benefits (OPEB)**

The County offers certain postemployment health care benefits that are considered part of an Other Postemployment Benefit (OPEB) plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. Special risk employees of the Sheriff's office begin to receive a subsidy if they have obtained 25 years of service and become fully subsidized once they reach 30 years of service. All other employees of the Sheriff's office receive a 100% subsidy if they have reached 30 years of service. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

Currently, the Sheriff has 267 active employees and 17 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Sheriff's portion of the OPEB obligation for the year totaled \$7,191,929. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 5 - Capital Assets**

The tangible personal property used by the Sheriff in its governmental fund operation is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Sheriff and capitalized at cost in the capital asset accounts of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office. Information on vehicles and equipment used in the operations of the Sheriff's office are presented below:

	<u>Balance October 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance September 30, 2021</u>
<b>Capital Assets</b>				
Construction in Process	\$ 1,211,881	\$ 879,678	\$ (760,067)	\$ 1,331,492
Machinery and Equipment	18,975,025	4,029,052	(295,243)	22,708,834
Accumulated Depreciation	<u>(12,499,185)</u>	<u>(2,197,969)</u>	<u>275,573</u>	<u>(14,421,581)</u>
<b>Capital Assets, Net</b>	<u>\$ 7,687,721</u>	<u>\$ 2,710,761</u>	<u>\$ (779,737)</u>	<u>\$ 9,618,745</u>

Depreciation expense was recorded in the County's government-wide financial statements in the amount of \$2,197,969.

**Note 6 - Operating Leases**

The Sheriff leased various copiers and a postage machine during fiscal year 2020-2021. The monthly lease payments for this equipment ranged from \$88 to \$1,020 per month. The expiration dates of the leases range from February 2022 to June 2025. Lease expense for the year under these leases totaled \$35,380. Future minimum lease payments for the leases are as follows:

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

Year Ending September 30,	Annual Lease Payments
2022	\$ 17,849
2023	7,953
2024	5,913
2025	1,487
<b>Total</b>	<b><u>\$ 33,202</u></b>

**Note 7 - Changes in Long-Term Debt**

The Sheriff's long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

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

	Balance October 1, 2020	Additions	(Deletions)	Balance September 30, 2021
Capital Lease	\$ 317,516	\$ -	\$ (105,839)	\$ 211,677
Note Payable	646,281	-	(137,840)	508,441
Accrued Compensated Absences	1,550,398	1,500,357	(1,321,915)	1,728,840
Other Postemployment Benefits	9,453,250	-	(2,261,321)	7,191,929
Net Pension Liabilities:				
FRS Plan	35,748,733	-	(29,711,740)	6,036,993
HIS Plan	<u>5,398,353</u>	<u>638,229</u>	<u>-</u>	<u>6,036,582</u>
<b>Totals</b>	<b><u>\$ 53,114,531</u></b>	<b><u>\$ 2,138,586</u></b>	<b><u>\$ (33,538,655)</u></b>	<b><u>\$ 21,714,462</u></b>

See Note 3 for more information on the net pension liabilities related to the FRS and HIS Pension Plans.

Accrued compensated absences represent the vested portion of accrued leave, and are liquidated by the general fund and 911 operations fund. See Note 1 for a summary of the Sheriff's compensated absences policy.

A description of the Sheriff's policies on OPEB are described in Note 4.

**Capital Lease**

In October of 2018, the Sheriff entered into a capital lease agreement with Axon for the purchase of taser equipment. The lease agreement requires annual installments of \$105,839 for five years until October of 2023 with no interest.

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

Future minimum lease payments under this capital lease are as follows:

<b>Year Ending September 30,</b>	<b>Future Lease Payments</b>
2022	\$ 105,839
2023	105,838
Total Future Minimum Lease Payments (Less Amount Representing Interest)	211,677
<b>Present Value of Future Minimum Lease Payments</b>	<b>\$ 211,677</b>

**Note Payable**

In July 2020, the Sheriff entered into a promissory note agreement with First Port City Bank to purchase Virtualization Infrastructure Equipment. The note is secured by the equipment as detailed in the promissory note documents and is due in monthly installments of \$12,804 at a stated interest rate of 2.5% per annum.

Maturities of note payables are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 142,445	\$ 11,213	\$ 153,658
2023	146,098	7,560	153,658
2024	149,844	3,814	153,658
2025	70,054	474	70,528
<b>Total</b>	<b>\$ 508,441</b>	<b>\$ 23,061</b>	<b>\$ 531,502</b>

**Note 8 - Inter Fund Receivables and Payables**

Inter Fund receivables and payables at September 30, 2021, are as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 1,053	\$ 3,806
Special Revenue Funds:		
Inmate Commissary	7,184	-
911 Operations Fund	-	75
Capital Projects Fund	3,806	-
Fiduciary Funds:		
Inmate Trust	-	8,162
<b>Totals</b>	<b>\$ 12,043</b>	<b>\$ 12,043</b>

**NASSAU COUNTY SHERIFF  
NOTES TO FINANCIAL STATEMENTS**

**Note 9 - Change in Accounting Principle**

During the year ended September 30, 2021, the Sheriff adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Sheriff to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Sheriff has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

<b>Net Position, October 1, 2020, As Previously Reported</b>	\$ -
Change in Accounting Principle – GASB 84	<u>20,504</u>
<b>Net Position, October 1, 2020, As Restated</b>	<u><u>\$ 20,504</u></u>

