

2022

Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

2022

Nassau County, Florida

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Independent Auditor's Report

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

NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2022

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

NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

NASSAU COUNTY, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2022

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

County Manager	Taco Pope
County Attorney	Denise May

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No.87, *Leases*. Our opinion is not modified with respect to this matter.

As described in Note 22 to the financial statements, a prior period adjustment was made to record donated land and infrastructure. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required information, as listed in the table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying schedule of expenditures of federal awards and state financial assistance, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 to 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 awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

INDEPENDENT AUDITOR'S REPORT

Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2023, 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 22, 2023
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, 2022. 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 2022 by \$483,243,374 (net position). The net position included governmental activities of \$464,928,278 and business-type activities of \$18,315,096.
- The County had an excess of revenues to expenses of \$25,381,958 for the fiscal year, compared to an excess of \$38,340,191 in the prior year. General revenues & transfers increased by \$16,861,136 including increases of \$6,936,739 in property tax revenue and \$771,126 in state revenue sharing. There was an increase in sales tax revenue of \$7,077,167. Overall, program revenues decreased by \$8,227,293 due mostly to a decrease in *Coronavirus Aid, Relief and Economic Security Act (CARES)* grant funding. Program expenses had an overall increase of \$21,592,076. A substantial portion of the increase in program expenses relates to transportation \$5,256,372 and public safety \$9,727,112.
- The General Fund reported an excess of revenues to expenditures of \$21,241,843 compared to an excess of \$21,195,434 in the prior fiscal year. General Fund tax revenues were up \$8,221,706 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 of General Fund balance of \$11,687,337 and an ending fund balance on September 30, 2022 of \$67,884,141.
- The Water & Sewer proprietary fund reported a positive change in net position of \$630,385 in fiscal year 2022. This increase is significantly more than the negative change in net position of \$608,012 in the prior fiscal year.
- Outstanding long-term bonded debt and notes as of September 30, 2022, was \$26,891,578, a reduction of \$3,349,076 from the prior year. Of this amount, \$3,047,404 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	2
Capital Projects Funds	9
Special Revenue Funds	33
Total Governmental Funds	45
Total Proprietary Funds	2
Total Custodial Funds	13

Management's Discussion and Analysis

(Continued)

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, 2022; 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

(Continued)

Fund Financial Statements (Concluded)

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, Capital Projects Transportation Fund, Grants 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 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 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 \$483,243,374 at the close of the fiscal year ended September 30, 2022.

At the end of the fiscal year 2022, the County is able to report a positive balance in net position for its governmental activities of \$464,928,278 as well as a positive balance in net position for its business type activities of \$18,315,096.

Management's Discussion and Analysis (Continued)

Government-Wide Financial Analysis (Concluded)

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other						
Assets	230,827,800	\$ 191,415,183	\$ 9,211,651	\$ 9,879,974	\$ 240,039,451	\$ 201,295,157
Capital Assets	404,582,061	409,386,405	16,905,527	14,297,223	421,487,588	423,683,628
Total Assets	635,409,861	600,801,588	26,117,178	24,177,197	661,527,039	624,978,785
Deferred Outflow of Resources	33,959,584	27,509,256	318,508	366,706	34,278,092	27,875,962
Outstanding Obligations	160,339,888	99,508,109	7,007,863	7,929,034	167,347,751	107,437,143
Other Liabilities	32,315,537	21,704,762	1,078,340	1,316,882	33,393,877	23,021,644
Total Liabilities	192,655,425	121,212,871	8,086,203	9,245,916	200,741,628	130,458,787
Deferred Inflows of Resources	11,785,742	64,407,898	34,387	126,646	11,820,129	64,534,544
Net Position:						
Net Investment in						
Capital Assets	383,443,933	388,963,402	10,395,443	6,846,450	393,839,376	395,809,852
Restricted	72,782,667	66,622,913	783,887	802,065	73,566,554	67,424,978
Unrestricted	8,701,678	(12,896,240)	7,135,766	7,522,826	15,837,444	(5,373,414)
Total Net Position	\$ 464,928,278	\$ 442,690,075	\$ 18,315,096	\$ 15,171,341	\$ 483,243,374	\$ 457,861,416

As of the end of fiscal year 2022, the County's total net position of \$483,243,374 includes \$393,839,376 (81.5%) 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, \$73,566,554 (15.2%), represents resources that are subject to external restriction on how they may be used. On September 30, 2022, the County had a net pension liability for its participation in the Florida Retirement System of \$93.3 million, a net OPEB obligation of \$20.9 million, and a landfill post-closure liability of \$15.7 million, which contributed to an unrestricted net position of \$15,837,444.

Governmental Activities

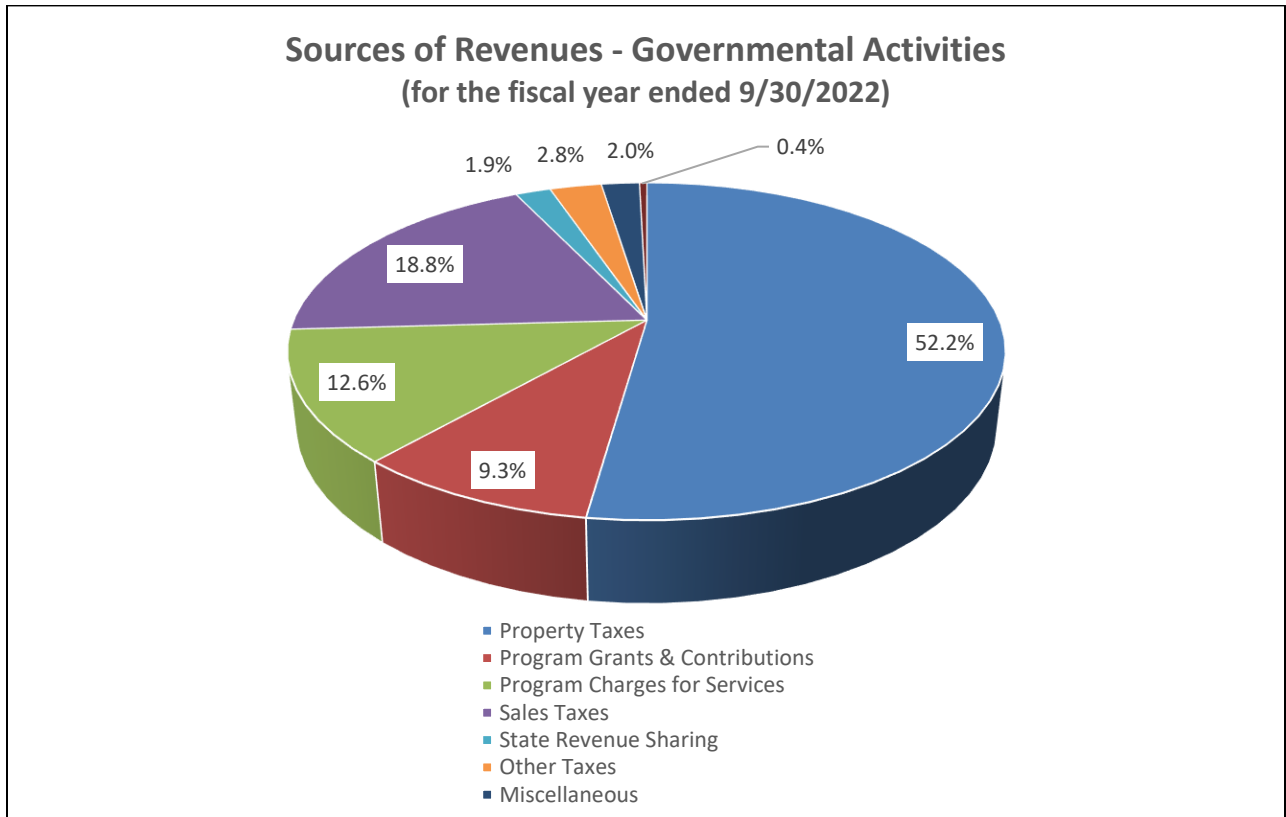
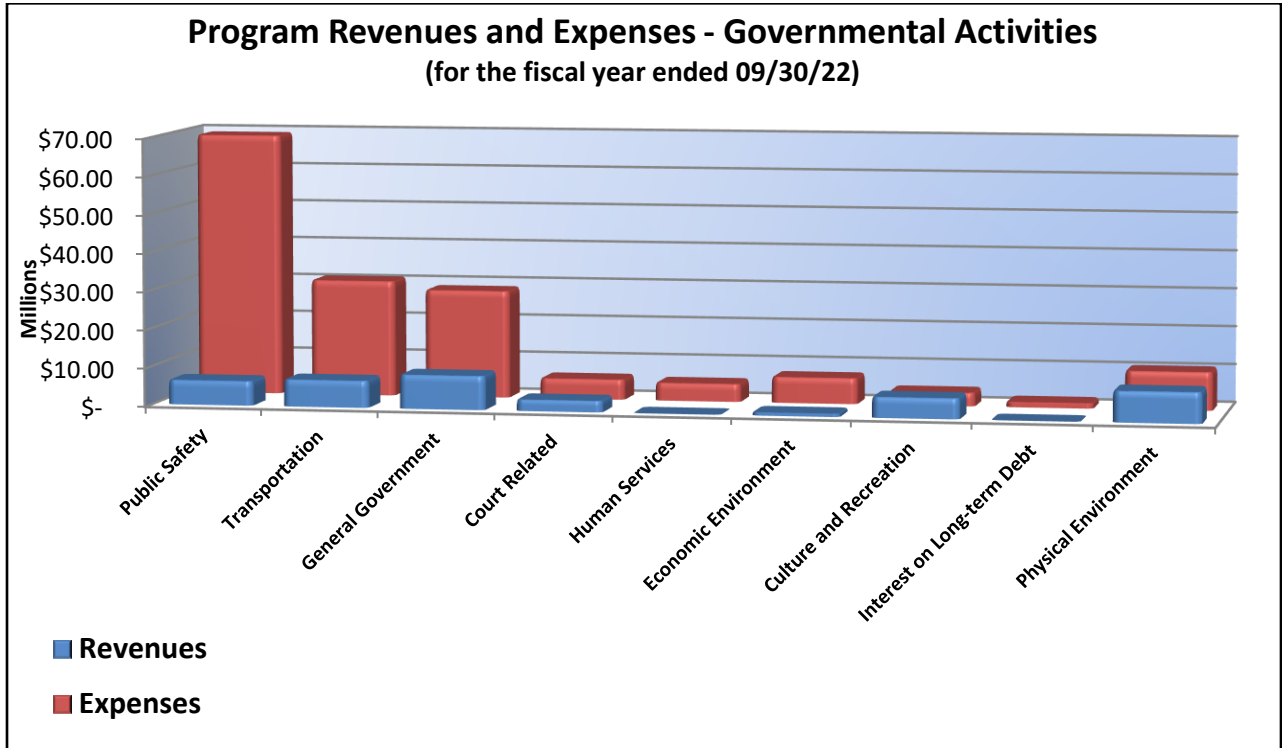
Fiscal year 2022 governmental activities increased the County's net position by \$22,238,203 to \$464,928,278. Governmental activities revenues exceeded expenses by \$24,019,119 in fiscal year 2022 compared to the prior year excess of \$37,876,743. Factors contributing to this year-over-year change in net position include a \$15,016,548 increase in general revenue and transfers, a \$9,397,240 decrease in governmental program revenues and a \$21,323,806 increase in governmental program expenses. Of the \$15,016,548 increase in general revenues and transfers, property tax revenues increased 6.3 million or 8% from the prior year due to growth, as well as an increase in the taxable property values. In addition, one cent sales tax revenues increased by 3.1 million or 24% from the prior year due to population growth and increased spending in the area.

Management's Discussion and Analysis (Continued)

Nassau County, Florida Changes in Net Position

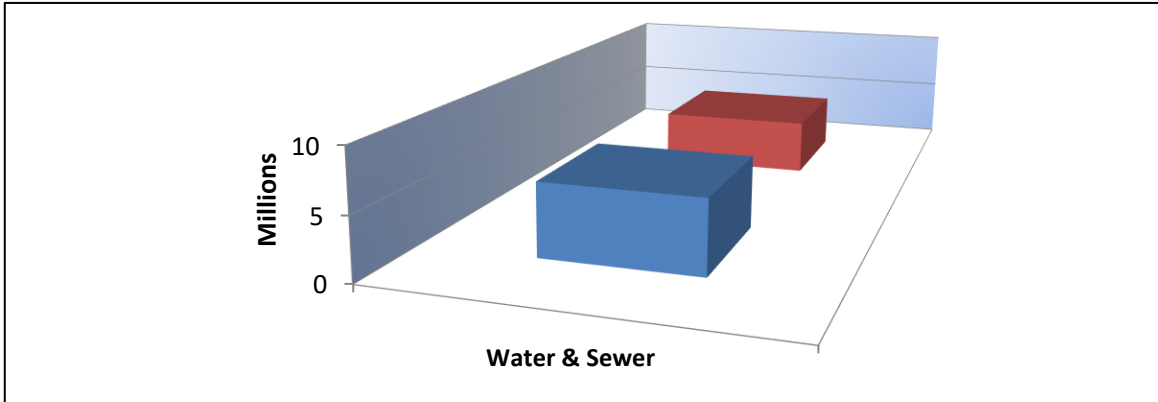
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Revenues						
Program Revenues:						
Charges for Services	\$ 23,152,161	\$ 22,433,610	\$ 5,391,566	\$ 4,726,612	\$ 28,543,727	\$ 27,160,222
Operating Grants and Contributions	.	.	-	-	.	.
Contributions	4,451,658	8,262,459	-	-	4,451,658	8,262,459
Capital Grants and Contributions	12,629,726	18,934,716	504,993	-	13,134,719	18,934,716
General Revenues:						
Property Taxes	96,114,683	89,177,944	-	-	96,114,683	89,177,944
Other Taxes	43,108,841	35,235,200	-	-	43,108,841	35,235,200
Other Revenues	4,501,118	2,448,076	6,008	8,294	4,507,126	2,456,370
Total Revenues	183,958,187	176,492,005	5,902,567	4,734,906	189,860,754	181,226,911
Expenses						
General Government	28,331,651	24,625,283	-	-	28,331,651	24,625,283
Court Related	5,386,267	4,987,940	-	-	5,386,267	4,987,940
Public Safety	68,874,932	59,147,820	-	-	68,874,932	59,147,820
Physical Environment	10,130,624	9,694,197	-	-	10,130,624	9,694,197
Transportation	30,480,039	25,223,668	-	-	30,480,039	25,223,668
Economic Environment	6,868,135	5,510,707	-	-	6,868,135	5,510,707
Human Services	4,772,620	4,578,441	-	-	4,772,620	4,578,441
Culture/Recreation	3,621,318	3,164,970	-	-	3,621,318	3,164,970
Interest on Long-term Debt	1,473,482	1,682,236	-	-	1,473,482	1,682,236
Water and Sewer	-	-	4,539,728	4,271,458	4,539,728	4,271,458
Total Expenses	159,939,068	138,615,262	4,539,728	4,271,458	164,478,796	142,886,720
Excess of Revenue Over						
Expense	24,019,119	37,876,743	1,362,839	463,448	25,381,958	38,340,191
Add: Contributions	-	-	-	-	-	-
Add: Transfers	(1,780,916)	65,958	1,780,916	(65,958)	-	-
Change in Net Position	22,238,203	37,942,701	3,143,755	397,490	25,381,958	38,340,191
Prior Period Adjustment	-	-	-	-	-	-
Net Position-						
Beginning of Year	442,690,075	402,118,374	15,171,341	14,773,851	457,861,416	416,892,225
Prior Period Adjustment	-	2,629,000	-	-	-	2,629,000
Net Position-End of Year	\$ 464,928,278	\$ 442,690,075	\$ 18,315,096	\$ 15,171,341	\$ 483,243,374	\$ 457,861,416

Management's Discussion and Analysis



Management's Discussion and Analysis (Continued)

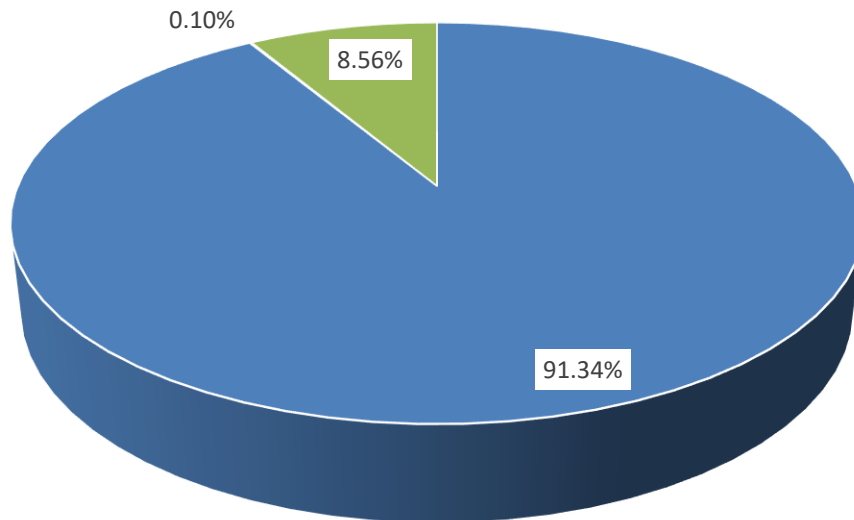
Program Revenues and Expenses - Business-type Activities (for the fiscal year ended 09/30/2022)



■ Revenues

■ Expenses

Sources of Revenue - Business-Type Activities (for the fiscal year ended 09/30/2022)



- Program Charges for Services
- Investment Earnings & Misc
- Capital Grants & Contributions

Management's Discussion and Analysis *(Continued)*

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 the government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2022, the County's governmental funds reported combined ending fund balances of \$195,242,303. This represents an increase of \$35,354,245 when compared to the prior year ending balance. A portion of fund balance in the amount of \$73,244,077 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 \$121,998,226 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 2022, the general fund had a total fund balance of \$67,884,141, an increase of \$11,687,337 from the prior year. General fund revenues increased by \$2,387,919 when compared to the prior fiscal year, due primarily to a \$8,221,706 increase in tax revenue and a \$7,188,970 decrease in intergovernmental revenues. The net increase in tax revenue resulted from an increase in both Ad Valorem taxes and one-cent taxes. Expenditures in the general fund increased year to year by 2,341,510. Major components of this increase included an increase of \$2,652,006 in general government expenditures. Transfers-in of \$4,350,788 (a \$1,637,620 decrease from fiscal year 2021), as well as transfers-out of \$14,349,264 (a \$2,698,955 increase from fiscal year 2021), also contributed to a net change in fund balance of \$11,687,337 and an ending fund balance of \$67,884,141.

A majority of the fund balance in the general fund in the amount of \$53,613,562 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 \$14,270,579 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 79.3% of that same amount.

At the end of fiscal year 2022, the transportation fund had a fund balance of \$10,264,564, a decrease of \$2,525,824 when compared to the prior year fund balance. The decrease was primarily due to a \$5,323,984 of interfund transfers for capital road projects.

The municipal services fund had a total fund balance of \$13,586,311 at the end of fiscal year 2022. The net increase in fund balance of \$1,325,963 was primarily due to a \$4,246,623 excess of revenues to expenditures and a \$2,920,660 deficiency of other financing sources (uses).

The capital projects transportation fund had a fund balance of \$28,463,308 at the end of the fiscal year, an increase of \$11,078,729 as compared to the prior year ending balance. The increase was a result of transfers-in of \$12,864,262 from the general fund, county transportation fund, and mobility fees. The excess of expenditures over revenues was mostly due to road improvements of \$1,851,116 and a right of way land acquisition of \$1,048,579.