## **OTHER FINANCIAL INFORMATION**

**NASSAU COUNTY SHERIFF  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2021**

	<u>Sheriff Investigative</u>	<u>CARES Act</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
<b>Assets</b>					
Cash in Bank	\$ 46,696	\$ -	\$ -	\$ 45,267	\$ 91,963
Cash on Hand	3,581	-	-	-	3,581
<b>Total Assets</b>	<u>50,277</u>	<u>-</u>	<u>-</u>	<u>45,267</u>	<u>95,544</u>
<b>Liabilities and Fund Balances</b>					
Accounts Payable	-	-	-	1,323	1,323
Due to Other Funds	-	-	-	75	75
Due to Board of County Commissioners	-	-	-	31,103	31,103
Other Current Liabilities	-	-	-	12,766	12,766
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,267</u>	<u>45,267</u>
<b>Fund Balances</b>					
Committed:					
Investigative	<u>50,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,277</u>
<b>Total Fund Balances</b>	<u>50,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,277</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 50,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,267</u>	<u>\$ 95,544</u>



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

	<u>Sheriff Investigative</u>	<u>CARES Act</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
<b>Revenues</b>					
Miscellaneous	\$ 1,691	\$ -	\$ -	\$ -	\$ 1,691
<b>Total Revenues</b>	<u>1,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,691</u>
<b>Expenditures</b>					
Current:					
Public Safety:					
Personal Services	-	53,995	-	178,356	232,351
Operating Expenditures	17,746	-	-	190,599	208,345
Capital Outlay	-	353,794	216,928	15,222	585,944
<b>(Total Expenditures)</b>	<u>(17,746)</u>	<u>(407,789)</u>	<u>(216,928)</u>	<u>(384,177)</u>	<u>(1,026,640)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(16,055)</u>	<u>(407,789)</u>	<u>(216,928)</u>	<u>(384,177)</u>	<u>(1,024,949)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in from Board of County Commissioners	-	52,064	216,928	415,280	684,272
Transfers (out) to Board of County Commissioners	-	-	-	(31,103)	(31,103)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>52,064</u>	<u>216,928</u>	<u>384,177</u>	<u>653,169</u>
<b>Net Change in Fund Balance</b>	(16,055)	(355,725)	-	-	(371,780)
<b>Fund Balance, Beginning of Year</b>	<u>66,332</u>	<u>355,725</u>	<u>-</u>	<u>-</u>	<u>422,057</u>
<b>Fund Balance, End of Year</b>	<u>\$ 50,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,277</u>

## **CUSTODIAL FUNDS**

**Individual Depositors/Suspense**—Accounts for fees charged for the service of process in civil cases. These non-refundable fees are set by Section 30.231 of the Florida Statutes. On a monthly basis, these fees are deposited to the General Fund of the Board of County Commissioners. Accounts for the receipt and disbursement of funds received for various purposes, such as faulty equipment for inspection and purge money for child support. Disbursement of these funds is made in accordance with the purpose of the receipt.

**Inmate Trust**—Accounts for inmates' personal cash receipts and disbursements. Individual inmate account records are maintained. This fund makes disbursements requested by inmates to the extent of their available funds.

**NASSAU COUNTY SHERIFF  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
SEPTEMBER 30, 2021**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 6,750	\$ 191,981	\$ 198,731
Other Receivables	90	-	90
<b>Total Assets</b>	<u>6,840</u>	<u>191,981</u>	<u>198,821</u>
<b>Liabilities</b>			
Accounts Payable	-	150,101	150,101
Due to Other Funds	-	8,162	8,162
Due to Board of County Commissioners	6,840	88	6,928
<b>Total Liabilities</b>	<u>6,840</u>	<u>158,351</u>	<u>165,191</u>
<b>Net Position</b>	<u>\$ -</u>	<u>\$ 33,630</u>	<u>\$ 33,630</u>

**NASSAU COUNTY SHERIFF  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2021**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
<b>Additions</b>			
Inmate Funds Collected	\$ -	\$ 1,069,813	\$ 1,069,813
Fines, Forfeitures and Fees Collected	119,830	-	119,830
<b>Total Additions</b>	<u>119,830</u>	<u>1,069,813</u>	<u>1,189,643</u>
<b>Deductions</b>			
Inmate Funds Disbursed	-	1,056,687	1,056,687
Fines, Forfeitures, and Fees Disbursed	119,830	-	119,830
<b>Total Deductions</b>	<u>119,830</u>	<u>1,056,687</u>	<u>1,176,517</u>
<b>Change in Net Position</b>	<u>-</u>	<u>13,126</u>	<u>13,126</u>
<b>Net Position, Beginning of Year</b>	-	-	-
Prior Period Adjustment	-	20,504	20,504
<b>Net Position, Beginning of Year, Restated</b>	<u>-</u>	<u>20,504</u>	<u>20,504</u>
<b>Net Position, End of Year</b>	<u>\$ -</u>	<u>\$ 33,630</u>	<u>\$ 33,630</u>

## **OTHER REPORTS**

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

The Honorable Bill Leeper  
Nassau County Sheriff  
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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated March 1, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

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

**Compliance and Other Matters**

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

**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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 1, 2022  
Gainesville, Florida

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

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

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

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

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

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

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



March 1, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of Nassau County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 1, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on our examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 1, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

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The Honorable Bill Leeper  
Nassau County Sheriff  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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 and other granting agencies, the Sheriff and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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



March 1, 2022  
Gainesville, Florida



# 2021

Nassau County Tax Collector

Nassau County, Florida

## Financial Statements and Independent Auditor's Report

September 30, 2021

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

**NASSAU COUNTY TAX COLLECTOR  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2021, the respective changes in financial position thereof, and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

#### *Incomplete Presentation*

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds and the aggregate remaining fund information of Nassau County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2021, and the changes in its financial position, budgetary comparisons, or 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 these matters.