Management’s Discussion and Analysis (Continued)

Analysis of the County’s Fund Financials (Concluded)

The comprehensive impact fee ordinance fund had a fund balance of \$16,562,504 at the end of fiscal year 2022. This is a \$4,618,760 increase from the prior year, which is due solely to the collection of 2022 impact fees. There were expenditures of \$831,987, due primarily for park construction.

The County’s proprietary fund provides 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 increased by \$630,385 when comparing to the prior year. The increase was comprised of a \$3,388,238 increase in investment in capital assets, a \$18,178 decrease in restricted net position and a \$2,739,675 decrease in unrestricted net position. Operating income in fiscal year 2022 of \$890,702 was up from prior year operating income of \$447,315. Operating revenues increased in 2022 by \$421,504 and operating costs decreased by \$21,883 compared to fiscal year 2021.

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

Fund	Unrestricted Net Position	
	2022	2021
Water and Sewer	\$ 4,365,065	\$ 7,104,740

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 2022, supplemental appropriations to the General Fund (Board only) budget were approximately \$18.9 million, or 14.2% of the original adopted budget.

- The major source of supplemental revenue was \$18,685,878 in adjustments for unanticipated cash forward. Other supplemental general fund revenues include \$107,634 in grant revenue, \$33,000 in State Contractual payments and donations of \$37,280.
- Major appropriations of the supplemental revenue include \$16,700,700 to Reserves, \$1,379,318 to Capital Expenses, \$25,766 to Other Contractual Services and \$286,093 to Professional Services.
- The significant revenue budgetary variances in the general fund were mainly the result of a payment from Jacksonville Electric Authority (JEA) and sales tax revenues coming in above state projections. The JEA payment was per an interlocal agreement for a ten (10) year true-up in the amount of \$2,030,606 payable to the County. Sales taxes revenues includes additional half-cent sales tax revenue of \$1,676,281, and one-cent sales tax revenue of \$3,832,213. Additionally, above projections, were ad valorem taxes of \$1,045,882 and rescue billing fees of \$922,133.

Management's Discussion and Analysis (Continued)

- The significant general fund budgetary expenditure variances are related to CIP projects and capital outlay that were budgeted, but not expended in 2022; and unexpended personal services, due to vacancies/unfilled positions.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to \$421,487,588 (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 Tributary Park, Phase 1 at a cost of \$4.5M
- Completed Crawford Road paving at a cost of \$7.32M
- Completed Pages Dairy widening and resurfacing at a cost of \$4.93M
- Westside Regional Park, Phase 1 is under construction with a budget of \$4.43M
- Completed Nassau Crossing Park, Phase 1 at a cost of \$924K
- Updated the generator at the Detention Center at a cost of \$1.3M

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Land	85,318,283	82,281,590	167,966	167,966	85,486,249	82,449,556
Construction Work in Progress	10,546,849	21,699,113	3,420,271	872,897	13,967,120	22,572,010
Buildings & Improvements	44,845,692	45,743,091	406,698	426,537	45,252,390	46,169,628
Machinery & Equipment	25,137,152	25,564,860	661,217	684,240	25,798,369	26,249,100
Improvements Other than Bldg	993,723	993,723	-	-	993,723	993,723
Infrastructure	237,200,332	232,892,351	12,195,055	12,145,583	249,395,387	245,037,934
Leased Assets	540,030	746,906	54,320	74,872	594,350	821,778
Total	404,582,061	409,921,634	16,905,527	14,372,095	421,487,588	424,293,729

Management's Discussion and Analysis (Concluded)

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 post-employment benefits in the amount of \$167,347,751. 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 \$3,316,723 in fiscal year 2022 with a balance outstanding of \$26,525,490 on September 30, 2022. The County had notes payable with a 2022 fiscal year-end balance of \$366,088.

The County's outstanding obligations increased by \$59,300,507 in fiscal year 2022 primarily due to a \$61,556,039 increase in net pension liability and a \$633,189 increase in Other Postemployment Benefit costs. These increases were partially offset by a \$3,316,723 reduction in bonds payable. Additional information on Nassau County's outstanding debt can be found in Note 8 in Notes to Financial Statements.

Long Term Obligations

	2022	2021 (Restated)
Governmental Activities:		
Notes Payable	366,088	508,441
Revenue Bonds	19,800,490	22,077,213
Compensated Absences	9,747,277	8,835,793
Lease Liability	544,193	746,906
Other Post-Employment Benefits	20,940,430	20,309,601
Landfill Closure/Post Closures	15,674,600	15,795,295
Net Pension Liability	93,266,810	31,770,089
Total Gov't Activities	160,339,888	100,043,338
Business-Type Activities:		
Revenue Bonds, Net	6,725,000	7,765,000
Compensated Absences	36,148	33,418
Lease Liability	54,421	74,872
Other Post-Employment Benefits	78,331	75,971
Net Pension Liability	113,963	54,645
Total Business-Type Activities	7,007,863	8,003,906
Total Outstanding Liabilities	\$ 167,347,751	\$ 108,047,244

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.

BASIC FINANCIAL STATEMENTS

NASSAU COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Cash Equivalents	\$ 37,479,357	\$ 6,485,235	\$ 43,964,592
Equity in Pooled Investments	184,692,354	1,185,029	185,877,383
Accounts Receivable, Net	792,739	481,274	1,274,013
Loans Receivable, Net	32,000	-	32,000
Due from Other Governments	5,932,699	74,727	6,007,426
Inventories	360,347	60,104	420,451
Prepaid Items	1,538,304	1,213	1,539,517
Cash and Cash Equivalents - Restricted	-	924,069	924,069
Capital Assets:			
Non-Depreciable	95,865,132	3,588,237	99,453,369
Depreciable, Net	308,716,929	13,317,290	322,034,219
Total Assets	635,409,861	26,117,178	661,527,039
Deferred Outflow of Resources			
Unamortized Refunding Loss	-	269,337	269,337
Pension Related	29,824,684	33,704	29,858,388
OPEB Related	4,134,900	15,467	4,150,367
Total Deferred Outflow of Resources	33,959,584	318,508	34,278,092
Liabilities			
Accounts Payable	11,156,056	649,741	11,805,797
Other Current Liabilities	2,416,347	-	2,416,347
Retainage Payable	427,357	-	427,357
Internal Balances	(1,859)	1,859	-
Due to Other Governments	445,909	341,868	787,777
Unearned Revenue	17,277,626	-	17,277,626
Deposits	250,038	84,872	334,910
Accrued Interest Payable	344,063	-	344,063
Non-Current Liabilities:			
Due Within One Year	7,686,852	1,105,090	8,791,942
Due in More Than One Year	152,653,036	5,902,773	158,555,809
Total Liabilities	192,655,425	8,086,203	200,741,628
Deferred Inflows of Resources			
Pension Related	3,836,575	4,652	3,841,227
OPEB Related	7,949,167	29,735	7,978,902
Total Deferred Inflow of Resources	11,785,742	34,387	11,820,129
Net Position			
Net Investment in Capital Assets	383,443,933	10,395,443	393,839,376
Restricted for:			
Debt Service	1,496,250	568,647	2,064,897
Impact Fees	20,429,440	215,240	20,644,680
Mobility Fees	5,752,277	-	5,752,277
Capital Projects	3,284	-	3,284
Court Facilities	1,962,707	-	1,962,707
Tourist Development	18,261,573	-	18,261,573
Building Department	7,680,307	-	7,680,307
Grants and Other Purposes	17,196,829	-	17,196,829
Unrestricted	8,701,678	7,135,766	15,837,444
Total Net Position	\$ 464,928,278	\$ 18,315,096	\$ 483,243,374

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, 2022

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		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 28,331,651	\$ 8,772,646	\$ 138,410	\$ 39,112	\$ (19,381,483)	\$ -	\$ (19,381,483)
Court-Related	5,386,267	2,252,072	788,157	-	(2,346,038)	-	(2,346,038)
Public Safety	68,874,932	5,140,351	1,343,289	-	(62,391,292)	-	(62,391,292)
Physical Environment	10,130,624	682,613	-	7,529,305	(1,918,706)	-	(1,918,706)
Transportation	30,480,039	3,698,464	1,981,059	1,452,496	(23,348,020)	-	(23,348,020)
Economic Environment	6,868,135	-	-	902,873	(5,965,262)	-	(5,965,262)
Human Services	4,772,620	37,724	20	-	(4,734,876)	-	(4,734,876)
Culture and Recreation	3,621,318	2,568,291	200,723	2,705,940	1,853,636	-	1,853,636
Interest on Long-Term Debt	1,473,482	-	-	-	(1,473,482)	-	(1,473,482)
Total Governmental Activities	159,939,068	23,152,161	4,451,658	12,629,726	(119,705,523)	-	(119,705,523)
Business-Type Activities:							
Water and Sewer	4,539,728	5,391,566	-	504,993	-	1,356,831	1,356,831
Total Business-Type Activities	4,539,728	5,391,566	-	504,993	-	1,356,831	1,356,831
Total Primary Government	\$ 164,478,796	\$ 28,543,727	\$ 4,451,658	\$ 13,134,719	(119,705,523)	1,356,831	(118,348,692)
		General Revenues					
		Property Taxes			96,114,683	-	96,114,683
		Sales Taxes			34,513,318	-	34,513,318
		State Revenue Sharing			3,487,340	-	3,487,340
		Fuel Taxes			4,466,051	-	4,466,051
		Utility Services Taxes			642,132	-	642,132
		Investment Earnings			737,125	6,008	743,133
		Miscellaneous			3,763,993	-	3,763,993
		Transfers			(1,780,916)	1,780,916	-
		Total General Revenues and Transfers			141,943,726	1,786,924	143,730,650
		Change in Net Position			22,238,203	3,143,755	25,381,958
		Net Position, Beginning of Year			440,061,075	15,171,341	455,232,416
		Prior Period Adjustment			2,629,000	-	2,629,000
		Net Position, Beginning of Year (Restated)			442,690,075	15,171,341	457,861,416
		Net Position, End of Year			\$ 464,928,278	\$ 18,315,096	\$ 483,243,374

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

NASSAU COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
Assets			
Cash and Cash Equivalents	\$ 5,360,637	\$ 2,238	\$ 210,887
Equity in Pooled Investments	67,355,585	10,997,310	13,205,116
Accounts Receivable (Net of Allowance for Uncollectibles)	726,431	-	2,208
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	985,700	40,809	66,359
Due from Other Governments	3,825,438	585,067	207,682
Inventories	304,716	55,631	-
Prepaid Expenditures	163,975	-	1,365,753
Total Assets	<u><u>78,722,482</u></u>	<u><u>11,681,055</u></u>	<u><u>15,058,005</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	5,895,386	1,240,473	1,079,528
Accrued Liabilities	2,391,036	-	-
Retainage Payable	-	14,868	-
Due to Other Funds	88,915	145,966	257,639
Due to Other Governments	120,602	287	1,203
Unearned Revenue	64,243	-	-
Deposits	2,100	10,440	-
Total Liabilities	<u><u>8,562,282</u></u>	<u><u>1,412,034</u></u>	<u><u>1,338,370</u></u>
Deferred Inflows of Resources	<u><u>2,276,059</u></u>	<u><u>4,457</u></u>	<u><u>133,324</u></u>
Fund Balances			
Non-Spendable	462,942	55,631	1,365,838
Restricted	1,404,157	-	103,905
Committed	12,403,480	1,355,884	1,456,797
Assigned	32,546,889	8,853,049	10,659,771
Unassigned	21,066,673	-	-
Total Fund Balances	<u><u>67,884,141</u></u>	<u><u>10,264,564</u></u>	<u><u>13,586,311</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 78,722,482</u></u>	<u><u>\$ 11,681,055</u></u>	<u><u>\$ 15,058,005</u></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>
\$ 4,606,642	\$ 1,654,808	\$ 1,989,393	\$ 23,654,752	\$ 37,479,357
12,709,307	29,012,251	14,807,764	36,605,021	184,692,354
-	-	-	64,100	792,739
-	-	-	32,000	32,000
-	-	-	191,613	1,284,481
-	934,764	-	379,748	5,932,699
-	-	-	-	360,347
-	-	-	8,576	1,538,304
<u>17,315,949</u>	<u>31,601,823</u>	<u>16,797,157</u>	<u>60,935,810</u>	<u>232,112,281</u>
-	1,791,262	234,653	914,754	11,156,056
-	-	-	25,311	2,416,347
-	412,489	-	-	427,357
-	-	-	790,102	1,282,622
-	-	-	323,817	445,909
17,213,383	-	-	-	17,277,626
-	-	-	237,498	250,038
<u>17,213,383</u>	<u>2,203,751</u>	<u>234,653</u>	<u>2,291,482</u>	<u>33,255,955</u>
-	934,764	-	265,419	3,614,023
-	-	-	8,713	1,893,124
102,566	-	16,562,504	51,092,798	69,265,930
-	28,463,308	-	7,159,703	50,839,172
-	-	-	117,695	52,177,404
-	-	-	-	21,066,673
<u>102,566</u>	<u>28,463,308</u>	<u>16,562,504</u>	<u>58,378,909</u>	<u>195,242,303</u>
<u>\$ 17,315,949</u>	<u>\$ 31,601,823</u>	<u>\$ 16,797,157</u>	<u>\$ 60,935,810</u>	<u>\$ 232,112,281</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, 2022

Total Fund Balances of Governmental Funds \$ 195,242,303

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	\$ 904,843,864	
(Less: Accumulated Depreciation)	<u>(500,261,803)</u>	
		404,582,061

Certain receivables do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the funds. 3,614,023

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	29,824,684	
Deferred Outflows Related to OPEB	4,134,900	
Deferred Inflows Related to Pensions	(3,836,575)	
Deferred Inflows Related to OPEB	<u>(7,949,167)</u>	
		22,173,842

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	(19,132,255)	
Premium on Bonds Payable	(668,235)	
Notes Payable	(366,088)	
Capital Leases Payable	(544,193)	
Compensated Absences	(9,747,277)	
Accrued Interest Payable	(344,063)	
Post-Closure Landfill Liability	(15,674,600)	
Net OPEB Obligation	(20,940,430)	
Net Pension Liability	<u>(93,266,810)</u>	
		<u>(160,683,951)</u>

Total Net Position of Governmental Activities \$ 464,928,278

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, 2022

	<u>General Fund</u>	<u>County Transportation Fund</u>	<u>Municipal Services Fund</u>
Revenues			
Taxes	\$ 87,923,322	\$ 9,843,368	\$ 17,893,886
Licenses and Permits	85,117	17,507	702,818
Intergovernmental Revenues	10,891,417	2,181,769	1,701,861
Charges for Services	5,348,581	30,391	554,276
Fines and Forfeitures	44,281	-	62,682
Investment Earnings (Loss)	(101,060)	82,331	106,748
Miscellaneous	2,672,100	130,889	170,134
Total Revenues	<u>106,863,758</u>	<u>12,286,255</u>	<u>21,192,405</u>
Expenditures			
Current:			
General Government Services	23,714,493	-	2,018,182
Public Safety	46,055,769	-	11,892,295
Physical Environment	1,859,175	-	-
Transportation	-	10,030,643	1,040
Economic Environment	1,300,895	-	-
Human Services	2,981,860	-	1,488,511
Culture and Recreation	2,664,195	-	-
Court-Related Expenditures	2,325,250	-	-
Capital Outlay	4,315,200	662,319	1,544,758
Debt Service:			
Principal Retirement	391,692	-	940
Interest and Fiscal Charges	13,386	-	56
(Total Expenditures)	<u>85,621,915</u>	<u>10,692,962</u>	<u>16,945,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,241,843</u>	<u>1,593,293</u>	<u>4,246,623</u>
Other Financing Sources (Uses)			
Reversion to State of Florida	-	-	-
Transfers in	4,350,788	1,317,199	302,085
Transfers (out)	(14,349,264)	(5,451,023)	(3,237,992)
Leases (Lessee)	436,369	-	15,247
Aid from Individuals	-	-	-
Sale of Capital Assets	7,601	14,707	-
Total Other Financing Sources (Uses)	<u>(9,554,506)</u>	<u>(4,119,117)</u>	<u>(2,920,660)</u>
Net Change in Fund Balances	11,687,337	(2,525,824)	1,325,963
Fund Balances, Beginning of Year	<u>56,196,804</u>	<u>12,790,388</u>	<u>12,260,348</u>
Fund Balances, End of Year	<u>\$ 67,884,141</u>	<u>\$ 10,264,564</u>	<u>\$ 13,586,311</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>
\$ -	\$ -	\$ -	\$ 12,803,484	\$ 128,464,060
-	-	5,309,514	8,003,762	14,118,718
984	6,710,597	-	8,633,710	30,120,338
-	-	-	2,439,435	8,372,683
-	-	-	593,775	700,738
94,435	154,790	141,233	258,646	737,123
-	186,421	-	607,513	3,767,057
<u>95,419</u>	<u>7,051,808</u>	<u>5,450,747</u>	<u>33,340,325</u>	<u>186,280,717</u>
542	-	962	2,117,534	27,851,713
-	-	710	1,485,693	59,434,467
-	-	-	978,111	2,837,286
-	2,630,938	-	425,657	13,088,278
-	-	-	5,764,235	7,065,130
-	-	-	114,843	4,585,214
-	-	4,098	7,925	2,676,218
-	-	-	1,883,826	4,209,076
-	6,206,403	826,217	12,025,922	25,580,819
-	-	-	1,707,154	2,099,786
-	-	-	1,563,975	1,577,417
<u>542</u>	<u>8,837,341</u>	<u>831,987</u>	<u>28,074,875</u>	<u>151,005,404</u>
<u>94,877</u>	<u>(1,785,533)</u>	<u>4,618,760</u>	<u>5,265,450</u>	<u>35,275,313</u>
-	-	-	(256,460)	(256,460)
-	12,864,262	-	8,183,749	27,018,083
-	-	-	(5,760,720)	(28,798,999)
-	-	-	40,932	492,548
-	-	-	1,601,452	1,601,452
-	-	-	-	22,308
<u>-</u>	<u>12,864,262</u>	<u>-</u>	<u>3,808,953</u>	<u>78,932</u>
94,877	11,078,729	4,618,760	9,074,403	35,354,245
7,689	17,384,579	11,943,744	49,304,506	159,888,058
<u>\$ 102,566</u>	<u>\$ 28,463,308</u>	<u>\$ 16,562,504</u>	<u>\$ 58,378,909</u>	<u>\$ 195,242,303</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 35,354,245

**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	\$ 17,033,305	
(Current Year Depreciation)	(25,090,895)	
Contributions of Capital Assets	2,854,347	
Gain (Loss) on Disposal of Capital Assets	<u>(136,330)</u>	(5,339,573)

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. (6,582,090)

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. 2,344,828

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. (3,411,121)

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. 356,056

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	29,687	
Amortization of Premiums	74,248	
Change in Post-Closure Liability	120,695	
Change in Lease Liabilities	202,712	
Change in Accrued Compensated Absences	<u>(911,484)</u>	<u>(484,142)</u>