#### *Change in Accounting Principle*

As described in Note 8 to the financial statements, the Tax Collector adopted Governmental Accounting Standards Board No. 84, *Fiduciary Activities*, as of October 1, 2020 as required. Our opinion is not modified with respect to this matter.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2022, on our consideration of the Tax Collector'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 solely 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 Tax Collector's internal control over financial reporting and compliance.



February 28, 2022  
Gainesville, Florida

## **FINANCIAL STATEMENTS**



**NASSAU COUNTY TAX COLLECTOR  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2021**

**Assets**

Cash	\$	882,808
Due from Other Governmental Units		9,908
Due from Agency Fund		74,882
Due from Board of County Commissioners		184,373
<b>Total Assets</b>		<u><u>1,151,971</u></u>

**Liabilities and Fund Balance**

**Liabilities**

Accounts Payable		121,205
Other Current Liabilities		80,013
Due to Board of County Commissioners		862,078
Due to Other Governments		29,233
Unearned Revenue		59,442
<b>Total Liabilities</b>		<u><u>1,151,971</u></u>

**Fund Balance**

**Total Liabilities and Fund Balance**

		<u>-</u>
	\$	<u><u>1,151,971</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Revenues</b>	
Charges for Services	\$ 1,212,575
Miscellaneous	10,858
<b>Total Revenues</b>	<u>1,223,433</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personnel Services	2,669,409
Operating Expenditures	899,391
Capital Outlay	55,161
<b>(Total Expenditures)</b>	<u>(3,623,961)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,400,528)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	3,141,228
Transfers (out) to Board of County Commissioners	(859,745)
Transfers in from Supervisor of Elections	119,045
<b>Total Other Financing Sources (Uses)</b>	<u>2,400,528</u>
<b>Net Change in Fund Balance</b>	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$ 1,192,382	\$ 1,192,382	\$ 1,212,575	\$ 20,193
Miscellaneous	-	-	10,858	10,858
<b>Total Revenues</b>	<u>1,192,382</u>	<u>1,192,382</u>	<u>1,223,433</u>	<u>31,051</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personnel Services	2,828,256	2,828,256	2,669,409	158,847
Operating Expenditures	1,059,980	1,059,980	899,391	160,589
Capital Outlay	97,000	97,000	55,161	41,839
<b>(Total Expenditures)</b>	<u>(3,985,236)</u>	<u>(3,985,236)</u>	<u>(3,623,961)</u>	<u>361,275</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,792,854)</u>	<u>(2,792,854)</u>	<u>(2,400,528)</u>	<u>392,326</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	3,754,727	3,754,727	3,141,228	(613,499)
Transfers (out) to Board of County Commissioners	(961,873)	(961,873)	(859,745)	102,128
Transfers in from Supervisor of Elections	-	-	119,045	119,045
<b>Total Other Financing Sources (Uses)</b>	<u>2,792,854</u>	<u>2,792,854</u>	<u>2,400,528</u>	<u>(392,326)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
SEPTEMBER 30, 2021**

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash	\$ 3,548,994
Due from Individuals	174,065
Due from Board of County Commissioners	125
<b>Total Assets</b>	<b>3,723,184</b>
<b>Liabilities</b>	
Due to General Fund	74,882
Due to Board of County Commissioners	8,665
Due to Other Governments	483,125
Undistributed Collections	3,153,425
<b>Total Liabilities</b>	<b>3,720,097</b>
<b>Net Position</b>	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 3,087

See accompanying notes to financial statements.

**NASSAU COUNTY TAX COLLECTOR  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Custodial Fund</b>
<b>Additions</b>	
Licenses and Tag Fees Collected	\$ 16,186,915
Property Taxes and Fees Collected	182,068,249
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Collected	49,180,991
Tourist Development Fees Collected	8,581,415
<b>Total Additions</b>	256,017,570
 <b>Deductions</b>	
Licenses and Tag Fees Disbursed	16,186,915
Property Taxes and Fees Disbursed	182,068,249
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Disbursed	49,185,222
Tourist Development Fees Disbursed	8,581,415
<b>Total Deductions</b>	256,021,801
 <b>Change in Net Position</b>	(4,231)
 <b>Net Position, Beginning</b>	-
Restatement	7,318
<b>Net Position, Beginning, As Restated</b>	7,318
 <b>Net Position, Ending</b>	\$ 3,087

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

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

The accounting policies of the office of the Nassau County Tax Collector (the Tax Collector) conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

**Reporting Entity**

Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Nassau County, Florida Tax Collector (the Tax Collector) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector. The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes and special assessments for the various Nassau County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

**Basis of Presentation**

The accompanying financial statements include all funds and accounts of the Tax Collector's office, but are not intended to be 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(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

- **Governmental Fund**
  - **Major Fund**
    - ▶ **General Fund**—The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

■ **Fiduciary Fund**

- **Custodial Fund**—The custodial fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

**Fund Balance**

The Tax Collector follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Tax Collector is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

**Non-Spendable Fund Balance**—Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

**Restricted Fund Balance**—Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed Fund Balance**—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Tax Collector’s highest level of decision making authority, which is a policy of the Tax Collector. Committed amounts cannot be used for any other purpose unless the Tax Collector removes those constraints by taking the same type of action.

**Assigned Fund Balance**—Assigned fund balances are amounts that are constrained by the Tax Collector’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Tax Collector; or (b) a body or official to which the Tax Collector has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned Fund Balance**—Unassigned fund balance is the residual classification for the General Fund. The Tax Collector’s policy is to expend resources in the following order: unassigned, restricted, committed, and assigned.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.