Change in Net Position - Governmental Activities \$ 22,238,203

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

NASSAU COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	American Beach Water and Sewer District	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Equity in Pooled Investments	1,185,029	-	1,185,029
Accounts Receivable, Net	481,274	-	481,274
Due from Other Funds	22	-	22
Due from Other Governments	-	74,727	74,727
Inventories	60,104	-	60,104
Prepays	1,213	-	1,213
Total Current Assets	6,317,995	2,893,678	9,211,673
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	16,157,356	748,171	16,905,527
Total Non-Current Assets	16,157,356	748,171	16,905,527
Total Assets	22,475,351	3,641,849	26,117,200
Deferred Outflow of Resources			
Unamortized Refunding Loss	269,337	-	269,337
Pension Related	33,704	-	33,704
OPEB Related	15,467	-	15,467
Total Deferred Outflow of Resources	318,508	-	318,508
Total Assets and Deferred Outflows	22,793,859	3,641,849	26,435,708
Liabilities			
Current Liabilities:			
Accounts Payable	527,759	21,908	549,667
Retainage Payable	100,074	-	100,074
Due to Other Funds	1,881	-	1,881
Due to Other Governments	240,799	101,069	341,868
Deposits	84,872	-	84,872
Bonds Payable	1,065,000	-	1,065,000
Other Postemployment Benefits	7,457	-	7,457
Net Pension Liability - HIS Current Portion	125	-	125
Compensated Absences	11,995	-	11,995
Lease Liability	20,513	-	20,513
Total Current Liabilities	2,060,475	122,977	2,183,452
Non-Current Liabilities:			
Compensated Absences	24,153	-	24,153
Other Postemployment Benefits	70,874	-	70,874
Bonds Payable, Long-Term	5,660,000	-	5,660,000
Net Pension Liability	113,838	-	113,838
Lease Liability	33,908	-	33,908
Total Non-Current Liabilities	5,902,773	-	5,902,773
Total Liabilities	7,963,248	122,977	8,086,225
Deferred Inflow of Resources			
Pension Related	4,652	-	4,652
OPEB Related	29,735	-	29,735
Total Deferred Inflow of Resources	34,387	-	34,387
Total Liabilities and Deferred Inflows	7,997,635	122,977	8,120,612
Net Position			
Investment in Capital Assets	9,647,272	748,171	10,395,443
Restricted for:			
Debt Service	568,647	-	568,647
Renewal and Replacement	215,240	-	215,240
Unrestricted	4,365,065	2,770,701	7,135,766
Total Net Position	\$ 14,796,224	\$ 3,518,872	\$ 18,315,096

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, 2022

	Business-Type Activities - Enterprise Funds		
	American Beach		Totals
	Water and Sewer	Water and Sewer District	
Operating Revenues			
Charges for Services	\$ 4,986,844	\$ -	\$ 4,986,844
Connection and Impact Fees	90,039	286,164	376,203
Other Income	26,108	2,411	28,519
Total Operating Revenues	5,102,991	288,575	5,391,566
Operating Expenses			
Contractual Services	50,332	-	50,332
Professional Services	2,348,521	110,227	2,458,748
Salaries and Benefits	86,160	-	86,160
Rentals and Leases	3,732	-	3,732
Utilities	303,992	-	303,992
Repairs and Maintenance	317,797	-	317,797
Gas and Oil	153	-	153
Depreciation	999,274	-	999,274
Other Expenses	102,328	16,269	118,597
Total Operating Expenses	4,212,289	126,496	4,338,785
Operating Income (Loss)	890,702	162,079	1,052,781
Non-Operating Revenues (Expenses)			
Interest Earnings	6,008	-	6,008
Interest and Other Debt Service Costs	(200,943)	-	(200,943)
Intergovernmental Revenues	-	504,993	504,993
Total Non-Operating Revenues (Expenses)	(194,935)	504,993	310,058
Income (Loss) Before Transfers	695,767	667,072	1,362,839
Transfers			
Transfers in	-	1,850,000	1,850,000
Transfers (out)	(65,382)	(3,702)	(69,084)
Total Transfers	(65,382)	1,846,298	1,780,916
Change in Net Position	630,385	2,513,370	3,143,755
Total Net Position, Beginning of Year	14,165,839	1,005,502	15,171,341
Total Net Position, End of Year	\$ 14,796,224	\$ 3,518,872	\$ 18,315,096

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, 2022**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	American Beach	
		Water and Sewer District	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 4,419,754	\$ 288,575	\$ 4,708,329
Cash Payments to Vendors for Goods and Services	(2,871,139)	37,839	(2,833,300)
Cash Payments to Employees	(112,034)	-	(112,034)
Net Cash Provided by (Used in) Operating Activities	1,436,581	326,414	1,762,995
Non-Capital Financing Activities			
Due from Other Governments	473,914	(74,727)	399,187
Intergovernmental Revenue	-	504,993	504,993
Transfer in (out)	(65,404)	1,846,298	1,780,894
Net Cash Provided by (Used in) Non-Capital Financing Activities	408,510	2,276,564	2,685,074
Capital and Related Financing Activities			
Acquisition of Property, Plant and Equipment	(3,374,927)	(160,755)	(3,535,682)
Proceeds from Sale of Property, Plant and Equipment	2,525	-	2,525
Principal Payments on Bonds	(1,040,000)	-	(1,040,000)
Payment of Interest and Other Debt Costs	(156,053)	-	(156,053)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(4,568,455)	(160,755)	(4,729,210)
Investing Activities			
Interest Received	6,008	-	6,008
Purchase of Investments	2,894,110	-	2,894,110
Net Cash Provided by (Used in) Investing Activities	2,900,118	-	2,900,118
Net Increase (Decrease) in Cash and Cash Equivalents	176,754	2,442,223	2,618,977
Cash and Cash Equivalents, Beginning of Year	4,413,599	376,728	4,790,327
Cash and Cash Equivalents, End of Year	\$ 4,590,353	\$ 2,818,951	\$ 7,409,304
<u>Reported in Statement of Net Position as</u>			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Total	\$ 4,590,353	\$ 2,818,951	\$ 7,409,304

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, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>American Beach Water and Sewer District</u>	<u>Total</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 890,702	\$ 162,079	\$ 1,052,781
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	999,274	-	999,274
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(30,421)	-	(30,421)
Decrease (Increase) in Due from Other Funds	803	-	803
Decrease (Increase) in Inventory	14,259	-	14,259
Decrease (Increase) in Prepaid Expense	(624)	-	(624)
Decrease (Increase) in Deferred Outflows	3,308	-	3,308
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	188,913	(579,310)	(390,397)
Increase (Decrease) in Due to Other Governments	51,847	101,069	152,916
Increase (Decrease) in Due to Other Funds	(640,709)	642,576	1,867
Increase (Decrease) in Deposits	(12,920)	-	(12,920)
Increase (Decrease) in Compensated Absences	2,730	-	2,730
Increase (Decrease) in Net Pension Liability	59,318	-	59,318
Increase (Decrease) in Deferred Inflows	(92,259)	-	(92,259)
Increase (Decrease) in Other Postemployment Benefits	2,360	-	2,360
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,436,581</u>	<u>\$ 326,414</u>	<u>\$ 1,762,995</u>

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, 2022**

	Total Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 8,281,846
Equity in Pooled Investments	-
Accounts Receivable	197,692
Due from Other Governments	7,839
Total Assets	8,487,377
Liabilities	
Accounts Payable and Accrued Liabilities	68,577
Due to Other Governments	2,173,791
Due to Bond Holders	972,393
Other Liabilities	7,515
Undistributed Collections	2,828,918
Total Liabilities	6,051,194
Net Position, Held in a Custodial Capacity to be Disbursed	\$ 2,436,183

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, 2022

	<u>Total Custodial Funds</u>
Additions	
Property Taxes and Fees Collected	\$ 103,210,122
Licenses and Tag Fees Collected	17,234,299
Impact Fees Collected for Other Governments	6,209,175
Inmate Funds Collected	1,310,432
Fines, Forfeitures, and Fees Collected	4,507,297
Tax Deeds and Fees Collected	774,205
Support and Fees Collected	6,428
Special Assessments	2,163,693
Registry of the Court and Fees Collected	3,699,358
Recording Fees Collected	5,545,290
Bail Bonds and Fees Collected	261,342
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	59,656,826
Tourist Development Fees Collected	11,412,420
Total Additions	<u>215,990,887</u>
Deductions	
Inmate Funds Disbursed	1,323,988
Fines, Forfeitures, and Fees Disbursed	4,115,561
Licenses and Tag Fees Disbursed	17,234,299
Property Taxes and Fees Disbursed	103,210,122
Tax Deeds and Fees Disbursed	909,229
Support and Fees Disbursed	6,428
Special Assessments Fees Disbursed	2,077,147
Registry of the Court and Fees Disbursed	3,510,720
Recording Fees Disbursed	5,343,216
Bail Bonds and Fees Disbursed	157,450
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments	59,659,525
Tourist Development Fees Disbursed	11,412,420
Impact Fees Disbursed	6,209,175
Total Deductions	<u>215,169,280</u>
Non Operating Revenues	
Disbursement to Other Government	(86,546)
Total Non-Operating Revenues (Expenses)	<u>(86,546)</u>
Change in Net Position	735,061
Net Position, Beginning of Year	<u>1,701,122</u>
Total Net Position, End of Year	<u>\$ 2,436,183</u>

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

NASSAU COUNTY, FLORIDA
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September 30, 2022

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NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 (the Board) and elected Constitutional Officers, who are governed by federal and state statutes, regulations, and County ordinances.

The 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, 2022. 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, 2022

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 sits as the governing body. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2022. 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; and 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:

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

■ **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.

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

- ▶ **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 the 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 Governmental Accounting Standards Board (GASB) Statement No. 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 an 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

NASSAU COUNTY, FLORIDA
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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 County’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 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, 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
Leases	\$15,000
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, 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:

**NASSAU COUNTY, FLORIDA
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Buildings and Infrastructure	15-40 Years
Machinery and Equipment	5-20 Years
Computer Equipment	3-5 Years
Leases	Lease Term

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. 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 applies to future periods. Deferred outflows have a positive effect on net position, similar to assets.

Q. Compensated Absences

Annual, sick, bonus, and compensatory leave amounts accumulate and vest in accordance with the policies of the Board, 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.

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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R. 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 (OPEB) 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.

S. 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.

T. 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, 2022, the Board levied 7.3238 mills. An additional 2.2770 mills and 0.0960 was levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment Municipal Services Benefit Unit, 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. 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:

**NASSAU COUNTY, FLORIDA
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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

U. Leases

The County is a lessee for various lease agreements involving tower space, building space, and various equipment leases. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes leases with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made at or before the lease commencement date, plus initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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:

- GASB has issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending September 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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W. Change in Accounting Principles

For the year ended September 30, 2022, the County implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. 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. These changes were incorporated in the County's financial statements and had no effect on the beginning net position.

Note 2 - Cash and Investments

Deposits with Financial Institutions

The carrying amount of the County's deposits with financial institutions was \$53,170,507 and the bank balances were \$54,702,504 at September 30, 2022. 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 the 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.

Detail of the County's Cash and Investments

Description	Fair Value
Cash and Cash Equivalents	\$ 53,170,507
Florida Local Government Investment Trust	11,911,820
Certificates of Deposit	12,055,480
Money Market Accounts	83,120,240
U.S. Treasuries	<u>78,789,843</u>
Total Cash and Investments	<u>\$ 239,047,890</u>

Reported in accompanying financial statements as follows:

	Governmental Funds	Proprietary Funds	Custodial Funds	Total
Cash and Cash Equivalents	\$ 37,479,357	\$ 6,485,235	\$ 8,281,846	\$ 52,246,438
Equity in Pooled Investments	184,692,354	1,185,029	-	185,877,383
Restricted Cash and Cash Equivalents	-	<u>924,069</u>	-	<u>924,069</u>
Total Cash and Investments	<u>\$ 222,171,711</u>	<u>\$ 8,594,333</u>	<u>\$ 8,281,846</u>	<u>\$ 239,047,890</u>

NASSAU COUNTY, FLORIDA
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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 investment practices are governed by Section 218.415, Florida Statutes, and County Ordinance 95-144. Authorized investments include 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.

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.

<u>Maturities</u>	<u>Fair Value</u>	<u>1 Year or Less</u>	<u>1-5 Years</u>
Type			
U.S. Treasury Notes	\$ 78,789,843	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	12,055,480	-
Money Market Funds	83,120,240	83,120,240	-
Florida Government Investment Trust Short-Term Bond Fund	11,911,820	-	11,911,820 *
Total Investments	<u>185,877,383</u>	<u>\$ 173,965,563</u>	<u>\$ 11,911,820</u>
Demand Deposits	<u>53,170,507</u>		
Total Cash and Investments	<u>\$ 239,047,890</u>		

* Based on WAM of 1.76 years

Credit Risk—Generally, credit risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table summarizes the County's investments as rated as of September 30, 2022:

NASSAU COUNTY, FLORIDA
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Credit Ratings	Unrated	Moody's Aaa	Fitch AAAF
Type			
U.S. Treasury Notes	\$ -	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	-	-
Money Market Funds	83,120,240	-	-
Florida Government Investment Trust Short-Term Bond Fund	-	-	11,911,820
Total Investments	<u>95,175,720</u>	<u>78,789,843</u>	<u>11,911,820</u>
Demand Deposits	53,170,507	-	-
Total Cash and Investments	<u>\$ 148,346,227</u>	<u>\$ 78,789,843</u>	<u>\$ 11,911,820</u>

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 AAAs by Standard & Poor's. The weighted average maturity at September 30, 2022, was 1.76 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 FLGIT website (<https://www.floridatrustonline.com>).

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).

NASSAU COUNTY, FLORIDA
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Type Investment	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board Investments by Fair Value Level				
U.S. Treasury Notes	\$ 78,789,843	\$ -	\$ 78,789,843	\$ -
Total Investments Measure at FV	<u>78,789,843</u>	<u>\$ -</u>	<u>\$ 78,789,843</u>	<u>\$ -</u>
Board Investments Measured at Amortized Cost	Amortized Cost			
Certificate of Deposits	\$ 12,055,480			
Money Market Accounts	83,120,240			
Total Investments Measured at Amortized Cost	<u>95,175,720</u>			
Board Investments at Net Asset Value (NAV)	NAV			
Florida Government Investment	\$ 11,911,820			
Total Investments Measured at NAV	<u>11,911,820</u>			
Total Investments	<u>\$ 185,877,383</u>			

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2022, included the following:

	Receivable	Allowance	Net
Governmental Funds			
General Fund	\$ 2,680,271	\$ (1,953,840)	\$ 726,431
Municipal Services	2,208	-	2,208
Non-Major Funds	64,100	-	64,100
Total Governmental Funds	<u>\$ 2,746,579</u>	<u>\$ (1,953,840)</u>	<u>\$ 792,739</u>
Business-Type Funds			
Water	\$ 579,054	\$ (97,780)	\$ 481,274

Note 4 - Restricted Assets

Restricted assets in the proprietary funds at September 30, 2022, 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, 2022, were restricted for the following purposes:

Proprietary Funds	
Customer Deposits	\$ 92,840
Reserve	47,342
Impact Fees (Water/Sewer)	215,240
Debt Service	568,647
Total	<u>\$ 924,069</u>

NASSAU COUNTY, FLORIDA
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Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance 10/1/2021 (Restated)	Increases	(Decreases)	Balance 9/30/2022
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	\$ 82,281,590	\$ 3,036,713	\$ (20)	\$ 85,318,283
Construction Work in Progress	21,699,113	10,714,373	(21,866,637)	10,546,849
Total Capital Assets not Being Depreciated	<u>103,980,703</u>	<u>13,751,086</u>	<u>(21,866,657)</u>	<u>95,865,132</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	78,226,209	1,270,573	-	79,496,782
Machinery and Equipment	65,773,207	5,690,430	(2,006,782)	69,456,855
Improvements Other than Buildings	993,723	-	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	636,201,730	20,986,040	-	657,187,770
Leased Assets	746,906	56,180	-	803,086
Total Capital Assets Being Depreciated	<u>782,982,291</u>	<u>28,003,223</u>	<u>(2,006,782)</u>	<u>808,978,732</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(33,024,715)	(2,094,929)	-	(35,119,644)
Machinery and Equipment	(40,208,347)	(5,981,808)	1,870,452	(44,319,703)
Leasehold Improvements	(498,919)	(73,043)	-	(571,962)
Infrastructure	(403,309,379)	(16,678,059)	-	(419,987,438)
Leased Assets	-	(263,056)	-	(263,056)
Total Accumulated Depreciation	<u>(477,041,360)</u>	<u>(25,090,895)</u>	<u>1,870,452</u>	<u>(500,261,803)</u>
Total Capital Assets Being Depreciated, Net	<u>305,940,931</u>	<u>2,912,328</u>	<u>(136,330)</u>	<u>308,716,929</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 409,921,634</u>	<u>\$ 16,663,414</u>	<u>\$ (22,002,987)</u>	<u>\$ 404,582,061</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	872,897	2,548,024	(650)	3,420,271
Total Capital Assets not Being Depreciated	<u>1,040,863</u>	<u>2,548,024</u>	<u>(650)</u>	<u>3,588,237</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	754,865	-	-	754,865
Infrastructure	24,180,619	899,636	-	25,080,255
Equipment	1,082,997	85,696	-	1,168,693
Leased Assets	74,872	-	-	74,872
Total Capital Assets Being Depreciated	<u>26,093,353</u>	<u>985,332</u>	<u>-</u>	<u>27,078,685</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(328,328)	(19,839)	-	(348,167)
Infrastructure	(12,035,036)	(850,164)	-	(12,885,200)
Equipment	(398,757)	(108,719)	-	(507,476)
Leased Assets	-	(20,552)	-	(20,552)
Total Accumulated Depreciation	<u>(12,762,121)</u>	<u>(999,274)</u>	<u>-</u>	<u>(13,761,395)</u>
Total Capital Assets Being Depreciated, Net	<u>13,331,232</u>	<u>(13,942)</u>	<u>-</u>	<u>13,317,290</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 14,372,095</u>	<u>\$ 2,534,082</u>	<u>\$ (650)</u>	<u>\$ 16,905,527</u>

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Depreciation/Amortization expense was charged to functions/programs of the governmental and business-type activities as follows:

Governmental Activities	
General Government	\$ 1,070,889
Public Safety	6,373,449
Physical Environment	167,880
Transportation	15,889,687
Human Services	155,685
Culture and Recreation	489,908
Court-Related	943,397
Total Depreciation Expense - Governmental Activities	\$ 25,090,895
 Business-Type Activities	
Water and Sewer	\$ 999,274

Note 6 - Interfund Activity

Interfund balances at September 30, 2022, consisted of the following:

Due From	Due To					Total
	General	County Transportation	Municipal Services	Water and Sewer Fund	Non-Major Governmental	
General Fund	\$ -	\$ 17,862	\$ 66,359	\$ 22	\$ 4,672	\$ 88,915
County Transportation	145,966	-	-	-	-	145,966
Municipal Services Fund	257,639	-	-	-	-	257,639
Non-Major Governmental	580,214	22,947	-	-	186,941	790,102
Water and Sewer Fund	1,881	-	-	-	-	1,881
Total	\$ 985,700	\$ 40,809	\$ 66,359	\$ 22	\$ 191,613	\$ 1,284,503

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.

Transfers Out	Transfers In						Total
	General	County Transportation	Municipal Services	Capital Project	Non-Major Government	Water/Sewer Business Type	
General	\$ -	\$ 1,317,199	\$ 302,085	\$ 5,140,015	\$ 5,739,965	\$ 1,850,000	\$ 14,349,264
County Transportation	127,039	-	-	5,223,172	100,812	-	5,451,023
Municipal Services	3,237,992	-	-	-	-	-	3,237,992
Non-Major Governmental	916,673	-	-	2,501,075	2,342,972	-	5,760,720
Water and Sewer	65,382	-	-	-	-	-	65,382
Non-Major Business Type	3,702	-	-	-	-	-	3,702
Total	\$ 4,350,788	\$ 1,317,199	\$ 302,085	\$ 12,864,262	\$ 8,183,749	\$ 1,850,000	\$ 28,868,083

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Note 7 - Leases

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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. For additional information, refer to the disclosures below.

The County, as a lessee, has entered into lease agreements involving tower space for a communication system, building space for operations, and various equipment leases. The total of the County's lease assets were recorded at a cost of \$877,958, less accumulated depreciation of \$283,608.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-End	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 348,536	\$ 133,210
Buildings	339,509	111,106
Infrastructure	189,913	39,292
Total Leases	\$ 877,958	\$ 283,608

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 247,578	\$ 2,825	\$ 250,403
2024	126,331	1,933	128,264
2025	111,416	1,032	112,448
2026	56,188	322	56,510
2027	2,680	22	2,702
Total	\$ 544,193	\$ 6,134	\$ 550,327

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 20,513	\$ 203	\$ 20,716
2024	20,604	112	20,716
2025	13,304	29	13,333
Total	\$ 54,421	\$ 344	\$ 54,765

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Note 8 - Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2022:

	<u>Balance</u> <u>10/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/22</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Notes Payable	\$ 508,441	\$ -	\$ (142,353)	\$ 366,088	\$ 146,070
Bonds Payable	21,334,730	-	(2,202,475)	19,132,255	1,762,086
Premium on Bonds Payable	<u>742,483</u>	<u>-</u>	<u>(74,248)</u>	<u>668,235</u>	<u>74,248</u>
Total Bonds and Notes Payable	22,585,654	-	(2,419,076)	20,166,578	1,982,404
Lease Liability	746,906	56,180	(258,893)	544,193	247,578
Compensated Absences	8,835,793	5,686,107	(4,774,623)	9,747,277	3,964,566
Other Postemployment Benefits	20,309,601	630,829	-	20,940,430	625,731
Landfill Post-Closure	15,795,295	-	(120,695)	15,674,600	768,302
Net Pension Liability	<u>31,770,089</u>	<u>63,207,039</u>	<u>(1,710,318)</u>	<u>93,266,810</u>	<u>98,271</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 100,043,338</u>	<u>\$ 69,580,155</u>	<u>\$ (9,283,605)</u>	<u>\$ 160,339,888</u>	<u>\$ 7,686,852</u>
Business-Type Activities					
Bonds Payable					
(Direct Placement Bonds)	\$ 7,765,000	\$ -	\$ (1,040,000)	\$ 6,725,000	\$ 1,065,000
Notes Payable	-	174,610	(174,610)	-	-
Lease Liability	74,872	-	(20,451)	54,421	20,513
Compensated Absences	33,418	13,072	(10,342)	36,148	11,995
Other Postemployment Benefits	75,971	2,360	-	78,331	7,457
Net Pension Liability	<u>54,645</u>	<u>59,318</u>	<u>-</u>	<u>113,963</u>	<u>125</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 8,003,906</u>	<u>\$ 249,360</u>	<u>\$ (1,245,403)</u>	<u>\$ 7,007,863</u>	<u>\$ 1,105,090</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, 2022, 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 Series 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2022, totaled \$1,875,496.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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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 \$2,384,628. At year-end, pledged future revenues totaled \$2,835,000, 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>
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>
Total	<u>\$ 741,759</u>	<u>\$ 2,093,241</u>	<u>\$ 2,835,000</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 of 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 21% of such non-ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,322,000 and non-ad valorem tax revenues totaled \$11,203,335. At year-end, pledged future revenues totaled \$20,910,500, 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.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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>
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	1,820,000	502,750	2,322,750
2028-2031	<u>8,235,000</u>	<u>1,054,750</u>	<u>9,289,750</u>
Total	<u>\$ 16,515,000</u>	<u>\$ 4,395,500</u>	<u>\$ 20,910,500</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>
2023	\$ 146,070	\$ 7,588	\$ 153,658
2024	149,816	3,842	153,658
2025	<u>70,202</u>	<u>488</u>	<u>70,690</u>
Total	<u>\$ 366,088</u>	<u>\$ 11,918</u>	<u>\$ 378,006</u>

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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Board	\$ 6,645,971	\$ 3,427,572	\$ (2,652,980)	\$ 7,420,563
Clerk	109,676	224,421	(229,100)	104,997
Sheriff	1,728,840	1,642,977	(1,533,820)	1,837,997
Tax Collector	97,468	188,677	(204,096)	82,049
Property Appraiser	178,450	165,701	(132,079)	212,072
Supervisor of Elections	<u>75,388</u>	<u>36,759</u>	<u>(22,548)</u>	<u>89,599</u>
Total	<u>\$ 8,835,793</u>	<u>\$ 5,686,107</u>	<u>\$ (4,774,623)</u>	<u>\$ 9,747,277</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.

NASSAU COUNTY, FLORIDA
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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 60% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,195,767, and revenues totaled \$1,889,976. At year-end, pledged future revenues totaled \$7,167,523, 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 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>
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	1,155,000	37,786	1,192,786
2028	<u>1,180,000</u>	<u>12,685</u>	<u>1,192,685</u>
Total	<u>\$ 6,725,000</u>	<u>\$ 442,523</u>	<u>\$ 7,167,523</u>

Compensated Absences—Following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2022, for the proprietary funds:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Ending Balance</u>
Vacation Leave	\$ 8,352	\$ 7,190	\$ (9,287)	\$ 6,255
Sick Leave	24,802	4,827	-	29,629
Bonus Leave	<u>264</u>	<u>1,055</u>	<u>(1,055)</u>	<u>264</u>
Total	<u>\$ 33,418</u>	<u>\$ 13,072</u>	<u>\$ (10,342)</u>	<u>\$ 36,148</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.
- \$11,169,000 Nassau County, Florida, SAISSA Re-Nourishment Bond, Series 2011.

**NASSAU COUNTY, FLORIDA
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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 \$15,674,600 for post-closure care costs at September 30, 2022, for the two closed landfills. The liability is based on engineering estimates of annual post-closure care costs.

These post-closure care costs are based on estimates of what it would cost to perform all post-closure care using 2022 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 \$768,303 as of September 30, 2022). At September 30, 2022, the actual escrow balances are as follows:

Landfills		
Old West Nassau Post-Closure		\$ 45,975
New West Nassau Post-Closure		<u>722,328</u>
Total Escrow Balances		<u>\$ 768,303</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)

**NASSAU COUNTY, FLORIDA
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The 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 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.

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, 2022, were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	11.91	3.00	10.82
FRS, Special Risk Class	3.00	27.83	3.00	25.89
FRS, Elected County Officers	3.00	57.00	3.00	51.42
FRS, Senior Management Service	3.00	31.57	3.00	29.01
DROP - Applicable to Members from All of the Above Classes	0.00	18.60	0.00	18.34
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.

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The County's contributions for the year ended September 30, 2022, were \$9,442,732 to the FRS Pension Plan and \$893,534 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, 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, 2022. 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	\$ 78,274,167	\$ 15,106,606	N/A
Proportion at:			
Current Measurement Date	0.210368984%	0.142628215%	N/A
Prior Measurement Date	0.200629743%	0.135893961%	N/A
Pension Expense	\$ 12,339,939	\$ 1,381,510	\$ 1,318,077

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 2,505,553	\$ -	\$ 225,234	\$ -
Difference Between Expected and Actual Experience	3,717,571	-	458,521	66,470
Change of Assumptions	9,639,792	-	865,920	2,336,981
Changes of Proportion and Difference Between County Contributions and Proportionate Share of Contributions	4,851,980	1,325,328	2,403,513	112,447
Net Difference Between Projected and Actual Earnings on Pension Investments	<u>5,168,433</u>	<u>-</u>	<u>21,871</u>	<u>-</u>
Total	<u>\$ 25,883,329</u>	<u>\$ 1,325,328</u>	<u>\$ 3,975,059</u>	<u>\$ 2,515,898</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, 2023. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Fiscal Year	FRS	HIS
<u>Ending</u>	<u>Amount</u>	<u>Amount</u>
2023	\$ 5,573,761	\$ 347,737
2024	2,741,693	395,048
2025	(671,038)	435,817
2026	13,461,111	271,885
2027	946,921	(118,342)
Thereafter	-	(98,218)
Total	<u>\$ 22,052,448</u>	<u>\$ 1,233,927</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2022. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2022.

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

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary Increases	3.25%	3.25%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.54%

Mortality assumptions for the FRS Pension and HIS Plans were based on the PUB2010 base table varying by member category and sex, project generationally with Scale MP-2018.

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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	2.6%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Assumed Inflation – Mean	N/A	N/A	2.4%	1.3%

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

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. 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 3.54%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County’s Proportionate Share of the Net Pension Liability	\$ 135,369,710	\$ 78,274,167	\$ 30,535,433

HIS – County:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County’s Proportionate Share of the Net Pension Liability	\$ 17,283,198	\$ 15,106,606	\$ 13,305,521

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 State Board of Administration (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, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	3.30	3.00	6.30
FRS, Special Risk Regular	3.00	11.00	3.00	14.00
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management	3.00	4.67	3.00	7.67

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 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, 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 \$1,318,077 for the fiscal year ended September 30, 2022.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Other Pension Disclosures

The County recognized pension expense for fiscal year 2022 as follows:

September 30, 2022

	<u>FRS</u>	<u>HIS</u>	<u>FRS Inv. Plan</u>	<u>Total</u>
Pension Expense	<u>\$ 12,339,938</u>	<u>\$ 1,381,510</u>	<u>\$ 1,318,077</u>	<u>\$15,039,525</u>

NPL, Deferred Outflows and Inflows

September 30, 2022

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net Pension Liability	\$ 78,274,167	\$ 15,106,606	\$ 93,380,773
Deferred Outflows	25,883,329	3,975,059	29,858,388
Deferred Inflows	1,325,328	2,515,899	3,841,227

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.

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.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Percent of Direct Subsidy up to Subsidy Base Maximum			
Years of Service With Nassau County	Hired Before 10/1/05 (Other than Sheriff)	Hired on or After 10/1/05 (Other than Sheriff)	Sheriff's Office (Regardless of Hire Date)
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	<u>723</u>
Total Plan Members	<u><u>823</u></u>

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.

Total OPEB Liability—The County's total OPEB liability of \$21,018,760 was measured as of September 30, 2021, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2020.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 20,385,572</u>
Service Cost	731,009
Interest on Total OPEB Liability	497,317
Difference Between Expected and Actual Experience	-
Changes of Assumptions and Other Inputs	366,877
Benefit Payments	<u>(962,015)</u>
Net Change in Total OPEB Liability	<u>633,188</u>
Total OPEB Obligation, End of Year	<u><u>\$ 21,018,760</u></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:

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

	<u>1% Decrease</u>	<u>Current Discount Rate 2.19%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 22,778,475	\$ 21,018,760	\$ 19,411,416

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>
Total OPEB Liability	\$ 18,531,397	\$ 21,018,760	\$ 24,052,401

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

For the fiscal year ended September 30, 2022, the County recognized OPEB expense of \$645,471. At September 30, 2022, 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	\$ 1,005,010	\$ -
Changes in Assumptions and Other Inputs	2,142,498	7,978,902
Benefits Paid After Measurement Date	1,002,859	-
Total	<u>\$ 4,150,367</u>	<u>\$ 7,978,902</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,002,859 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2023	\$ (582,855)
2024	(582,855)
2025	(582,855)
2026	(582,855)
2027	(582,855)
Thereafter	<u>(1,917,119)</u>
Total	<u>\$ (4,831,394)</u>

NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 2.19% (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 2.41% in the prior year.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2020
Measurement Date:	September 30, 2021
Reporting Date:	September 30, 2022
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	2.19%
Projected Salary Increases:	Salary increase rates used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the FRS; 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 FRS. They are based on the results of the statewide experience study covering the period 2013 through 2018.
Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020, actuarial valuation of the FRS. 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.

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, is as follows:

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 1,532,338
Inventory	360,347
A/R - Dishonored Checks	<u>439</u>
Total Non-Spendable Fund Balance	<u>1,893,124</u>
Restricted Fund Balance	
General Government	283,501
General Government - Court-Related	1,835,456
Public Safety	1,606,483
Economic Development	383,039
Other Human Services	95,385
Physical Environment	4,621,206
Impact Fees	20,429,439
Law Library	109,000
Other Culture/Recreation	250,281
State Housing Initiative Program	2,007,231
Court Facilities	671,850
Criminal Justice	104,617
Tourist Development	18,261,576
Building Department	7,680,170
Debt Services - Bonds	1,496,250
Capital Projects - Transportation	5,755,560
Clerk Public Records	1,433,338
Clerk Child Support	420,446
Sheriff - Capital Projects	366,116
Sheriff Inmate Commissary	<u>1,454,986</u>
Total Restricted Fund Balance	<u>69,265,930</u>
Committed Fund Balance	
General Government	\$ 227,607
General Government - Court Related	124,121
Culture/Recreation	4,922,567
Physical Environment	288,946
Public Safety	4,055,394
Human Services	750,100
Transportation	29,311,809
Other Uses	11,130,486
Sheriff	<u>28,142</u>
Total Committed Fund Balance	<u>50,839,172</u>

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Assigned Fund Balance	
General Government	\$ 728,343
Public Safety	2,472,258
Economic Development	117,696
Transportation	1,418,090
Human Services	126,171
Culture and Recreation	107,214
Court-Related	82,659
Physical Environment	360,945
Reserves - Capital Projects	20,561,253
Reserves - Capital Plan	8,242,180
Minimum Fund Balance	<u>17,960,595</u>
Total Assigned Fund Balance	<u>52,177,404</u>
Unassigned Fund Balance	<u>21,066,673</u>
Total	<u>\$ 195,242,303</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.

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, 2022:

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Road Overlays	Current Available Resources	\$ 1,620,856	\$ 1,825,191
Booster Pump Station	Current Available Resources	2,111,035	1,376,693
William Burgess Extension – Design/Eng	Current Available Resources	1,146,559	20,826
Tributary Regional Park	Current Available Resources	709,747	308,136
West Side Regional Park	Current Available Resources	<u>348,654</u>	<u>270,086</u>
Total		<u>\$ 5,936,850</u>	<u>\$ 3,800,932</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, 2022, there was one series of such bonds outstanding with a principal amount payable of \$8,745,000. The issue amount and the September 30, 2022, outstanding balance is as follows:

<u>Original Issuance</u>	<u>Year</u>	<u>9/30/22 Balance</u>	<u>Description</u>
\$ 11,150,000	2008	\$ 8,745,000	AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities

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 Benefits 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, 2022, the Special Assessment Bond outstanding totaled \$5,419,448.

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, 2022, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC (LignoTech).

**NASSAU COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

During the year, LignoTech submitted applications for reimbursement for the years of 2019, 2020, and 2021 which were approved by the County and paid out in July 2022 in the amount of \$1,068,335. LignoTech may receive additional tax abatements if they meet the agreement requirements in future periods.

Note 20 - East Nassau County Planning Area (ENCPA) Mobility Network

The Nassau County 2030 Comprehensive Plan includes provision for the development of the ENCPA, comprised of approximately 24,000 acres, and a related mobility fee and tax increment district, which are designed to pay for transportation improvements within the ENCPA. The ENCPA Mobility Network is funded by two fee components: 1) a fee per residential unit or square foot of commercial/industrial development; and 2) a tax increment (TIF) calculation which allocates 12% of incremental property tax revenues generated since the 2015 Base Year Valuation within the ENCPA to subsidize the cost of transportation infrastructure within the ENCPA.

Developers of property within the ENCPA may elect to construct and dedicate transportation infrastructure and right-of-way to the County and request reimbursement for the value of such improvements from accumulated and future accumulation of ENCPA Mobility Network funds by filing a Reservation Agreement with the County. As of the most recent study, the cost of transportation infrastructure within the ENCPA is projected to be \$199.3 million. As of September 30, 2022, \$3.6 million of approved reservation agreements have been filed with the County, of which \$1.25 million are unpaid awaiting accumulation of future TIF funds.

Note 21 - Developer Agreements

The County sometimes enters into development agreements under which real property and improvements are transferred to the County, the fair value of which is in exchange for credits against future County impact fees. The County recognizes impact fee revenue in the statement of activities upon title transfer of property and improvements to the County. At September 30, 2022, the County has \$2,081,084 of impact fee credits unused and outstanding for which revenue was recognized upon receipt of property and improvements.

Note 22 - Prior Period Adjustment

The County has determined that certain transactions were not recorded in a prior year.

Governmental Activities - In the government-wide statements, developer land and improvements donated in a prior year were not properly reflected in the County's financial statements. This resulted in the understatement of capital assets and revenues. An adjustment was made to add the donated assets to the governmental activities in the amount of \$2,629,000.

	<u>Net Position, As Previously Reported</u>	<u>Donated Assets Restatement</u>	<u>Net Position As Restated</u>
Governmental Activities			
Total Net Position	\$ 440,061,075	\$ 2,629,000	\$ 442,690,075
Total Governmental Activities	<u>\$ 440,061,075</u>	<u>\$ 2,629,000</u>	<u>\$ 442,690,075</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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 83,006,933	\$ 83,006,933	\$ 87,923,322	\$ 4,916,389
Licenses and Permits	39,304	39,304	85,117	45,813
Intergovernmental Revenues	12,922,738	9,423,956	10,891,417	1,467,461
Charges for Services	3,988,648	4,024,174	5,348,581	1,324,407
Fines and Forfeitures	42,421	43,871	44,281	410
Interest Earnings (Loss)	301,500	301,218	(101,060)	(402,278)
Miscellaneous	311,544	616,876	2,672,100	2,055,224
Total Revenues	100,613,088	97,456,332	106,863,758	9,407,426
Expenditures				
Current:				
General Government Services	26,354,563	26,672,306	23,714,493	2,957,813
Public Safety	47,568,270	47,809,776	46,055,769	1,754,007
Physical Environment	2,541,776	2,621,945	1,859,175	762,770
Transportation	3,978	3,978	-	3,978
Economic Environment	261,924	1,329,997	1,300,895	29,102
Human Services	3,046,875	3,113,075	2,981,860	131,215
Culture and Recreation	2,915,676	3,098,382	2,664,195	434,187
Court-Related Expenditures	3,051,882	3,138,527	2,325,250	813,277
Reserve for Contingency	50,000	50,000	-	50,000
Capital Outlay	4,545,221	6,970,973	4,315,200	2,655,773
Debt Service:				
Principal Retirement	515,745	542,352	391,692	150,660
Interest and Fiscal Charges	12,284	11,305	13,386	(2,081)
(Total Expenditures)	90,868,194	95,362,616	85,621,915	9,740,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,744,894	2,093,716	21,241,843	19,148,127
Other Financing Sources (Uses)				
Transfers in	693,473	693,755	4,350,788	3,657,033
Transfers (out)	(12,338,785)	(14,537,958)	(14,349,264)	188,694
Leases (Lessee)	-	-	436,369	436,369
Sale of Capital Assets	-	-	7,601	7,601
Total Other Financing Sources (Uses)	(11,645,312)	(13,844,203)	(9,554,506)	4,289,697
Net Change in Fund Balances	(1,900,418)	(11,750,487)	11,687,337	23,437,824
Fund Balances at Beginning of Year	-	39,612,038	56,196,804	16,584,766
Fund Balances at End of Year	\$ (1,900,418)	\$ 27,861,551	\$ 67,884,141	\$ 40,022,590