**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The Custodial Fund is accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Tax Collector to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.

**Budgetary Requirement**

The revenues and expenditures accounted for in the budgetary fund are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by the office.

**Compensated Absences**

The Tax Collector maintains a policy of granting employees annual leave based upon the number of years of employment. Unused annual leave expires at the end of each fiscal year.

In addition, the Tax Collector maintains the following policy for sick leave. Sick leave is accumulated at the rate of four hours per pay period. Upon making application to draw benefits through the Florida Retirement System, an eligible employee is entitled to be paid for accumulated sick leave at the current rate of pay, not to exceed 720 hours.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

**Property Tax Collections**

Chapter 197, Florida Statutes, governs property tax collections.

- *Current Taxes*—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.
- *Unpaid Taxes - Sale of Tax Certificates*—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.
- *Tax Deeds*—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

**Unearned Revenue**

Unearned revenue represents the biennial service fees attributable to future years.

**Use of Estimates**

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

**Note 2 - Cash**

At September 30, 2021, the carrying amount of the Tax Collector's cash on hand and on deposit was \$4,431,802 and the bank balances were \$4,338,356. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions and are considered to be fully insured.

The Tax Collector's investment practices are governed by Sections 219.075 and 218.415, Florida Statutes. The Tax Collector was authorized to invest in certificates of deposit, obligations of the U.S. Treasury, money market funds, and repurchase agreements.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 - Employee Retirement Plan**

**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 Tax Collector 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 non-integrated programs. An annual comprehensive 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](http://www.dms.myflorida.com)).

Total pension expense reported in the Tax Collector's financial statements for the year ended September 30, 2021 was \$312,785.

**FRS Pension Plan**

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

- *Regular Class*—Members of the Plan 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.

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. 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. 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, 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.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

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. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>Percent Value</b>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	<b>3.00</b>
<b><i>Senior Management Service Class</i></b>	<b>2.00</b>

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 TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

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

<u>Class</u>	<u>Year Ended June 30, 2021</u>		<u>Year Ended June 30, 2022</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer(2)</u>	<u>Employee</u>	<u>Employer(2)</u>
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
DROP – Applicable to Members from All of the Above Classes	0.00	15.32	0.00	16.68
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

**Notes:**

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

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Tax Collector contributions (employer) to the FRS Pension Plan totaled \$248,585 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2021, the Tax Collector’s proportionate share of the FRS net pension liability was \$511,010. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

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

**HIS Pension Plan**

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

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

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

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. For the fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% and 1.66% of payroll respectively, pursuant to Section 112.363, Florida Statutes. The Tax Collector 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 Tax Collector's contributions to the HIS Plan totaled \$29,970 for the fiscal year ended September 30, 2021.

Pension Liabilities. At September 30, 2021, the Tax Collector's proportionate share of the HIS net pension liability was \$620,249. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2020-21 fiscal year contributions of all participating members.

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

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector 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 Officer, etc.), as the FRS defined benefit plan. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the .06% administrative fee. 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 (employer and employee) during the 2020-2021 fiscal year were as follows:

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

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

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

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 Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Tax Collector's contributions to the Investment Plan totaled \$29,847 for the fiscal year ended September 30, 2021.

**Note 4 - Changes in Long-Term Debt**

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

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2021</u>
Accrued Compensated Absences	\$ 98,609	\$ 167,780	\$ (168,921)	\$ 97,468
Net Pension Liabilities:				
FRS Plan	3,011,964	-	(2,500,954)	511,010
HIS Plan	606,885	13,364	-	620,249
Other Postemployment Benefits	<u>1,401,813</u>	<u>-</u>	<u>(515,484)</u>	<u>886,329</u>
<b>Total Long-Term Debt</b>	<u>\$ 5,119,271</u>	<u>\$ 181,144</u>	<u>\$ (3,185,359)</u>	<u>\$ 2,115,056</u>

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Tax Collector’s compensated absences policy.

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

Other Postemployment Benefits (OPEB) represents the portion of the liability based upon current and retired employees of the Tax Collector. See Note 5 for a description of OPEB.

The Tax Collector’s long-term debt is not reported in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

**Note 5 - Other Postemployment Benefits**

The County offers certain postemployment health care benefits that are considered part of an Other Postemployment Benefit (OPEB) plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

**Percent of Direct Subsidy up to “Subsidy Base Maximum”**

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

Currently, the Tax Collector has 38 active employees and one retired employee who are considered participants in the plan for purposes of computing the OPEB obligation. The Tax Collector’s portion of the OPEB obligation at September 30, 2021, totaled \$886,329. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.



**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 - Interfund Receivables and Payables**

Interfund receivables and payables at September 30, 2021, are as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 74,896	\$ 14
Fiduciary:		
Custodial Fund	14	74,896
<b>Totals</b>	<b>\$ 74,910</b>	<b>\$ 74,910</b>

Interfund balances primarily comprise the statutory fee portion of collections within the fiduciary fund to be distributed to the general fund as revenues to support operations.

**Note 7 - Lease Agreements**

**Equipment Leases**

Effective during 2017, the Tax Collector executed two lease agreements with Pitney Bowes for various mailing equipment. Lease periods are for 60 months through fiscal year 2022. Quarterly payments due under the leases are \$1,006 and \$344, respectively.

Effective during 2021, the Tax Collector executed a lease agreement with Pitney Bowes for a letter opener and associated mail metering equipment. The lease periods are for 60 months through fiscal year 2026. The quarterly payment due under the lease is \$1,361.

In addition, the Tax Collector has various lease agreements with Canon Business Solutions for copier equipment and a check scanner. Monthly lease payments due under the agreements range from \$128 to \$342, with lease periods from 36 months to 48 months expiring at various dates through September 2024.