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,992,520	\$ 8,992,520	\$ 9,843,368	\$ 850,848
Licenses and Permits	7,419	7,419	17,507	10,088
Intergovernmental Revenues	2,120,601	2,115,771	2,181,769	65,998
Charges for Services	20,401	20,401	30,391	9,990
Interest Earnings	35,000	35,000	82,331	47,331
Miscellaneous	111,203	111,203	130,889	19,686
Total Revenues	<u>11,287,144</u>	<u>11,282,314</u>	<u>12,286,255</u>	<u>1,003,941</u>
Expenditures				
Current:				
Transportation	11,835,957	12,682,873	10,030,643	2,652,230
Capital Outlay	632,164	796,432	662,319	134,113
(Total Expenditures)	<u>12,468,121</u>	<u>13,479,305</u>	<u>10,692,962</u>	<u>2,786,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,180,977)</u>	<u>(2,196,991)</u>	<u>1,593,293</u>	<u>3,790,284</u>
Other Financing Sources (Uses)				
Transfers in	1,315,000	1,315,000	1,317,199	2,199
Transfers (out)	(5,246,610)	(5,451,023)	(5,451,023)	-
Sale of General Capital Assets	-	-	14,707	14,707
Total Other Financing Sources (Uses)	<u>(3,931,610)</u>	<u>(4,136,023)</u>	<u>(4,119,117)</u>	<u>16,906</u>
Net Change in Fund Balances	(5,112,587)	(6,333,014)	(2,525,824)	3,807,190
Fund Balances at Beginning of Year	<u>7,592,158</u>	<u>12,736,736</u>	<u>12,790,388</u>	<u>53,652</u>
Fund Balances at End of Year	<u>\$ 2,479,571</u>	<u>\$ 6,403,722</u>	<u>\$ 10,264,564</u>	<u>\$ 3,860,842</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 17,559,038	\$ 17,559,038	\$ 17,893,886	\$ 334,848
Licenses and Permits	428,470	428,470	702,818	274,348
Intergovernmental Revenues	1,630,641	1,435,634	1,701,861	266,227
Charges for Services	410,789	410,789	554,276	143,487
Fines and Forfeitures	2,010	2,010	62,682	60,672
Interest Earnings	40,000	40,000	106,748	66,748
Miscellaneous	32,300	69,814	170,134	100,320
Total Revenues	<u>20,103,248</u>	<u>19,945,755</u>	<u>21,192,405</u>	<u>1,246,650</u>
Expenditures				
Current:				
General Government Services	2,554,320	2,427,812	2,018,182	409,630
Public Safety	11,953,294	12,206,883	11,892,295	314,588
Transportation		1,059	1,040	
Human Services	1,671,230	1,628,667	1,488,511	140,156
Capital Outlay	2,520,208	3,199,473	1,544,758	1,654,715
Debt Service:				
Principal Retirement	22,959	30,850	940	29,910
Interest and Fiscal Charges	-	-	56	(56)
(Total Expenditures)	<u>18,722,011</u>	<u>19,494,744</u>	<u>16,945,782</u>	<u>2,548,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,381,237</u>	<u>451,011</u>	<u>4,246,623</u>	<u>3,795,612</u>
Other Financing Sources (Uses)				
Transfers in	260,730	260,730	302,085	41,355
Transfers (out)	(7,362,712)	(12,148,666)	(3,237,992)	8,910,674
Leases (Lessee)	-	-	15,247	15,247
Total Other Financing Sources (Uses)	<u>(7,101,982)</u>	<u>(11,887,936)</u>	<u>(2,920,660)</u>	<u>8,967,276</u>
Net Change in Fund Balances	(5,720,745)	(11,436,925)	1,325,963	12,762,888
Fund Balances at Beginning of Year	<u>5,720,745</u>	<u>11,436,925</u>	<u>12,260,348</u>	<u>823,423</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,586,311</u>	<u>\$ 13,586,311</u>

NASSAU COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 8,607,184	\$ 8,607,184	\$ 984	\$ (8,606,200)
Interest Earnings	-	-	94,435	94,435
Total Revenues	<u>8,607,184</u>	<u>8,607,184</u>	<u>95,419</u>	<u>(8,511,765)</u>
Expenditures				
Current:				
General Government Services	-	500,545	542	500,003
(Total Expenditures)	<u>-</u>	<u>500,545</u>	<u>542</u>	<u>500,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,607,184</u>	<u>8,106,639</u>	<u>94,877</u>	<u>(8,011,762)</u>
Net Change in Fund Balances	8,607,184	8,106,639	94,877	(8,011,762)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>7,689</u>	<u>7,689</u>
Fund Balances at End of Year	<u>\$ 8,607,184</u>	<u>\$ 8,106,639</u>	<u>\$ 102,566</u>	<u>\$ (8,004,073)</u>

NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 generally accepted accounting principles (GAAP), 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 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, 2022, 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, 2022:

Governmental Funds	
General Fund	\$ 18,865,580
Special Revenue Funds	37,845,921
Capital Projects Funds	<u>8,304,852</u>
Total	<u>\$ 65,016,353</u>

NASSAU COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total OPEB Liability	2022	2021	2020	2019	2018
Service Cost	\$ 731,009	\$ 1,155,802	\$ 886,271	\$ 936,087	\$ 1,048,668
Interest on the Total OPEB Liability	497,317	767,173	936,424	851,315	762,264
Difference Between Expected and Actual Experience	-	760,056	-	627,352	-
Changes of Assumptions and Other Inputs	366,877	(8,462,896)	2,527,629	(1,089,112)	(852,311)
Benefit Payments	<u>(962,015)</u>	<u>(1,151,940)</u>	<u>(1,192,756)</u>	<u>(1,106,072)</u>	<u>(1,117,724)</u>
Net Change in Total OPEB Liability	<u>633,188</u>	<u>(6,931,805)</u>	<u>3,157,568</u>	<u>219,570</u>	<u>(159,103)</u>
Total OPEB Liability - Beginning	<u>20,385,572</u>	<u>27,317,377</u>	<u>24,159,809</u>	<u>23,940,239</u>	<u>24,099,342</u>
Total OPEB Liability - Ending	<u>\$ 21,018,760</u>	<u>\$ 20,385,572</u>	<u>\$ 27,317,377</u>	<u>\$ 24,159,809</u>	<u>\$ 23,940,239</u>
Covered-Employee Payroll	<u>\$ 46,833,469</u>	<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	44.88%	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, 2021

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 2.41% as of the previous measurement date to 2.19% as of September 30, 2021.

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, 2022

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the FRS Net Pension Plan	0.210368984%	0.200629743%	0.205551903%
Nassau County's Proportion Share of the FRS Net Pension Plan	\$ 78,274,167	\$ 15,155,296	\$ 89,089,224
Nassau County's Covered Payroll (FYE 6/30)	\$ 51,989,217	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	150.56%	31.50%	201.08%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	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, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Nassau County's Proportion of the HIS Net Pension Plan	0.142628222%	0.13589396%	0.12762941%
Nassau County's Proportion Share of the HIS Net Pension Plan	\$ 15,106,606	\$ 16,669,438	\$ 15,583,344
Nassau County's Covered Payroll (FYE 6/30)	\$ 51,989,217	\$ 48,119,629	\$ 44,305,301
Nassau County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	29.06%	34.64%	35.17%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	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

September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
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

September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
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, 2022

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 9,442,732	\$ 7,928,227	\$ 6,932,819
FRS Contribution in Relation to the Contractually Required Contribution	<u>9,442,732</u>	<u>7,928,227</u>	<u>6,932,819</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 53,827,349	\$ 48,792,831	\$ 44,668,675
FRS Contributions as a Percentage of Covered Payroll	17.54%	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>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 893,534	\$ 809,961	\$ 741,500
HIS Contribution in Relation to the Contractually Required Contribution	<u>893,534</u>	<u>809,961</u>	<u>741,500</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Nassau County's Covered Payroll (FYE 9/30)	\$ 53,827,349	\$ 48,792,831	\$ 44,668,675
HIS Contributions as a Percentage of Covered Payroll	1.66%	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

2019	2018	2017	2016	2015
\$ 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

2019	2018	2017	2016	2015
\$ 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, 2022

<u>Grant Agency/Grant Title</u>	<u>Assistance Listing Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
United States Department of the Interior, National Park Service			
African American Civil Rights of the 20th Century	15.904	P20AP00040	\$ <u>24,939</u>
United States Department of Justice			
Direct:			
Office of Community Oriented Policing Services	16.710	2020-UM-WX-0225	<u>225,942</u>
Indirect:			
Passed Through Office of the Attorney General of Florida <i>Victims of Crimes Act (VOCA)</i>	16.575	VOCA-2020-Nassau County-00642	50,693
Passed Through Florida Department of Law Enforcement: Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-NASS-1-C9-074	47,657
2020 Drug Eradication and Special Response Team	16.738	2020-JAGD-NASS-1Y5-042	<u>39,916</u>
Total United States Department of Justice			<u>364,208</u>
United States Department of Transportation			
Indirect:			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction	20.205	441214--1-38-01	735,425
Highway Planning and Construction	20.205	441217-1-68-02	657,222
Highway Planning and Construction	20.205	443248-1-38-02	140
Highway Planning and Construction	20.205	439496-1-58-01 & 68-02	1,031
Highway Planning and Construction	20.205	437334-1-38-02	313
Highway Planning and Construction	20.205	437334-1-68-02	140
Highway Planning and Construction	20.205	441241-1-38-02	<u>704</u>
Subtotal Expenditures - AL No. 20.205			<u>1,394,975</u>
Total United States Department of Transportation			<u>1,394,975</u>
United States Department of the Treasury			
Indirect:			
Passed Through Florida Office of the Governor: Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027		<u>542</u>
Federal Communications Commission			
Passed Through Florida Communications Commission:			
Emergency Connectivity Fund	32.009	079-2020	<u>7,989</u>

NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Grant Agency/Grant Title	Assistance Listing Number	Contract/Grant Number	Expenditures
United States Election Assistance Commission			
Indirect:			
Passed Through Florida Division of Elections 3/6/2023			
<i>Help America Vote Act</i>	90.404	22.e.es.000.045	\$ 2,985
<i>Help America Vote Act</i>	90.404	22.e.es.100.045	10,602
<i>Help America Vote Act</i>	90.404	22.e.es.200.045	2,773
<i>Help America Vote Act</i>	90.404	22.e.es.300.045	22,752
Subtotal Expenditures - AL No. 90.404			<u>39,112</u>
Total United States Election Assistance Commission			<u>39,112</u>
United States Department of Health and Human Services			
Indirect:			
Passed Through Florida Department of Revenue:			
Child Support Enforcement	93.563	CSOC45	112,701
Subtotal Expenditures - AL No. 93.563			<u>112,701</u>
Total United States Department of Health and Human Services			<u>112,701</u>
United States Department of Homeland Security			
Indirect:			
Passed Through Florida Division of Emergency Management:			
Disaster Grant - Public Assistance - FEMA	97.036	N/A	314,855
Disaster Grant - Public Assistance - FEMA	97.036	N/A	760,286
Disaster Grant - Public Assistance - FEMA	97.036	N/A	526,321
Subtotal Expenditures - AL No. 97.036			<u>1,601,462</u>
Emergency Management Performance Grant (EMPG)	97.042	A0226	3,919
Emergency Management Performance Grant (EMPG)	97.042	EMA-2021-EP-00006	13,924
Subtotal Expenditures - AL No. 97.042			<u>17,843</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-201900FF-00837	603,468
Total United States Department of Homeland Security			<u>2,222,773</u>
United States Environmental Protection Agency			
Indirect:			
Passed Through Florida Department of Environmental Protection			
Drinking Water State Revolving Fund	66.468	DEPDW	178,421
Drinking Water State Revolving Fund	66.468	DSRF4	47,389
Subtotal Expenditures - AL No. 66.468			<u>225,810</u>
Total United States Environmental Protection Agency			<u>225,810</u>
National Endowment of the Humanities			
Indirect:			
Passed Through Division of Library and Information Services			
<i>American Rescue Plan Act</i>	45.310	21-ARPA-23	98,303
Total Federal Awards			<u>\$ 4,491,352</u>

NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Grant Agency/Grant Title	State CSFA Number	Contract/Grant Number	Expenditures
Florida Officer of the State Courts Administrator			
Courtroom 3 Buildout	22.004	CM3068	\$ 77,237
Executive Office of the Governor			
Emergency Management Programs	31.063	21-BG-21-04-55-01-011	6,386
Emergency Management Programs	31.063	A0291	1,031
Total Executive Office of the Governor			<u>7,417</u>
Florida Department of Environmental Protection			
Beach Management Funding Assistance Program	37.003	19NA1	29,240
Beach Management Funding Assistance Program	37.003	20NA1	3,023,290
Subtotal Expenditures - CSFA 37.003			<u>3,052,530</u>
Small County Consolidated Waste Grants	37.012	SC025	93,750
American Beach Well and Septic Phase Out	37.077	DEPWW	426,993
American Beach Well and Septic Phase Out	37.077	SSRF3	47,199
American Beach Well and Septic Phase Out	37.077	LPA0237	48,168
Subtotal Expenditures - CSFA 37.077			<u>522,360</u>
Total Department of Environmental Protection			<u>3,668,640</u>
Florida Department of State			
State Aid to Libraries Grant Program	45.030	21-ST-36	32,874
Total Florida Department of State			<u>32,874</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	40.901	18/19	14,679
State Housing Initiatives Partnership Program	40.901	19/20	86,832
Subtotal Expenditures - CSFA No. 40.901			<u>101,511</u>
Total Florida Housing Finance Corporation			<u>101,511</u>
Florida Department of Transportation			
Small County Outreach Program (SCOP)	55.009	431638-1-58-01	14,282
Small County Outreach Program (SCOP)	55.009	430691-2-58-01	980,352
Small County Outreach Program (SCOP)	55.009	438178-1-54-01	36,895
Small County Outreach Program (SCOP)	55.009	438204-1-54-01	96,972
Subtotal Expenditures - CSFA No. 55.009			<u>1,128,501</u>
County Incentive Grant Program (CIGP)	55.008	436465-1-54-01	66,497
Local Transportation Projects	55.039	443400-2-54-01	1,331,567
Local Transportation Projects	55.039	443400-2-54-01	140
Subtotal Expenditures - CSFA No. 55.039			<u>1,331,707</u>
Total Florida Department of Transportation			<u>2,526,705</u>
Florida Department of Health			
County Grant Awards	64.005	C9045	6,575
Total Florida Department of Health			<u>6,575</u>

NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Grant Agency/Grant Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
Florida Department of Juvenile Justice			
Sheriff Work Ethics and Training	80.029	10661	\$ 90,580
Sheriff Work Ethics and Training - Youth Intervention	80.029	10717	20,900
Total Florida Department of Juvenile Justice			<u>111,480</u>
Total State Financial Assistance			<u>\$ 6,532,439</u>
Total Federal Awards and State Financial Assistance			<u>\$ 11,023,791</u>

**NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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, 2022, FEMA approved \$1,425,521 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

Opinion on Each Major Federal Program 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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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**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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**

Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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 22, 2023
Gainesville, Florida

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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:

Federal Programs	<u>Assistance Listing No.</u>
Highway Planning and Construction	20.205
State Projects	<u>CSFA No.</u>
Beach Management Funding Assistance Program	37.003
Local Transportation Projects	55.039

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, 2022, 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 22, 2023.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the individual report of the Board of County Commissioners, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the individual report of the Board of County Commissioners, as item 2022-001 to be a material weakness.

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**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***

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. We consider the deficiency described in the individual report of the Board of County Commissioners as item 2021-001 to be a significant deficiency.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the individual reports to the Board of County Commissioners. The response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on 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 22, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the review engagement.

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, 2022.

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 22, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the review engagement.

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, 2022.

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 22, 2023
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, 2022, and have issued our report thereon dated March 22, 2023.

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 American Institute of Certified Public Accountants 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 22, 2023, 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. Finding 2021-001 in the Board of County Commissioner's Report remains outstanding.

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*, requires 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 22, 2023
Gainesville, Florida

2022

Nassau County Board of County
Commissioners

Financial Statements and
Independent Auditor's Report

September 30, 2022

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

**NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2022**

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INTRODUCTORY SECTION

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

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2022

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

County Manager Taco Pope
County Attorney Denise May

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Nassau County, Florida

Opinions

We have audited the accompanying financial statements of each major fund and the 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, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and that standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 (the 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, 2022, 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.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 to 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 combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023, 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 22, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>
Assets			
Cash and Cash Equivalents	\$ 626,308	\$ 2,238	\$ 210,887
Cash and Cash Equivalents - Restricted	768,304	-	-
Equity in Pooled Investments	67,355,585	10,997,310	13,205,116
Accounts Receivable, (Net of Allowance for Uncollectibles)	689,906	-	2,208
Loans Receivable, (Net of Allowance for Uncollectibles)	-	-	-
Due from Other Funds	453,899	-	-
Due from Constitutional Officers	1,736,489	40,809	66,359
Due from Other Governments	3,632,455	585,067	207,682
Inventories	304,716	55,631	-
Prepaid Expenditures	158,009	-	1,365,753
Total Assets	<u>75,725,671</u>	<u>11,681,055</u>	<u>15,058,005</u>
Liabilities			
Accounts Payable	4,712,407	1,240,473	1,079,528
Accrued Liabilities	711,296	-	-
Retainage Payable	-	14,868	-
Due to Other Funds	-	145,966	257,431
Due to Constitutional Officers	58,709	-	208
Due to Other Governments	80,959	287	1,203
Deposits	2,100	10,440	-
Unearned Revenue	-	-	-
Total Liabilities	<u>5,565,471</u>	<u>1,412,034</u>	<u>1,338,370</u>
Deferred Inflows of Resources			
Unavailable Revenues	2,276,059	4,457	133,324
Fund Balances			
Non-Spendable	462,942	55,631	1,365,838
Restricted	1,404,157	-	103,905
Committed	12,403,480	1,355,884	1,456,797
Assigned	32,546,889	8,853,049	10,659,771
Unassigned	21,066,673	-	-
Total Fund Balances	<u>67,884,141</u>	<u>10,264,564</u>	<u>13,586,311</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 75,725,671</u>	<u>\$ 11,681,055</u>	<u>\$ 15,058,005</u>

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

<u>Grants</u>	<u>Capital Projects - Transportation</u>	<u>Comprehensive Impact Fee Ordinance</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,606,642	\$ 1,654,808	\$ 1,989,393	\$ 19,354,061	\$ 28,444,337
-	-	-	-	768,304
12,709,307	29,012,251	14,807,764	36,605,021	184,692,354
-	-	-	23,907	716,021
-	-	-	32,000	32,000
-	-	-	-	453,899
-	-	-	45,081	1,888,738
-	934,764	-	104,069	5,464,037
-	-	-	-	360,347
-	-	-	7,177	1,530,939
<u>17,315,949</u>	<u>31,601,823</u>	<u>16,797,157</u>	<u>56,171,316</u>	<u>224,350,976</u>
-	1,758,418	234,653	825,766	9,851,245
-	-	-	-	711,296
-	445,333	-	-	460,201
-	-	-	48,625	452,022
-	-	-	199,059	257,976
-	-	-	49,857	132,306
-	-	-	237,498	250,038
<u>17,213,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,213,383</u>
<u>17,213,383</u>	<u>2,203,751</u>	<u>234,653</u>	<u>1,360,805</u>	<u>29,328,467</u>
-	934,764	-	136,029	3,484,633
-	-	-	7,314	1,891,725
102,566	-	16,562,504	47,417,912	65,591,044
-	28,463,308	-	7,131,561	50,811,030
-	-	-	117,695	52,177,404
-	-	-	-	21,066,673
<u>102,566</u>	<u>28,463,308</u>	<u>16,562,504</u>	<u>54,674,482</u>	<u>191,537,876</u>
<u>\$ 17,315,949</u>	<u>\$ 31,601,823</u>	<u>\$ 16,797,157</u>	<u>\$ 56,171,316</u>	<u>\$ 224,350,976</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, 2022

	<u>General</u>	<u>County Transportation</u>	<u>Municipal Services</u>
Revenues			
Taxes	\$ 87,923,322	\$ 9,843,368	17,893,886
Licenses and Permits	85,117	17,507	702,818
Intergovernmental Revenues	10,551,466	2,181,769	1,701,861
Charges for Services	3,164,976	30,391	554,276
Fines and Forfeitures	44,231	-	62,682
Investment Earnings	(101,086)	82,331	106,748
Miscellaneous	2,386,925	130,889	170,134
Total Revenues	<u>104,054,951</u>	<u>12,286,255</u>	<u>21,192,405</u>
Expenditures			
Current:			
General Government Services	11,288,650	-	2,018,182
Public Safety	15,744,814	-	11,892,295
Physical Environment	1,859,175	-	-
Transportation	-	10,030,643	1,040
Economic Environment	1,229,760	-	-
Human Services	2,981,860	-	1,488,511
Culture and Recreation	2,664,195	-	-
Court-Related Expenditures	921,630	-	-
Capital Outlay	2,218,132	662,319	1,544,758
Debt Service:			
Principal Retirement	104,542	-	940
Interest and Fiscal Charges	1,897	-	56
(Total Expenditures)	<u>39,014,655</u>	<u>10,692,962</u>	<u>16,945,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65,040,296</u>	<u>1,593,293</u>	<u>4,246,623</u>
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	1,738,282	17,199	66,355
Transfers to Constitutional Officers	(41,675,139)	(127,039)	(3,152,522)
Transfers in	401,794	1,300,000	235,730
Transfers (out)	(14,261,866)	(5,323,984)	(85,470)
Leases (Lessee)	436,369	-	15,247
Sale of General Capital Assets	7,601	14,707	-
Total Other Financing Sources (Uses)	<u>(53,352,959)</u>	<u>(4,119,117)</u>	<u>(2,920,660)</u>
Net Change in Fund Balances	11,687,337	(2,525,824)	1,325,963
Fund Balances at Beginning of Year	56,196,804	12,790,388	12,260,348
Fund Balances at End of Year	<u>\$ 67,884,141</u>	<u>\$ 10,264,564</u>	<u>13,586,311</u>

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

<u>Grants</u>	<u>Capital Projects - Transportation</u>	<u>Comprehensive Impact Fee Ordinance</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 12,803,484	\$ 128,464,060
-	-	5,309,514	8,003,762	14,118,718
984	6,710,597	-	7,791,300	28,937,977
-	-	-	1,165,924	4,915,567
-	-	-	119,171	226,084
94,435	154,790	141,233	258,646	737,097
-	186,421	-	186,688	3,061,057
<u>95,419</u>	<u>7,051,808</u>	<u>5,450,747</u>	<u>30,328,975</u>	<u>180,460,560</u>
542	-	962	2,047,534	15,355,870
-	-	710	723,546	28,361,365
-	-	-	978,111	2,837,286
-	2,630,938	-	425,657	13,088,278
-	-	-	5,764,235	6,993,995
-	-	-	114,843	4,585,214
-	-	4,098	7,925	2,676,218
-	-	-	210,597	1,132,227
-	6,206,403	826,217	8,626,773	20,084,602
-	-	-	1,707,154	1,812,636
-	-	-	1,563,975	1,565,928
<u>542</u>	<u>8,837,341</u>	<u>831,987</u>	<u>22,170,350</u>	<u>98,493,619</u>
<u>94,877</u>	<u>(1,785,533)</u>	<u>4,618,760</u>	<u>8,158,625</u>	<u>81,966,941</u>
-	-	-	1,601,452	1,601,452
-	-	-	1,298	1,823,134
-	-	-	(2,724,938)	(47,679,638)
-	12,864,262	-	5,837,654	20,639,440
-	-	-	(2,752,738)	(22,424,058)
-	-	-	40,932	492,548
-	-	-	-	22,308
-	12,864,262	-	2,003,660	(45,524,814)
94,877	11,078,729	4,618,760	10,162,285	36,442,127
7,689	17,384,579	11,943,744	44,512,197	155,095,749
<u>\$ 102,566</u>	<u>\$ 28,463,308</u>	<u>\$ 16,562,504</u>	<u>\$ 54,674,482</u>	<u>\$ 191,537,876</u>

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	American Beach Water and Sewer District	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Equity in Pooled Investments	1,185,029	-	1,185,029
Accounts Receivable, Net	481,274	-	481,274
Due from Other Constitutional Officers	22	-	22
Due from Other Governmental Units	-	74,727	74,727
Inventories - Materials and Supplies	60,104	-	60,104
Prepays	1,213	-	1,213
Total Current Assets	6,317,995	2,893,678	9,211,673
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation Where Applicable)	16,157,356	748,171	16,905,527
Total Non-Current Assets	16,157,356	748,171	16,905,527
Total Assets	22,475,351	3,641,849	26,117,200
Deferred Outflow of Resources			
Unamortized Refunding Loss	269,337	-	269,337
Pension Related	33,704	-	33,704
OPEB Related	15,467	-	15,467
Total Deferred Outflow of Resources	318,508	-	318,508
Total Assets and Deferred Outflows	22,793,859	3,641,849	26,435,708
Liabilities			
Current Liabilities:			
Accounts Payable	527,759	21,908	549,667
Retainage Payable	100,074	-	100,074
Due to Other Funds	1,877	-	1,877
Due to Constitutional Officers	4	-	4
Due to Other Governments	240,799	101,069	341,868
Deposits	84,872	-	84,872
Bonds Payable	1,065,000	-	1,065,000
Other Postemployment Benefits - Current Portion	7,457	-	7,457
Net Pension Liability - HIS Current Portion	125	-	125
Compensated Absences	11,995	-	11,995
Lease Liability - Current Portion	20,513	-	20,513
Total Current Liabilities	2,060,475	122,977	2,183,452
Non-Current Liabilities:			
Compensated Absences	24,153	-	24,153
Other Postemployment Benefits	70,874	-	70,874
Bonds Payable Long-Term	5,660,000	-	5,660,000
Net Pension Liability	113,838	-	113,838
Lease Liability	33,908	-	33,908
Total Non-Current Liabilities	5,902,773	-	5,902,773
Total Liabilities	7,963,248	122,977	8,086,225
Deferred Inflow of Resources			
Pension Related	4,652	-	4,652
OPEB Related	29,735	-	29,735
Total Deferred Inflow of Resources	34,387	-	34,387
Net Position			
Net Investment in Capital Assets	9,547,198	748,171	10,295,369
Restricted for:			
Debt Service	568,647	-	568,647
Renewal and Replacement	215,240	-	215,240
Unrestricted	4,465,139	2,770,701	7,235,840
Net Position	\$ 14,796,224	\$ 3,518,872	\$ 18,315,096

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, 2022

	Business-Type Activities - Enterprise Funds		
	American Beach		Totals
	Water and Sewer	Water and Sewer District	
Operating Revenues			
Charges for Services	\$ 4,986,844	\$ -	\$ 4,986,844
Connection and Impact Fees	90,039	286,164	376,203
Other Income	26,108	2,411	28,519
Total Operating Revenues	<u>5,102,991</u>	<u>288,575</u>	<u>5,391,566</u>
Operating Expenses			
Contractual Services	50,332	-	50,332
Professional Services	2,348,521	110,227	2,458,748
Salaries and Benefits	86,160	-	86,160
Rentals and Leases	3,732	-	3,732
Utilities	303,992	-	303,992
Repairs and Maintenance	317,797	-	317,797
Gas and Oil	153	-	153
Depreciation	999,274	-	999,274
Other Expenses	102,328	16,269	118,597
(Total Operating Expenses)	<u>4,212,289</u>	<u>126,496</u>	<u>4,338,785</u>
Operating Income	<u>890,702</u>	<u>162,079</u>	<u>1,052,781</u>
Non-Operating Revenues (Expenses)			
Interest Earnings	6,008	-	6,008
Interest and Other Debt Service Costs	(200,943)	-	(200,943)
Intergovernmental Revenues	-	504,993	504,993
Total Non-Operating Revenues (Expenses)	<u>(194,935)</u>	<u>504,993</u>	<u>310,058</u>
Income Before Transfers	<u>695,767</u>	<u>667,072</u>	<u>1,362,839</u>
Transfers			
Transfers to Constitutional Officers	-	(3,702)	(3,702)
Transfers in	-	1,850,000	1,850,000
Transfers (out)	(65,382)	-	(65,382)
Total Transfers	<u>(65,382)</u>	<u>1,846,298</u>	<u>1,780,916</u>
Change in Net Position	<u>630,385</u>	<u>2,513,370</u>	<u>3,143,755</u>
Net Position, Beginning of Year	<u>14,165,839</u>	<u>1,005,502</u>	<u>15,171,341</u>
Total Net Position, End of Year	<u>\$ 14,796,224</u>	<u>\$ 3,518,872</u>	<u>\$ 18,315,096</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, 2022

	Business-Type Activities - Enterprise Funds		
	American Beach		Totals
	Water and Sewer	District	
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 4,419,754	\$ 288,575	\$ 4,708,329
Cash Payments to Vendors for Goods and Services	(2,871,139)	37,839	(2,833,300)
Cash Payments to Employees	(112,034)	-	(112,034)
Net Cash Provided by (Used in) Operating Activities	1,436,581	326,414	1,762,995
Non-Capital Financing Activities			
Due to from other Governments	473,914	(74,727)	399,187
Operating Grants	-	504,993	504,993
Transfers (to) from Other Funds	(65,382)	1,850,000	1,784,618
Transfers (to) from Constitutional Officers	(22)	(3,702)	(3,724)
Net Cash Provided by (Used in) Non-Capital Financing Activities	408,510	2,276,564	2,685,074
Capital and Related Financing Activities			
Acquisition of Property, Plant and Equipment	(3,374,927)	(160,755)	(3,535,682)
Proceeds from Sale of Property, Plant and Equipment	2,525	-	2,525
Principal Payments on Bonds	(1,040,000)	-	(1,040,000)
Payment of Interest	(156,053)	-	(156,053)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(4,568,455)	(160,755)	(4,729,210)
Investing Activities			
Interest Received	6,008	-	6,008
Sale of Investments	2,894,110	-	2,894,110
Net Cash Provided by (Used in) Investing Activities	2,900,118	-	2,900,118
Net Increase (Decrease) in Cash and Cash Equivalents	176,754	2,442,223	2,618,977
Cash and Cash Equivalents, Beginning of Year	4,413,599	376,728	4,790,327
Cash and Cash Equivalents, End of Year	\$ 4,590,353	\$ 2,818,951	\$ 7,409,304
Reported in Statement of Net Position as:			
Cash and Cash Equivalents	\$ 3,713,626	\$ 2,771,609	\$ 6,485,235
Cash and Cash Equivalents - Restricted	876,727	47,342	924,069
Total	\$ 4,590,353	\$ 2,818,951	\$ 7,409,304

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, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>American Beach</u>		
	<u>Water and Sewer</u>	<u>District</u>	<u>Totals</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 890,702	\$ 162,079	\$ 1,052,781
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	999,274	-	999,274
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	(30,421)	-	(30,421)
Decrease (Increase) in Due from Other Funds	803	-	803
Decrease (Increase) in Inventory	14,259	-	14,259
Decrease (Increase) in Prepaid Expense	(624)	-	(624)
Decrease (Increase) in Deferred Outflows	3,308	-	3,308
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	188,913	(579,310)	(390,397)
Increase (Decrease) in Due to Other Governments	51,847	101,069	152,916
Increase (Decrease) in Due to Other Funds	(640,699)	642,576	1,877
Increase (Decrease) in Due to Constitutional Officers	(10)	-	(10)
Increase (Decrease) in Deposits	(12,920)	-	(12,920)
Increase (Decrease) in OPEB Liability	2,360	-	2,360
Increase (Decrease) in Net Pension Liability	59,318	-	59,318
Increase (Decrease) in Deferred Inflows	(92,259)	-	(92,259)
Increase (Decrease) in Compensated Absences	2,730	-	2,730
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,436,581</u>	<u>\$ 326,414</u>	<u>\$ 1,762,995</u>

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, 2022**

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>SAISSA 2021</u>	<u>Total</u>
Assets				
Cash and Equivalents	\$ 95,074	\$ 961,216	\$ 869,576	\$ 1,925,866
Equity in Pooled Investments				-
Due from Constitutional Officers	7,743	-	-	7,743
Total Assets	<u>102,817</u>	<u>961,216</u>	<u>869,576</u>	<u>1,933,609</u>
Liabilities				
Due to Others	102,817	-	869,576	972,393
Due to Other Governments	-	961,216	-	961,216
Total Liabilities	<u>102,817</u>	<u>961,216</u>	<u>869,576</u>	<u>1,933,609</u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ -</u>	<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, 2022**

	<u>SAISSA</u>	<u>School Board Impact fees</u>	<u>SAISSA 2021</u>	<u>Total</u>
Additions				
Impact Fees Collected for Other Governments	\$ -	\$ 6,209,175	\$ -	\$ 6,209,175
Special Assessments	-	-	2,163,655	2,163,655
Investment Earnings	-	-	38	38
Total Additions	<u>-</u>	<u>6,209,175</u>	<u>2,163,693</u>	<u>8,372,868</u>
Deductions				
Impact Fees Distributed to Other Governments	-	(6,209,175)	-	(6,209,175)
Special Assessments Disbursed on Behalf of Others	-	-	(2,077,147)	(2,077,147)
Transfer (out) to Constitutional Officer	-	-	(86,546)	(86,546)
Total Deductions	<u>-</u>	<u>(6,209,175)</u>	<u>(2,163,693)</u>	<u>(8,372,868)</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, End of Year	<u>\$ -</u>	<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, Nassau County, Florida (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, 2022. 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, 2022. 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 statements, 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
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- ▶ **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 Funds**
 - **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.
 - **The South Amelia Island Shore 2021 Special Assessment (SAISSA) Fund**—is used to account for assets held by the Board as agent for the SAISSA 2021 assessment representing property owners within the geographical boundaries of the South Amelia Island Shore Stabilization Municipal Service Benefit Unit.

Measurement Focus

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

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

- **Fiduciary Funds**—Custodial funds are accounted for using the accrual basis of accounting. Per Governmental Accounting Standards Board (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 an “economic resources” measurement focus and accrual basis of accounting.

Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they become “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers revenues to be “available” if they are collected within 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, except for money markets and certificates of deposit which are recorded at amortized cost. Investment fair values are based on quoted market prices. Investments in mutual funds and Local Government Surplus Funds Trust Fund (the State Pool), 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.

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NOTES TO FINANCIAL STATEMENTS
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Interfund Balances

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

Inventories and Prepaid Items

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

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

On the governmental funds balance sheet, the prepaid and inventory balances reported are offset by a 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 Board’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
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- **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
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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
Leases	\$15,000
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
Leases	Lease Term

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

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.

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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 1 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, 2022, the Board levied 7.3238 mills. An additional 2.2770 mills and 0.0960 mills were levied for the benefit of the Nassau County Municipal Services Taxing Unit and the Amelia Island Beach Renourishment Municipal Services Benefit Unit (MSTU), respectively.

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 no 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.

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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

Leases

The County is a lessee for various lease agreements involving tower space, building space, and various equipment leases. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes leases with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made at or before the lease commencement date, plus initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are report with long-term debt on the statement of net position.

Note 2 - Cash and Investments

Deposits with Financial Institutions

At year-end, the carrying amount of the Board’s deposits with financial institutions was \$38,547,811 and the bank balances were \$39,021,072. 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

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
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event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and if necessary a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Investments

The Board’s investment practices are governed by Section 218.415, Florida Statutes, and County Ordinance 95-144. Authorized investments include the 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 are details of the cash and investments held by the Board at year-end:

Description	Fair Value
Cash and Cash Equivalents	\$ 38,547,811
Florida Local Government Investment Trust	11,911,820
Certificates of Deposit	12,055,480
Money Market Accounts	87,120,240
U.S. Treasuries	<u>74,789,843</u>
Total Cash and Investments	<u>\$ 224,425,194</u>

Reported in accompanying financial statements as follows:

	Governmental Funds	Proprietary Fund	Fiduciary Fund	Total
Cash and Cash Equivalents	\$ 28,444,337	\$ 6,485,235	\$ 1,925,866	\$ 36,855,438
Equity in Pooled Investments	184,692,354	1,185,029	-	185,877,383
Restricted Cash and Cash Equivalents	<u>768,304</u>	<u>924,069</u>	-	<u>1,692,373</u>
Total Cash and Investments	<u>\$ 213,904,995</u>	<u>\$ 8,594,333</u>	<u>\$ 1,925,866</u>	<u>\$ 224,425,194</u>

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.

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Investment maturities at September 30, 2022:

Maturities	Fair Value	1 Year or Less	1-5 Years
Type			
U.S. Treasury Notes	\$ 78,789,843	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	12,055,480	-
Money Market Funds	83,120,240	83,120,240	-
Florida Government Investment Trust Short-Term Bond Fund	11,911,820	-	11,911,820 *
Total Investments	<u>185,877,383</u>	<u>\$ 173,965,563</u>	<u>\$ 11,911,820</u>
Demand Deposits	38,547,811		
Total Cash and Investments	<u>\$ 224,425,194</u>		

* Based on WAM of 1.76 years

- **Credit Risk**—Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table summarizes the Board’s investments as rated as of September 30, 2022:

Credit Ratings	Unrated	Moody's Aaa	Fitch AAAf
Type			
U.S. Treasury Notes	\$ -	\$ 78,789,843	\$ -
Certificates of Deposits	12,055,480	-	-
Money Market Funds	83,120,240	-	-
Florida Government Investment Trust Short-Term Bond Fund	-	-	11,911,820
Total Investments	<u>95,175,720</u>	<u>78,789,843</u>	<u>11,911,820</u>
Demand Deposits	38,547,811	-	-
Total Cash and Investments	<u>\$ 133,723,531</u>	<u>\$ 78,789,843</u>	<u>\$ 11,911,820</u>

- **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.