Equipment lease payments made under these agreements during the fiscal year ended September 30, 2021, was \$15,740. The future minimum lease payments are as follows:

<b>Year Ending September 30,</b>	<b>Amount</b>
2022	\$ 14,080
2023	14,080
2024	9,204
2025	5,442
2026	4,082
<b>Total</b>	<b>\$ 46,888</b>

**Building Leases**

The Tax Collector entered into a sublease agreement with the Florida Department of Highway Safety and Motor Vehicles for the establishment and operation of a drivers license office and an administration office. The lease period is for 35 years commencing on March 24, 2008 and ending March 23, 2043. Lease payments are \$25 per month. Upon termination or expiration of this sublease, the premises and improvements are to be surrendered to the Tax Collector of Nassau County.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

The Tax Collector leases office space for a branch location in Callahan, Florida. The original lease term was from March 15, 2016 through March 14, 2021. The lease agreement has an option to extend the lease for two consecutive years, which was exercised in March 2021.

The Tax Collector entered into an agreement to lease office space for a branch location in Hilliard, Florida. The lease agreement requires monthly lease payments of \$500 and the lease can be terminated upon sixty days' written notice by either party.

Rent expense under these building leases totaled \$47,726 for the year ended September 30, 2021.

Future minimum lease payments under the building lease agreements described above are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 42,375
2023	17,873
2024	300
2025	300
2026	300
Thereafter	4,950
<b>Total</b>	<u>\$ 66,098</u>

**Note 8 - Change in Accounting Principle**

During the year ended September 30, 2021, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Tax Collector to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Tax Collector has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

<b>Net Position, October 1, 2020, as Previously Reported</b>	\$ -
Change in Accounting Principles	<u>7,318</u>
<b>Net Position Balance, October 1, 2020, as Restated</b>	<u>\$ 7,318</u>

**Note 9 - Risk Management**

The Tax Collector 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 various insurance coverage purchased by the Board of County Commissioners (BOCC) on behalf of the Tax Collector and other county-affiliated entities. Settled claims from these risks have not exceeded insurance coverage for the past three years.

**NASSAU COUNTY TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS**

The financial liability of the Tax Collector 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.

The Tax Collector is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Tax Collector involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

**Note 10 - Commitments and Contingencies**

From time-to-time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of management, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the combined financial position of the County, which would be required to fund any claim payments.

## **OTHER REPORTS**

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

The Honorable John Drew  
Nassau County Tax Collector  
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 general fund and the aggregate remaining fund information of the Nassau County, Florida, Tax Collector (the Tax Collector), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 28, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tax Collector'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 Tax Collector's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

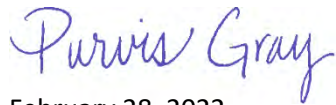
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 non-compliance 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 28, 2022  
Gainesville, Florida

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

The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

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

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

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

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

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



February 28, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 28, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 28, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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The Honorable John Drew  
Nassau County Tax Collector  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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, the Tax Collector, its management, and the Board of County Commissioners of Nassau County, Florida; 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.



February 28, 2022  
Gainesville, Florida



# 2021

Nassau County Property Appraiser

Nassau County, Florida

## Financial Statements and Independent Auditor's Report

September 30, 2021

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

**NASSAU COUNTY PROPERTY APPRAISER  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the General Fund only for that portion of the major fund information of Nassau County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2021, and the changes in its financial position, budgetary comparisons, or 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 these matters.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.



February 23, 2022  
Gainesville, Florida

## **FINANCIAL STATEMENTS**

**NASSAU COUNTY PROPERTY APPRAISER  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2021**

<b>Assets</b>	
Cash	\$ 79,196
Due from Other Governments	4,605
<b>Total Assets</b>	<u>83,801</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Due to Board of County Commissioners	81,870
Due to Other Governments	1,931
<b>Total Liabilities</b>	<u>83,801</u>
<b>Fund Balance</b>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 83,801</u>

See accompanying notes to financial statements.



**NASSAU COUNTY PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Revenues</b>	
Intergovernmental Revenue	\$ 160,200
Charges for Services	79,847
Interest Income	181
Miscellaneous	3,514
<b>Total Revenues</b>	<u>243,742</u>
<b>Expenditures</b>	
Current:	
General Government:	
Personal Services	1,950,611
Operating Expenditures	696,583
Public Safety:	
Personal Services	69,002
Operating Expenditures	272,955
Capital Outlay	10,098
<b>(Total Expenditures)</b>	<u>(2,999,249)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,755,507)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	2,579,408
Transfers in from Constitutional Officers	23,000
Transfers (out) to Board of County Commissioners	(81,870)
<b>Total Other Financing Sources (Uses)</b>	<u>2,520,538</u>
<b>Net Change in Fund Balance</b>	(234,969)
<b>Fund Balance, Beginning of Year</b>	<u>234,969</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ 160,200	\$ 160,200	\$ 160,200	\$ -
Charges for Services	-	-	79,847	79,847
Interest Income	-	-	181	181
Miscellaneous	-	-	3,514	3,514
<b>Total Revenues</b>	<u>160,200</u>	<u>160,200</u>	<u>243,742</u>	<u>83,542</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	2,001,295	2,010,176	1,950,611	59,565
Operating Expenditures	550,252	560,630	696,583	(135,953)
Public Safety:				
Personal Services	99,759	99,759	69,002	30,757
Operating Expenditures	74,213	74,213	272,955	(198,742)
Capital Outlay	-	10,099	10,098	1
Reserves	50,000	264,492	-	264,492
<b>(Total Expenditures)</b>	<u>(2,775,519)</u>	<u>(3,019,369)</u>	<u>(2,999,249)</u>	<u>20,120</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,615,319)</u>	<u>(2,859,169)</u>	<u>(2,755,507)</u>	<u>103,662</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	2,592,319	2,601,200	2,579,408	(21,792)
Transfers in from Constitutional Officers	23,000	23,000	23,000	-
Transfers (out) to Board of County Commissioners	-	-	(81,870)	(81,870)
<b>Total Other Financing Sources (Uses)</b>	<u>2,615,319</u>	<u>2,624,200</u>	<u>2,520,538</u>	<u>(103,662)</u>
<b>Net Change in Fund Balance</b>	-	(234,969)	(234,969)	-
<b>Fund Balance, Beginning of Year</b>	<u>234,969</u>	<u>234,969</u>	<u>234,969</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 234,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