Fair Value Measurements

The Board 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 following table summarizes the Board’s investments for which fair values are determined as of September 30, 2022:

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<u>Type Investment</u>	<u>Fair Value</u>	<u>Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Board Investments by Fair Value Level				
U.S. Treasury Notes	\$ 78,789,843	\$ -	\$ 78,789,843	\$ -
Total Investments Measure at FV	<u>78,789,843</u>	<u>\$ -</u>	<u>\$ 78,789,843</u>	<u>\$ -</u>
Board Investments Measured at Amortized Cost				
	Amortized Cost			
Certificate of Deposits	\$ 12,055,480			
Money Market Accounts	<u>83,120,240</u>			
Total Investments Measured at Amortized Cost	<u>95,175,720</u>			
Board Investments at Net Asset Value (NAV)				
	NAV			
Florida Government Investment	\$ 11,911,820			
Total Investments Measured at NAV	<u>11,911,820</u>			
Total Investments	<u>\$ 185,877,383</u>			

Note 3 - Accounts Receivable

Accounts receivable (net of allowances for uncollectibles) at September 30, 2022, included the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental Funds			
General Fund	\$ 2,643,746	\$ (1,953,840)	\$ 689,906
Municipal Services	2,208	-	2,208
Non-Major	<u>23,907</u>	<u>-</u>	<u>23,907</u>
Total Governmental Funds	<u>\$ 2,669,861</u>	<u>\$ (1,953,840)</u>	<u>\$ 716,021</u>
Business-Type Funds			
Water and Sewer	<u>\$ 579,054</u>	<u>\$ (97,780)</u>	<u>\$ 481,274</u>

Note 4 - Restricted Assets

Restricted assets in the general fund and the proprietary funds at September 30, 2022, 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, 2022, were restricted for the following purposes:

Customer Deposits	\$ 92,840
Landfill Post-Closure Costs	768,304
Impact Fees (Water/Sewer)	215,240
Debt Service	568,647
Cash Reserve	<u>47,342</u>
Total	<u>\$ 1,692,373</u>

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

Reported in accompanying financial statements as follows:

Account	Reported Amount
Current: Restricted Cash and Cash Equivalents - General Fund	\$ 768,304
Current: Restricted Cash and Cash Equivalents - Business-Type Activities	924,069
Total Restricted Assets	\$ 1,692,373

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, 2022, was as follows:

	Balance 10/1/21	Increases	(Decreases)	Balance 9/30/22
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	\$ 82,281,590	\$ 3,036,713	\$ (20)	\$ 85,318,283
Construction Work in Progress	<u>20,367,621</u>	<u>7,669,348</u>	<u>(21,190,444)</u>	<u>6,846,525</u>
Total Capital Assets not Being Depreciated	<u>102,649,211</u>	<u>10,706,061</u>	<u>(21,190,464)</u>	<u>92,164,808</u>
Capital Assets Being Depreciated:				
Building and Improvements	78,226,209	991,854	-	79,218,063
Machinery and Equipment	43,276,051	3,438,321	(1,344,115)	45,370,257
Improvements Other than Buildings	993,723	-	-	993,723
Leasehold Improvements	1,040,516	-	-	1,040,516
Infrastructure	636,201,729	20,796,126	-	656,997,855
Leased Assets	<u>535,229</u>	<u>56,180</u>	<u>-</u>	<u>591,409</u>
Total Capital Assets Being Depreciated	<u>760,273,457</u>	<u>25,282,481</u>	<u>(1,344,115)</u>	<u>784,211,823</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(33,024,715)	(1,999,682)	-	(35,024,397)
Machinery and Equipment	(25,786,766)	(3,584,350)	1,172,226	(28,198,890)
Leasehold Improvements	(498,919)	(73,043)	-	(571,962)
Infrastructure	(403,309,379)	(16,638,766)	-	(419,948,145)
Leased Assets	<u>-</u>	<u>(157,217)</u>	<u>-</u>	<u>(157,217)</u>
Total Accumulated Depreciation	<u>(462,619,779)</u>	<u>(22,453,058)</u>	<u>1,172,226</u>	<u>(483,900,611)</u>
Total Capital Assets Being Depreciated, Net	<u>297,653,678</u>	<u>2,829,423</u>	<u>(171,889)</u>	<u>300,311,212</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 400,302,889</u>	<u>\$ 13,535,484</u>	<u>\$ (21,362,353)</u>	<u>\$ 392,476,020</u>

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

	<u>Balance</u> <u>10/1/21</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>9/30/22</u>
Business-Type Activities				
Capital Assets, not Being Depreciated:				
Land	\$ 167,966	\$ -	\$ -	\$ 167,966
Construction Work in Progress	<u>872,897</u>	<u>2,548,024</u>	<u>(650)</u>	<u>3,420,271</u>
Total Capital Assets, not Being Depreciated	<u>1,040,863</u>	<u>2,548,024</u>	<u>(650)</u>	<u>3,588,237</u>
Capital Assets, Being Depreciated:				
Building and Improvements	754,865	-	-	754,865
Infrastructure	24,180,619	899,636	-	25,080,255
Equipment	1,082,997	85,696	-	1,168,693
Leased Assets	<u>74,872</u>	<u>-</u>	<u>-</u>	<u>74,872</u>
Total Capital Assets, Being Depreciated	<u>26,093,353</u>	<u>985,332</u>	<u>-</u>	<u>27,078,685</u>
Less Accumulated Depreciation:				
Building and Improvements	(328,328)	(19,839)	-	(348,167)
Infrastructure	(12,035,036)	(850,164)	-	(12,885,200)
Equipment	(398,757)	(108,719)	-	(507,476)
Leased Assets	<u>-</u>	<u>(20,552)</u>	<u>-</u>	<u>(20,552)</u>
Total Accumulated Depreciation	<u>(12,762,121)</u>	<u>(999,274)</u>	<u>-</u>	<u>(13,761,395)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,331,232</u>	<u>(13,942)</u>	<u>-</u>	<u>13,262,970</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 14,372,095</u>	<u>\$ 2,534,082</u>	<u>\$ (650)</u>	<u>\$ 16,905,527</u>

Note 6 - Interfund Activity

Interfund balances at September 30, 2022, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General	Municipal Service	\$ 257,431
General	County Transportation	145,966
General	Non-Major	48,625
General	Water and Sewer	<u>1,877</u>
Total		<u>\$ 453,899</u>

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition to the interfund balances, there was also \$1,896,501 due from the Constitutional Officers, and \$257,979 due to the Constitutional Officers.

Interfund transfers:

	<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>	
<u>Transfers Out</u>							
General	\$ -	\$ 1,300,000	\$ 235,730	\$ 5,140,015	\$ 5,736,121	\$ 1,850,000	\$ 14,261,866
County Transportation	-	-	-	5,223,172	100,812	-	5,323,984
Municipal Services	85,470	-	-	-	-	-	85,470
Non-Major Governmental	250,942	-	-	2,501,075	721	-	2,752,738
Water and Sewer	65,382	-	-	-	-	-	65,382
Total	<u>\$ 401,794</u>	<u>\$ 1,300,000</u>	<u>\$ 235,730</u>	<u>\$ 12,864,262</u>	<u>\$ 5,837,654</u>	<u>\$ 1,850,000</u>	<u>\$ 22,489,440</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
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In addition to the interfund transfers, there were transfers out to the Constitutional Officers of \$47,769,887 and transfers in from the Constitutional Officers of \$1,823,133.

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

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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. For additional information, refer to the disclosures below.

The Board, as a lessee, has entered into lease agreements involving tower space for a communication system, building space for operations, and various equipment leases. The total of the Board's lease assets were recorded at a cost of \$666,280, less accumulated depreciation of \$177,769.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 136,858	\$ 27,371
Buildings	339,509	111,106
Infrastructure	189,913	39,292
Total Leases	\$ 666,280	\$ 177,769

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 141,740	\$ 2,825	\$ 144,565
2024	126,331	1,933	128,264
2025	111,416	1,032	112,448
2026	56,188	322	56,510
2027	2,680	22	2,702
Total	\$ 438,355	\$ 6,134	\$ 444,489

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 20,513	\$ 203	\$ 20,716
2024	20,604	112	20,716
2025	13,304	29	13,333
Total	\$ 54,421	\$ 344	\$ 54,765

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

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, 2022:

	<u>Balance 10/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/22</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 21,334,730	\$ -	\$ (2,202,475)	\$ 19,132,255	\$ 1,762,086
Premium on Bonds Payable	742,483	-	(74,248)	668,235	74,248
Total Bonds and Notes Payable	<u>22,077,213</u>	<u>-</u>	<u>(2,276,723)</u>	<u>19,800,490</u>	<u>1,836,334</u>
Compensated Absences	6,645,971	3,427,572	(2,652,980)	7,420,563	2,546,943
Other Postemployment Benefits	9,724,297	302,043	-	10,026,340	455,023
Landfill Post-Closure	15,795,295	-	(120,695)	15,674,600	768,302
Net Pension Liability	16,017,331	29,453,962	-	45,471,293	49,999
Lease Liability	<u>535,229</u>	<u>56,180</u>	<u>(153,054)</u>	<u>438,355</u>	<u>163,813</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 70,795,336</u>	<u>\$ 33,239,757</u>	<u>\$ (5,203,452)</u>	<u>\$ 98,831,641</u>	<u>\$ 5,820,414</u>
Business-Type Activities					
Bonds Payable					
(Direct Placement)	\$ 7,765,000	\$ -	\$ (1,040,000)	\$ 6,725,000	\$ 1,065,000
Notes Payable	-	174,610	(174,610)	-	-
Compensated Absences	33,418	13,072	(10,342)	36,148	11,995
Other Postemployment Benefits	75,971	2,360	-	78,331	7,457
Net Pension Liability	54,645	59,318	-	113,963	125
Lease Liability	<u>74,872</u>	<u>-</u>	<u>(20,451)</u>	<u>54,421</u>	<u>20,513</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 8,003,906</u>	<u>\$ 249,360</u>	<u>\$ (1,245,403)</u>	<u>\$ 7,007,863</u>	<u>\$ 1,105,090</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, 2022, follows:

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
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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 Series 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2022, totaled \$1,875,496.

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 \$2,384,628. At year-end, pledged future revenues totaled \$2,835,000, 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:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 262,086	\$ 682,914	\$ 945,000
2024	246,976	698,024	945,000
2025	232,697	712,303	945,000
Total	\$ 741,759	\$ 2,093,241	\$ 2,835,000

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 of 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 21% of such non-ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled \$2,322,000 and non-ad valorem tax revenues totaled \$11,203,335. At year-end, pledged future revenues totaled \$20,910,500, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
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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:

Year Ending September 30,	Principal	Interest	Total
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	1,820,000	502,750	2,322,750
2028-2031	<u>8,235,000</u>	<u>1,054,750</u>	<u>9,289,750</u>
Total	<u>\$ 16,515,000</u>	<u>\$ 4,395,500</u>	<u>\$ 20,910,500</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, 2022:

	Beginning Balance	Additions	(Deletions)	Ending Balance
Vacation Leave	\$ 2,545,468	\$ 1,393,582	\$ (1,142,553)	\$ 2,796,497
Paid Time Off	857,254	1,088,489	(909,067)	1,036,676
Sick Leave	3,205,695	841,906	(510,502)	3,537,099
Bonus Leave	16,905	30,255	(30,276)	16,884
Compensatory Leave	<u>20,650</u>	<u>73,338</u>	<u>(60,581)</u>	<u>33,407</u>
Total	<u>\$ 6,645,972</u>	<u>\$ 3,427,570</u>	<u>\$ (2,652,979)</u>	<u>\$ 7,420,563</u>

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 60% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled \$1,195,767, and revenues totaled \$1,889,976. At year-end, pledged future revenues totaled \$7,167,523, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

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

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>
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	1,155,000	37,786	1,192,786
2028	<u>1,180,000</u>	<u>12,685</u>	<u>1,192,685</u>
Total	<u>\$ 6,725,000</u>	<u>\$ 442,523</u>	<u>\$ 7,167,523</u>

Compensated Absences—Following is a summary of annual, sick, and bonus leave benefits liabilities at September 30, 2022, for the proprietary funds:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Ending Balance</u>
Vacation Leave	\$ 8,352	\$ 7,190	\$ (9,287)	\$ 6,255
Sick Leave	24,802	4,827	-	29,629
Bonus Leave	<u>264</u>	<u>1,055</u>	<u>(1,055)</u>	<u>264</u>
Total	<u>\$ 33,418</u>	<u>\$ 13,072</u>	<u>\$ (10,342)</u>	<u>\$ 36,148</u>

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.

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
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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 \$15,674,600 for post-closure care cost at September 30, 2022, 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 2022 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 \$768,303 as of September 30, 2022). At September 30, 2022, the actual escrow balances are as follows:

Landfills		
Old West Nassau Post-Closure		\$ 45,975
New West Nassau Post-Closure		<u>722,328</u>
Total Escrow Balances		<u>\$ 768,303</u>

Note 11 - Retirement Plans

General Information About the 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).

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The 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 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.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	11.91	3.00	10.82
FRS, Special Risk Class	3.00	27.83	3.00	25.89
FRS, Elected County Officers	3.00	57.00	3.00	51.42
FRS, Senior Management Service	3.00	31.57	3.00	29.01
DROP - Applicable to Members from All of the Above Classes	0.00	18.60	0.00	18.34
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.

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

The Board's contributions (employer) to the Plan totaled \$4,559,606 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2022, the Board's proportionate share of the FRS net pension liability was \$37,970,130. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022, the Board's proportion was 0.102048198%, which was an increase of 0.003025676% from its proportion measured as of June 30, 2021.

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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal years 2022 and 2021 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 \$451,689 for the fiscal year ended September 30, 2022.

Pension Liabilities and Pension Expense. At September 30, 2022, the Board's proportionate share of the HIS net pension liability was \$7,615,126. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Board's proportionate share of the net pension liability was based on the Board's contributions during the HIS Plan's fiscal year relative to the contributions of all participating members. At June 30, 2022, the Board's proportion was 0.071897806%, which was an increase of 0.001853803% from its proportion measured as of June 30, 2021.

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

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 State Board of Administration of Florida (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 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	3.30	3.00	6.30
FRS, Special Risk Regular	3.00	11.00	3.00	14.00
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management	3.00	4.67	3.00	7.67

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, 2022, 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.

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

The Board’s Investment Plan pension expense totaled \$535,633 for the fiscal year ended September 30, 2022.

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:

<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%

As of the most recent actuarial date, there are 331 active employees and 65 retired employees participating in the plan. The Board’s net OPEB obligation totaled \$10,104,671, of which \$78,331 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, 2022:

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 1,530,939
Inventory	360,347
A/R - Dishonored Checks	439
Total Non-Spendable Fund Balance	1,891,725

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

Restricted Fund Balance	
General Government	\$ 283,501
General Government - Court-Related	1,835,456
Public Safety	1,606,483
Economic Development	383,039
Other Human Services	95,385
Physical Environment	4,621,206
Impact Fees	20,429,439
Law Library	109,000
Other Culture/Recreation	250,281
State Housing Initiative Program	2,007,231
Court Facilities	671,850
Criminal Justice	104,617
Tourist Development	18,261,576
Building Department	7,680,170
Debt Services - Bonds	1,496,250
Capital Projects - Transportation	<u>5,755,560</u>
Total Restricted Fund Balance	<u>65,591,044</u>
 Committed Fund Balance	
General Government	227,607
General Government - Court-Related	124,121
Culture/Recreation	4,922,567
Physical Environment	288,946
Public Safety	4,055,394
Human Services	750,100
Transportation	29,311,809
Other Uses	<u>11,130,486</u>
Total Committed Fund Balance	<u>50,811,030</u>
 Assigned Fund Balance	
General Government	728,343
Public Safety	2,472,258
Economic Development	117,696
Transportation	1,418,090
Human Services	126,171
Culture and Recreation	107,214
Court-Related	82,659
Physical Environment	360,945
Reserves - Capital Projects	20,561,253
Reserves - Capital Plan	8,242,180
Minimum Fund Balance	<u>17,960,595</u>
Total Assigned Fund Balance	<u>52,177,404</u>
 Unassigned Fund Balance	 <u>21,066,673</u>
 Total	 <u><u>\$ 191,537,876</u></u>

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

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.

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 County. On February 6, 2023, Raydient Places + Properties LLC, and the Nassau County Board of Commissioners agreed to settle their dispute with orders entered in the 4th Judicial Circuit. In addition to ending all pending litigation, the settlement sets forth that Nassau County agrees to reimburse Raydient \$300,000 for attorney fees and costs.

The following is a summary of major commitments of the Board and contracts in progress as of September 30, 2022:

<u>Project</u>	<u>Source of Payment</u>	<u>Paid to Date</u>	<u>Commitment Remaining</u>
Road Overlays	Current Available Resources	\$ 1,620,856	\$ 1,825,191
Booster Pump Station	Current Available Resources	2,111,035	1,376,693
William Burgess Extension - Design/Eng	Current Available Resources	1,146,559	20,826
Tributary Regional Park	Current Available Resources	709,747	308,136
West Side Regional Park	Current Available Resources	<u>348,654</u>	<u>270,086</u>
Total		<u>\$ 5,936,851</u>	<u>\$ 3,800,932</u>

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

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, 2022, there was one series of such bonds outstanding with a principal amount payable of \$8,745,000. The issue amount and the September 30, 2022, outstanding balance is as follows:

Original Issuance	Year	9/30/22 Balance	Description
\$ 11,150,000	2008	\$ 8,745,000	AICC, Inc. and Nassau Care Centers—70 Bed Care Intermediate Care and Day Program Service Facilities

Note 18 - No Commitment Special Assessment Debt

To finance the costs of certain capital improvements benefitting property within the South Amelia Island Shore Stabilization MSBU, 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, have not been reported in the accompanying financial statements.

At September 30, 2022, the Special Assessment Bond outstanding totaled \$5,419,448.

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, 2022, the only existing EDG agreement potentially material in size (fiscal year abatement >\$300,000) was with LignoTech Florida, LLC (LignoTech).

During the year, LignoTech submitted applications for reimbursement for the years of 2019, 2020, and 2021 which were approved by the County and paid out in July 2022 in the amount of \$1,068,335. LignoTech may receive additional tax abatements if they meet the agreement requirements in future periods.

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

Note 20 - East Nassau County Planning Area (ENCPA) Mobility Network

The Nassau County 2030 Comprehensive Plan includes provision for the development of the ENCPA, comprised of approximately 24,000 acres, and a related mobility fee and tax increment district, which are designed to pay for transportation improvements within the ENCPA. The ENCPA Mobility Network is funded by two fee components: 1) a fee per residential unit or square foot of commercial/industrial development; and 2) a tax increment (TIF) calculation which allocates 12% of incremental property tax revenues generated since the 2015 Base Year Valuation within the ENCPA to subsidize the cost of transportation infrastructure within the ENCPA.

Developers of property within the ENCPA may elect to construct and dedicate transportation infrastructure and right of way to the County and request reimbursement for the value of such improvements from accumulated and future accumulation of ENCPA Mobility Network funds by filing a Reservation Agreement with the County. As of the most recent study, the cost of transportation infrastructure within the ENCPA is projected to be \$199.3 million. As of September 30, 2022, \$3.6 million of approved reservation agreements have been filed with the County, of which \$1.25 million are unpaid awaiting accumulation of future TIF funds.

Note 21 - Developer Agreements

The County sometimes enters into development agreements under which real property and improvements are transferred to the County, the fair value of which is in exchange for credits against future County impact fees. The County recognizes impact fee revenue in the Statement of Activities upon title transfer of property and improvements to the County. At September 30, 2022, the County has \$2,081,084 of impact fee credits unused and outstanding for which revenue was recognized upon receipt of property and improvements.

Note 22 - Prior Period Adjustment

The Board has determined that certain transactions were not recorded in a prior year in the County's government wide financial statements.

Governmental Activities - In the Government-wide statements, developer land and improvements donated in a prior year were not properly reflected in the County's financial statements. This resulted in the understatement of capital assets and revenues. An adjustment was made to add the donated assets to the governmental activities in the amount of \$2,629,000. See the County's government-wide financial statements for more information.