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

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

**Reporting Entity**

Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Nassau County, Florida, Property Appraiser (the Property Appraiser) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser. The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The operations of the Property Appraiser are funded by the Board of County Commissioners, the St. Johns River Water Management District, the Amelia Island Mosquito Control District, and the Florida Inland Navigation District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

**Basis of Presentation**

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not intended to be 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(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports the following fund type:

- **Governmental Fund**
  - **Major Fund**
    - ▶ **General Fund**—The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Capital Assets**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

**Compensated Absences**

The Property Appraiser maintains a policy of granting employees annual leave based upon the number of years of employment. An employee can receive payment for such accumulated annual leave upon termination of employment in good standing up to a maximum of 300 hours. In addition, the Property Appraiser maintains the following policy for sick leave. Sick leave is accumulated at the rate of one day per month. Upon appointment or election to county-wide office, death, or voluntarily resignation (or retirement), with two weeks' prior written notice, an employee will be paid for accumulated sick leave up to a maximum payout of 400 hours calculated based upon years of service and a percentage of pay.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

**Fund Balance Reporting**

The Property Appraiser implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Property Appraiser does not have any non-spendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing 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 or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Property Appraiser, or by an individual or body to whom the Property Appraiser has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year's budget deficit.
- **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.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser'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, it is the Property Appraiser's policy to use committed resources first, then assigned, and then unassigned, as needed.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash**

At September 30, 2021, the carrying amount of the Property Appraiser's deposits was \$79,196 and the bank balance was \$336,628. Deposits in banks, savings, and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified financial institutions, which means they are insured or collateralized.

**Note 3 - Employee Retirement Plan**

**General Information about the Florida Retirement System (FRS)**

The Florida Retirement System (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 Property Appraiser 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 non-integrated programs. An annual comprehensive 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](http://www.dms.myflorida.com)).

**FRS Pension Plan**

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

- *Regular Class*—Members of the Plan 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.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

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, 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 receipts 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. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>Percent Value</b>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	<b>3.00</b>
<b><i>Senior Management Service Class</i></b>	<b>2.00</b>



**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

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.

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

Class	Year Ended June 30, 2021		Year Ended June 30, 2022	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
DROP – Applicable to Members from All of the Above Classes	0.00	15.26	0.00	16.68
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

- Notes:** (1) Contribution rates are dependent upon retirement class in which reemployed.  
(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for HIS of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The Property Appraiser contributions (employer) to the FRS Plan totaled \$222,785 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2021, the Property Appraiser’s proportionate share of the FRS net pension liability was \$429,134. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Further information about the Property Appraiser’s net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the FRS Plan can be found in the County-wide annual financial report.

**HIS Pension Plan**

Plan Description. The HIS Pension Plan (the HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

*Benefits Provided.* For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement systems 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. For the fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% and 1.66% of payroll, respectively, pursuant to Section 112.363, Florida Statutes. The Property Appraiser 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 Property Appraiser's contributions to the HIS Plan totaled \$22,981 for the fiscal year ended September 30, 2021.

*Pension Liabilities.* At September 30, 2021, the Property Appraiser's proportionate share of the HIS net pension liability was \$466,006. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's contributions to the HIS Plan compared to the contributions of all participating members.

Further information about the Property Appraiser's net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the FRS Plan can be found in the County-wide annual financial report.

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' 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.

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

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 Officer, etc.) as the FRS defined benefit plan. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the 0.06% administrative fee. 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 2020-21 fiscal year were as follows:

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

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

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 Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Property Appraiser's Investment Plan pension expense totaled \$29,027 for the fiscal year ended September 30, 2021.

**Note 4 - Changes in Long-Term Debt**

The following is a summary of the changes in accumulated compensated absences of the Property Appraiser for the year ended September 30, 2021:

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2021</u>
Accrued Compensated Absences	\$ 156,824	\$ 144,904	\$ (123,278)	\$ 178,450
Net Pension Liabilities:				
FRS Plan	2,531,515	-	(2,102,381)	429,134
HIS Plan	433,914	32,092	-	466,006
Other Postemployment Benefits	<u>826,710</u>	<u>-</u>	<u>(320,236)</u>	<u>506,474</u>
<b>Total Long-Term Debt</b>	<u>\$ 3,948,963</u>	<u>\$ 176,996</u>	<u>\$ (2,545,895)</u>	<u>\$ 1,580,064</u>

Accrued compensated absences represent the vested portion of accrued leave. See Note 1 for a summary of the Property Appraiser’s accumulated compensated absences policy.

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

Other Postemployment Benefits (OPEB) represents the portion of the liability based upon current and retired employees of the Property Appraiser. See Note 5 for a description of OPEB.

The Property Appraiser’s long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

**Note 5 - Other Postemployment Benefits**

The County offers certain postemployment health care benefits that are considered part of an OPEB plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

**Percent of Direct Subsidy up to “Subsidy Base Maximum”**

<u>Years of Service With Nassau County</u>	<u>Hired Before 10/1/05</u>	<u>Hired on or After 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%

**NASSAU COUNTY PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS**

Currently, the Property appraiser has 17 active employees and 3 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Property Appraiser's portion of the OPEB obligation at September 30, 2021, totaled \$320,236. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

## **OTHER REPORTS**

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

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
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 general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated February 23, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser'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 Property Appraiser's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

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

**Compliance and Other Matters**

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

**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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 23, 2022  
Gainesville, Florida



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

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

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

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

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

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

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



February 23, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 23, 2022.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 23, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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The Honorable A. Michael Hickox  
Nassau County Property Appraiser  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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, the Property Appraiser, its management, and the Board of County Commissioners of Nassau County, Florida, 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.



February 23, 2022  
Gainesville, Florida



# 2021

Nassau County Supervisor of Elections

Nassau County, Florida

## Financial Statements and Independent Auditor's Report

September 30, 2021

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NASSAU COUNTY, FLORIDA**

**SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity'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 entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

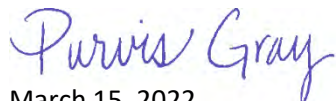
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds, and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2021, and the changes in its financial position, budgetary comparisons, or 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 these matters.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the Supervisor of Elections' 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 solely 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 the effectiveness of the Supervisor of Elections' 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 Supervisor of Elections' internal control over financial reporting and compliance.



March 15, 2022  
Gainesville, Florida



## **FINANCIAL STATEMENTS**

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2021**

<b>Assets</b>	
Cash	\$ 593,272
Accounts Receivable	1,290
Prepays	<u>104,358</u>
<b>Total Assets</b>	<u><u>698,920</u></u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	74,249
Due to the Board of County Commissioners	621,882
Unearned Revenue	<u>2,789</u>
<b>Total Liabilities</b>	<u>698,920</u>
<b>Fund Balance</b>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 698,920</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Revenues</b>	
Intergovernmental Revenue	\$ 200,378
Charges for Services	15,223
Miscellaneous Revenue	<u>6,663</u>
<b>Total Revenues</b>	<u>222,264</u>
 <b>Expenditures</b>	
Current:	
General Government:	
Personal Services	1,209,680
Operating Expenditures	664,000
Capital Outlay	<u>41,343</u>
<b>(Total Expenditures)</b>	<u>(1,915,023)</u>
 <b>(Deficiency) of Revenues (Under) Expenditures</b>	 <u>(1,692,759)</u>
 <b>Other Financing Sources (Uses)</b>	
Transfers in from Board of County Commissioners	2,467,671
Transfers (out) to Board of County Commissioners	(632,867)
Transfers (out) to Property Appraiser	(23,000)
Transfers (out) to Tax Collector	<u>(119,045)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,692,759</u>
 <b>Net Change in Fund Balance</b>	 -
 <b>Fund Balance, Beginning of Year</b>	 <u>-</u>
 <b>Fund Balance, End of Year</b>	 <u><u>\$ -</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenue	\$ -	\$ 202,082	\$ 200,378	\$ (1,704)
Charges for Services	-	-	15,223	15,223
Miscellaneous Revenue	-	-	6,663	6,663
<b>Total Revenues</b>	<u>-</u>	<u>202,082</u>	<u>222,264</u>	<u>20,182</u>
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	1,335,179	1,209,717	1,209,680	37
Operating Expenditures	750,320	664,007	664,000	7
Capital Outlay	266,700	166,705	41,343	125,362
<b>(Total Expenditures)</b>	<u>(2,352,199)</u>	<u>(2,040,429)</u>	<u>(1,915,023)</u>	<u>125,406</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,352,199)</u>	<u>(1,838,347)</u>	<u>(1,692,759)</u>	<u>145,588</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in from Board of County Commissioners	2,534,366	2,642,671	2,467,671	(175,000)
Transfers (out) to Board of County Commissioners	(26,500)	(635,657)	(632,867)	2,790
Transfers (out) to Property Appraiser	(33,000)	(33,000)	(23,000)	10,000
Transfers (out) to Sheriff	(15,000)	(15,000)	-	15,000
Transfers (out) to Tax Collector	(107,667)	(120,667)	(119,045)	1,622
<b>Total Other Financing Sources (Uses)</b>	<u>2,352,199</u>	<u>1,838,347</u>	<u>1,692,759</u>	<u>(145,588)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

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

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

**Reporting Entity**

Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections) is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections. The Supervisor of Elections is a part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget and the Clerk of the Court is responsible for accounting for the Supervisor of Elections' transactions. The Supervisor of Elections is responsible for the administration and operation of the Supervisor of Elections' office, and the Supervisor of Elections' financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements.

For financial reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

**Basis of Presentation**

The accompanying financial statements include all funds and accounts of the Supervisor of Elections office, but are not intended to be 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(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Supervisor of Elections considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Budgetary Requirement**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

**Capital Assets**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the office.

**Unearned Revenue**

Unearned revenue represents monies received for voter education and/or poll worker grants which had not been expended at fiscal year-end. Revenue will be recognized in subsequent years when all eligibility requirements have been met.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

**Compensated Absences**

The Supervisor of Elections' policy for granting employees vacation leave is based upon the number of years of employment. An employee is entitled to receive payment for such accumulated leave upon separation in good standing.

In addition, the Supervisor of Elections' policy provides that employees earn sick leave at the rate of four hours every two weeks up to a maximum of ninety days, seven hundred twenty (720) hours. Any employee who has accumulated the maximum of unused sick leave in one year shall be paid for any unused sick leave above the ninety days, seven hundred twenty (720) hours. Said payment shall be made on the first (1<sup>st</sup>) pay day of December each year.

**Workers' Compensation and Group Health Insurance**

The Board provided the Supervisor of Elections and her employees with workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Board and recorded on its records and, consequently, are not recorded on the Supervisor of Elections' records.

**Note 2 - Cash**

At September 30, 2021, the carrying amount of the Supervisor of Elections' cash balance, as recorded on the Board's records, was \$593,272. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits are placed with qualified financial institutions, which means they are insured or collateralized.

**Note 3 - Employee Retirement Plan**

**General Information about the Florida Retirement System (FRS)**

The Florida Retirement System (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.



**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

Essentially all regular employees of the Supervisor of Elections 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 non-integrated programs. An annual comprehensive 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](http://www.dms.myflorida.com)).

The Supervisor of Elections' contributions to the plan for the years ended September 30, 2021, 2020, and 2019, were \$168,114, \$150,983, and \$132,531, respectively, equal to the required contributions for each year. The net pension liability for the Supervisor of Elections is not calculated separately but is reported as part of the County's total net pension liability and shown in the county-wide statement of net position for the County.

**FRS Pension Plan**

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

- *Regular Class*—Members of the Plan 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.

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, 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 receipts of monthly benefit payments while continuing employment with an FRS employer.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

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. Certain members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>Percent Value</b>
<b><i>Regular Class Members Initially Enrolled Before July 1, 2011:</i></b>	
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
<b><i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i></b>	
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
<b><i>Elected County Officers</i></b>	<b>3.00</b>
<b><i>Senior Management Service Class</i></b>	<b>2.00</b>

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 SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

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

<u>Class</u>	<u>Year Ended June 30, 2021</u>		<u>Year Ended June 30, 2022</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
DROP – Applicable to Members from All of the Above Classes	0.00	15.26	3.00	16.62
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

**Notes:** (1) Contribution rates are dependent upon retirement class in which reemployed. The rates above do not include the 1.66% HIS contribution rate and the .06% administrative fee.

**HIS Pension Plan**

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

Benefits Provided. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement systems 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. For the fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% and 1.66% of payroll, respectively, pursuant to Section 112.363, Florida Statutes. The Supervisor of Elections 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.

**FRS – Defined Contribution Pension Plan**

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

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

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. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual members' 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 Officer, etc.) as the FRS defined benefit plan. These blended rates include the applicable rates for the unfunded actuarial accrued liability of the FRS defined benefit plan, the 1.66% HIS contribution rate, and the .06% administrative fee. 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 (employer and employee) during the 2020-21 fiscal year were as follows:

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

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

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 Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 - Change in Long-Term Debt**

The following is a summary of the change in long-term debt of the Supervisor of Elections for the year ended September 30, 2021:

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2021</u>
Accrued Compensated Absences	\$ 68,674	\$ 35,879	\$ (29,165)	\$ 75,388
Other Postemployment Benefits	<u>323,495</u>	<u>-</u>	<u>(44,934)</u>	<u>278,561</u>
<b>Total Long-Term Debt</b>	<u>\$ 392,169</u>	<u>\$ 35,879</u>	<u>\$ (74,099)</u>	<u>\$ 353,949</u>

Accrued compensated absences represent the vested portion of accrued vacation leave. See Note 1 for a summary of the Supervisor of Elections' compensated absences policy.

The Supervisor of Elections' long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net position as part of the basic financial statements of the County.

Other Postemployment Benefits (OPEB) represents the portion of the liability based upon current and retired employees of the Supervisor of Elections. See Note 5 for a description of OPEB.

**Note 5 - Other Postemployment Benefits**

The County offers certain postemployment health care benefits that are considered part of an OPEB plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents are permitted to remain covered under the County's respective medical and insurance plans (except for life insurance) as long as they pay a full premium applicable to coverage elected, subject to the direct subsidy in the following table. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes.

<u>Percent of Direct Subsidy up to "Subsidy Base Maximum"</u>		
<u>Years of Service With Nassau County</u>	<u>Hired Before 10/1/05</u>	<u>Hired on or After 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%

**NASSAU COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS**

Currently, the Supervisor of Elections has eight active employees and one retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Supervisor of Elections' portion of the OPEB obligation at September 30, 2021, totaled \$278,561. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

**Note 6 - Operating Lease**

The Supervisor of Elections' office leases certain equipment through operating leases with varying maturity dates through September 2025. Total lease payments of \$17,232 were made during the fiscal year ended September 30, 2021.

The future minimum lease payments for the operating leases in place as of September 30, 2021 are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 17,232
2023	7,292
2024	7,292
2025	<u>2,881</u>
<b>Total</b>	<u><u>\$ 34,697</u></u>

## **OTHER REPORTS**

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

The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
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 general fund of the Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated March 15, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Supervisor of Elections' financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida

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

**Compliance and Other Matters**

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

**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 Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 15, 2022  
Gainesville, Florida

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

The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida


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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervision of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

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



March 15, 2022  
Gainesville, Florida

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## MANAGEMENT LETTER

The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida

### Report on the Financial Statements

We have audited the financial statements of the general fund of the Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and have issued our report thereon dated March 15, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 15, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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The Honorable Janet H. Adkins  
Nassau County Supervisor of Elections  
Nassau County, Florida

## MANAGEMENT LETTER

### Financial Management

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

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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, the Supervisor of Elections, its management, and the Board of County Commissioners of Nassau County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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



March 15, 2022  
Gainesville, Florida