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, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 83,006,933	\$ 83,006,933	\$ 87,923,322	\$ 4,916,389
Licenses and Permits	39,304	39,304	85,117	45,813
Intergovernmental Revenues	12,762,538	9,170,551	10,551,466	1,380,915
Charges for Services	2,170,788	2,170,788	3,164,976	994,188
Fines and Forfeitures	42,421	43,821	44,231	410
Interest Earnings (Loss)	301,500	301,218	(101,086)	(402,304)
Miscellaneous	214,544	250,424	2,386,925	2,136,501
Total Revenues	98,538,028	94,983,039	104,054,951	9,071,912
Expenditures				
Current:				
General Government Services	13,107,041	13,503,368	11,288,650	2,214,718
Public Safety	17,356,194	17,712,826	15,744,814	1,968,012
Physical Environment	2,541,776	2,621,945	1,859,175	762,770
Transportation	3,978	3,978	-	3,978
Economic Environment	192,084	1,258,863	1,229,760	29,103
Human Services	3,046,875	3,113,075	2,981,860	131,215
Culture and Recreation	2,915,676	3,098,382	2,664,195	434,187
Court-Related Expenditures	1,608,911	1,734,907	921,630	813,277
Capital Outlay	3,481,139	4,756,673	2,218,132	2,538,541
Debt Service:				
Principal Retirement	-	-	104,542	(104,542)
Interest and Fiscal Charges	-	-	1,897	(1,897)
(Total Expenditures)	44,253,674	47,804,017	39,014,655	8,789,362
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,284,354	47,179,022	65,040,296	17,861,274
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	578,621	580,409	1,738,282	1,157,873
Transfers to Constitutional Officers	(42,393,169)	(42,574,161)	(41,675,139)	899,022
Transfers in	693,473	693,755	401,794	(291,961)
Transfers (out)	(12,338,785)	(14,537,958)	(14,261,866)	276,092
Leases (Lessee)	-	-	436,369	436,369
Sale of Capital Assets	-	-	7,601	7,601
Total Other Financing Sources (Uses)	(53,459,860)	(55,837,955)	(53,352,959)	2,484,996
Net Change in Fund Balances	824,494	(8,658,933)	11,687,337	20,346,270
Fund Balances at Beginning of Year	33,079,529	55,498,028	56,196,804	698,776
Fund Balances at End of Year	\$ 33,904,023	\$ 46,839,095	\$ 67,884,141	\$ 21,045,046

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,992,520	\$ 8,992,520	\$ 9,843,368	\$ 850,848
Licenses and Permits	7,419	7,419	17,507	10,088
Intergovernmental Revenues	2,120,601	2,115,771	2,181,769	65,998
Charges for Services	20,401	20,401	30,391	9,990
Interest Earnings	35,000	35,000	82,331	47,331
Miscellaneous	111,203	111,203	130,889	19,686
Total Revenues	<u>11,287,144</u>	<u>11,282,314</u>	<u>12,286,255</u>	<u>1,003,941</u>
Expenditures				
Current:				
Transportation	11,835,957	12,682,873	10,030,643	2,652,230
Capital Outlay	632,164	796,432	662,319	134,113
(Total Expenditures)	<u>12,468,121</u>	<u>13,479,305</u>	<u>10,692,962</u>	<u>2,786,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,180,977)</u>	<u>(2,196,991)</u>	<u>1,593,293</u>	<u>3,790,284</u>
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	15,000	15,000	17,199	2,199
Transfers to Constitutional Officers	(124,499)	(127,039)	(127,039)	-
Transfers in	1,300,000	1,300,000	1,300,000	-
Transfers (out)	(5,122,111)	(5,323,984)	(5,323,984)	-
Sale of General Capital Assets	-	-	14,707	14,707
Total Other Financing Sources (Uses)	<u>(3,931,610)</u>	<u>(4,136,023)</u>	<u>(4,119,117)</u>	<u>16,906</u>
Net Change in Fund Balances	(5,112,587)	(6,333,014)	(2,525,824)	3,807,190
Fund Balances at Beginning of Year	<u>7,592,158</u>	<u>12,736,736</u>	<u>12,790,388</u>	<u>53,652</u>
Fund Balances at End of Year	<u>\$ 2,479,571</u>	<u>\$ 6,403,722</u>	<u>\$ 10,264,564</u>	<u>\$ 3,860,842</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 17,559,038	\$ 17,559,038	\$ 17,893,886	\$ 334,848
Licenses and Permits	428,470	428,470	702,818	274,348
Intergovernmental Revenues	1,630,641	1,435,634	1,701,861	266,227
Charges for Services	410,789	410,789	554,276	143,487
Fines and Forfeitures	2,010	2,010	62,682	60,672
Interest Earnings	40,000	40,000	106,748	66,748
Miscellaneous	32,300	69,814	170,134	100,320
Total Revenues	<u>20,103,248</u>	<u>19,945,755</u>	<u>21,192,405</u>	<u>1,246,650</u>
Expenditures				
Current:				
General Government Services	2,569,628	2,448,811	2,018,182	430,629
Public Safety	11,958,468	12,212,057	11,892,295	319,762
Transportation	-	1,059	1,040	19
Human Services	1,673,707	1,633,344	1,488,511	144,833
Capital Outlay	2,520,208	3,199,473	1,544,758	1,654,715
Debt Service:				
Principal Retirement	-	-	940	(940)
Interest and Fiscal Charges	-	-	56	(56)
(Total Expenditures)	<u>18,722,011</u>	<u>19,494,744</u>	<u>16,945,782</u>	<u>2,548,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,381,237</u>	<u>451,011</u>	<u>4,246,623</u>	<u>3,795,612</u>
Other Financing Sources (Uses)				
Transfers from Constitutional Officers	25,000	25,000	66,355	41,355
Transfers to Constitutional Officers	(3,143,896)	(3,153,079)	(3,152,522)	557
Transfers in	235,730	235,730	235,730	-
Transfers (out)	(4,218,816)	(8,995,587)	(85,470)	8,910,117
Leases (Lessee)	-	-	15,247	15,247
Total Other Financing Sources (Uses)	<u>(7,101,982)</u>	<u>(11,887,936)</u>	<u>(2,920,660)</u>	<u>8,967,276</u>
Net Change in Fund Balances	(5,720,745)	(11,436,925)	1,325,963	12,762,888
Fund Balances at Beginning of Year	<u>5,720,745</u>	<u>11,436,925</u>	<u>12,260,348</u>	<u>823,423</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,586,311</u>	<u>\$ 13,586,311</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 8,607,184	\$ 8,607,184	\$ 984	\$ (8,606,200)
Interest Earnings	-	-	94,435	94,435
Total Revenues	<u>8,607,184</u>	<u>8,607,184</u>	<u>95,419</u>	<u>(8,511,765)</u>
Expenditures				
Current:				
General Government Services	-	500,545	542	500,003
(Total Expenditures)	<u>-</u>	<u>500,545</u>	<u>542</u>	<u>500,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,607,184</u>	<u>8,106,639</u>	<u>94,877</u>	<u>(8,011,762)</u>
Net Change in Fund Balances	8,607,184	8,106,639	94,877	(8,011,762)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>7,689</u>	<u>7,689</u>
Fund Balances at End of Year	<u>\$ 8,607,184</u>	<u>\$ 8,106,639</u>	<u>\$ 102,566</u>	<u>\$ (8,004,073)</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, 2022**

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, 2022, 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, 2022:

Governmental Funds	
General Fund	\$ 18,865,580
Special Revenue Funds	37,844,665
Capital Projects Funds	<u>8,306,108</u>
Total	<u>\$ 65,016,353</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, 2022**

	<u>Special Revenue Funds</u>		
	<u>Law Enforcement Training</u>	<u>Sheriff Donations</u>	<u>Law Enforcement Trust</u>
Assets			
Cash and Cash Equivalents	\$ 203,153	\$ 3,109	\$ 695,583
Equity in Pooled Investments	-	-	-
Accounts Receivable	-	-	-
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	1,302	-	-
Due from Other Governments	-	-	-
Total Assets	<u>204,455</u>	<u>3,109</u>	<u>695,583</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Due to Constitutional Officers	-	-	186,500
Due to Other Governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>186,500</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Non-Spendable	-	-	-
Restricted	204,455	3,109	509,083
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>204,455</u>	<u>3,109</u>	<u>509,083</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 204,455</u>	<u>\$ 3,109</u>	<u>\$ 695,583</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
\$ 22,955	\$ 473,378	\$ 110,033	\$ 102,864	\$ 19,763	\$ -	\$ 25,301
-	211,979	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
248	12,973	1,151	2,301	1,151	274	2,344
26,792	77,237	-	-	-	-	-
<u>49,995</u>	<u>775,567</u>	<u>111,184</u>	<u>105,165</u>	<u>20,914</u>	<u>274</u>	<u>27,645</u>
3,571	26,480	2,125	243	20,914	-	-
-	-	59	-	-	274	-
-	-	-	-	-	-	-
-	-	-	304	-	-	-
-	-	-	-	-	-	-
<u>3,571</u>	<u>26,480</u>	<u>2,184</u>	<u>547</u>	<u>20,914</u>	<u>274</u>	<u>-</u>
<u>26,792</u>	<u>77,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
19,632	671,850	109,000	104,618	-	-	27,645
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,632</u>	<u>671,850</u>	<u>109,000</u>	<u>104,618</u>	<u>-</u>	<u>-</u>	<u>27,645</u>
<u>\$ 49,995</u>	<u>\$ 775,567</u>	<u>\$ 111,184</u>	<u>\$ 105,165</u>	<u>\$ 20,914</u>	<u>\$ 274</u>	<u>\$ 27,645</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>		
	<u>911 Operations and Maintenance</u>	<u>EMS County Awards HRS</u>	<u>Amelia Island Beach Renourishment</u>
Assets			
Cash and Cash Equivalents	\$ 454,657	\$ -	\$ 218,679
Equity in Pooled Investments	244,514	-	1,817,556
Accounts Receivable	-	-	-
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-
Prepays	-	-	-
Due from Constitutional Officers	-	-	1,298
Due from Other Governments	-	-	-
Total Assets	<u>699,171</u>	<u>-</u>	<u>2,037,533</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Due to Constitutional Officers	-	-	-
Due to Other Governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Non-Spendable	-	-	-
Restricted	699,171	-	2,037,533
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>699,171</u>	<u>-</u>	<u>2,037,533</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 699,171</u>	<u>\$ -</u>	<u>\$ 2,037,533</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
\$ 1,414,536	\$ 173,658	\$ 2,007,263	\$ 904,852	\$ 3,364,336	\$ 165,032
17,339,720	31,845	-	-	4,648,691	761,052
23,770	-	-	-	137	-
-	-	32,000	-	-	-
6,660	-	-	-	-	-
-	-	-	-	-	505
-	-	-	-	-	-
<u>18,784,686</u>	<u>205,503</u>	<u>2,039,263</u>	<u>904,852</u>	<u>8,013,164</u>	<u>926,589</u>
484,912	-	32	96,125	21,315	7,486
-	-	-	-	48,292	-
12,559	-	-	-	-	-
18,982	-	-	-	25,752	4,790
-	-	-	-	237,498	-
<u>516,453</u>	<u>-</u>	<u>32</u>	<u>96,125</u>	<u>332,857</u>	<u>12,276</u>
-	-	32,000	-	-	-
6,660	-	-	-	137	-
18,261,573	205,503	2,007,231	808,727	7,680,170	914,313
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,268,233</u>	<u>205,503</u>	<u>2,007,231</u>	<u>808,727</u>	<u>7,680,307</u>	<u>914,313</u>
<u>\$ 18,784,686</u>	<u>\$ 205,503</u>	<u>\$ 2,039,263</u>	<u>\$ 904,852</u>	<u>\$ 8,013,164</u>	<u>\$ 926,589</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>		
	<u>Firefighter Education Trust</u>	<u>F.S. Special Revenues Fund</u>	<u>Total Special Revenue Funds</u>
Assets			
Cash and Cash Equivalents	\$ 3	\$ 2,020,975	\$ 12,380,130
Equity in Pooled Investments	-	-	25,055,357
Accounts Receivable	-	-	23,907
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	32,000
Prepays	-	-	6,660
Due from Constitutional Officers	-	21,534	45,081
Due from Other Governments	-	40	104,069
Total Assets	<u>3</u>	<u>2,042,549</u>	<u>37,647,204</u>
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	-	6,968	670,171
Due to Other Funds	-	-	48,625
Due to Constitutional Officers	-	-	199,059
Due to Other Governments	-	29	49,857
Deposits	-	-	237,498
Total Liabilities	<u>-</u>	<u>6,997</u>	<u>1,205,210</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>136,029</u>
Fund Balances			
Non-Spendable	-	-	6,797
Restricted	-	2,035,552	36,299,165
Committed	3	-	3
Assigned	-	-	-
Total Fund Balances	<u>3</u>	<u>2,035,552</u>	<u>36,305,965</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 3</u>	<u>\$ 2,042,549</u>	<u>\$ 37,647,204</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
\$ 545,867	\$ -	\$ 545,867	\$ 3,284	\$ 3,249,046	\$ 117,695	\$ 652,573
950,383	-	950,383	-	1,761,052	-	89,606
-	-	-	-	-	-	-
-	-	-	-	-	-	-
517	-	517	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,496,767</u>	<u>-</u>	<u>1,496,767</u>	<u>3,284</u>	<u>5,010,098</u>	<u>117,695</u>	<u>742,179</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
517	-	517	-	-	-	-
1,496,250	-	1,496,250	3,284	5,010,098	-	742,179
-	-	-	-	-	-	-
-	-	-	-	-	117,695	-
<u>1,496,767</u>	<u>-</u>	<u>1,496,767</u>	<u>3,284</u>	<u>5,010,098</u>	<u>117,695</u>	<u>742,179</u>
<u>\$ 1,496,767</u>	<u>\$ -</u>	<u>\$ 1,496,767</u>	<u>\$ 3,284</u>	<u>\$ 5,010,098</u>	<u>\$ 117,695</u>	<u>\$ 742,179</u>

**NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Capital Projects Funds</u>			Total Non-Major Governmental Funds
	Capital Projects Impact Fees	Capital Projects	Total Capital Project Funds	
Assets				
Cash and Cash Equivalents	\$ 219	\$ 2,405,247	\$ 6,428,064	\$ 19,354,061
Equity in Pooled Investments	3,866,717	4,881,906	10,599,281	36,605,021
Accounts Receivable	-	-	-	23,907
Loans Receivable (Net of Allowance for Uncollectibles)	-	-	-	32,000
Prepays	-	-	-	7,177
Due from Constitutional Officers	-	-	-	45,081
Due from Other Governments	-	-	-	104,069
Total Assets	<u>3,866,936</u>	<u>7,287,153</u>	<u>17,027,345</u>	<u>56,171,316</u>
Liabilities and Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts Payable	-	155,595	155,595	825,766
Due to Other Funds	-	-	-	48,625
Due to Constitutional Officers	-	-	-	199,059
Due to Other Governments	-	-	-	49,857
Deposits	-	-	-	237,498
Total Liabilities	<u>-</u>	<u>155,595</u>	<u>155,595</u>	<u>1,360,805</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,029</u>
Fund Balances				
Non-Spendable	-	-	-	7,314
Restricted	3,866,936	-	9,622,497	47,417,912
Committed	-	7,131,558	7,131,558	7,131,561
Assigned	-	-	117,695	117,695
Total Fund Balances	<u>3,866,936</u>	<u>7,131,558</u>	<u>16,871,750</u>	<u>54,674,482</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 3,866,936</u>	<u>\$ 7,287,153</u>	<u>\$ 17,027,345</u>	<u>\$ 56,171,316</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, 2022**

	Special Revenue Funds		
	Law Enforcement Training	Sheriff Donations	Law Enforcement Trust
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	-	207,237
Charges for Services	8,231	-	-
Fines and Forfeitures	10,727	-	26,925
Investment Earnings (Loss)	-	-	-
Miscellaneous	-	-	183
Total Revenues	18,958	-	234,345
Expenditures			
Current:			
General Government Services	-	-	-
Public Safety	-	-	25,000
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
(Total Expenditures)	-	-	25,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,958	-	209,345
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	-	-	-
Transfers to Constitutional Officers	-	-	(330,360)
Transfers in	-	-	-
Transfers (out)	-	-	-
Leases (Lessee)	-	-	-
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	-	-	(330,360)
Net Change in Fund Balances	18,958	-	(121,015)
Fund Balances at Beginning of Year	185,497	3,109	630,098
Fund Balances at End of Year	\$ 204,455	\$ 3,109	\$ 509,083

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
13,124	-	-	-	-	-	-
-	162,872	18,707	37,413	18,707	3,603	-
8,431	-	-	-	-	-	27,645
-	1,361	-	-	-	-	-
-	488	-	-	-	-	-
<u>21,555</u>	<u>164,721</u>	<u>18,707</u>	<u>37,413</u>	<u>18,707</u>	<u>3,603</u>	<u>27,645</u>
-	-	-	-	-	-	-
39,916	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	83,655	3,603	27,585
-	-	-	-	-	-	-
-	42,733	17,986	52,191	-	-	-
5,500	105,256	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>45,416</u>	<u>147,989</u>	<u>17,986</u>	<u>52,191</u>	<u>83,655</u>	<u>3,603</u>	<u>27,585</u>
<u>(23,861)</u>	<u>16,732</u>	<u>721</u>	<u>(14,778)</u>	<u>(64,948)</u>	<u>-</u>	<u>60</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	721	64,948	-	-
-	-	(721)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(721)	721	64,948	-	-
(23,861)	16,732	-	(14,057)	-	-	60
43,493	655,118	109,000	118,675	-	-	27,585
<u>\$ 19,632</u>	<u>\$ 671,850</u>	<u>\$ 109,000</u>	<u>\$ 104,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,645</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, 2022**

	<u>Special Revenue Funds</u>		
	<u>911 Operations and Maintenance</u>	<u>EMS County Awards HRS</u>	<u>Amelia Island Beach Renourishment</u>
Revenues			
Taxes	\$ -	\$ -	\$ 442,659
Licenses and Permits	-	-	-
Intergovernmental Revenues	-	6,575	-
Charges for Services	559,873	-	-
Fines and Forfeitures	-	-	-
Investment Earnings (Loss)	837	-	16,461
Miscellaneous	-	-	-
Total Revenues	<u>560,710</u>	<u>6,575</u>	<u>459,120</u>
Expenditures			
Current:			
General Government Services	-	-	-
Public Safety	673	6,575	-
Physical Environment	-	-	22,092
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
(Total Expenditures)	<u>673</u>	<u>6,575</u>	<u>22,092</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>560,037</u>	<u>-</u>	<u>437,028</u>
Other Financing Sources (Uses)			
Aid from Individuals	-	-	-
Transfers from Constitutional Officers	-	-	1,298
Transfers to Constitutional Officers	(403,640)	-	(8,925)
Transfers in	-	-	-
Transfers (out)	-	-	-
Leases (Lessee)	-	-	-
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>(403,640)</u>	<u>-</u>	<u>(7,627)</u>
Net Change in Fund Balances	156,397	-	429,401
Fund Balances at Beginning of Year	<u>542,774</u>	<u>-</u>	<u>1,608,132</u>
Fund Balances at End of Year	<u>\$ 699,171</u>	<u>\$ -</u>	<u>\$ 2,037,533</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
\$ 11,418,542	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	497,794	3,681,676	173,726
-	6,620,640	910,873	-	-	-
-	-	-	-	67,424	-
-	-	-	-	-	-
103,579	1,845	-	528	35,397	4,426
61,902	-	112,211	92	11,812	-
<u>11,584,023</u>	<u>6,622,485</u>	<u>1,023,084</u>	<u>498,414</u>	<u>3,796,309</u>	<u>178,152</u>
-	-	-	-	2,047,534	-
-	-	-	-	606,382	-
478,444	-	-	333,582	-	143,993
-	-	-	-	-	-
5,662,725	-	101,510	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,629,448	-	-	55,628	-
-	-	-	-	3,511	-
-	-	-	-	187	-
<u>6,141,169</u>	<u>7,629,448</u>	<u>101,510</u>	<u>333,582</u>	<u>2,713,242</u>	<u>143,993</u>
<u>5,442,854</u>	<u>(1,006,963)</u>	<u>921,574</u>	<u>164,832</u>	<u>1,083,067</u>	<u>34,159</u>
-	1,601,452	-	-	-	-
-	-	-	-	-	-
(342,556)	-	-	(22,946)	-	(8,260)
-	-	-	-	-	-
-	-	-	-	(246,443)	(4,499)
-	-	-	-	40,932	-
-	-	-	-	-	-
<u>(342,556)</u>	<u>1,601,452</u>	<u>-</u>	<u>(22,946)</u>	<u>(205,511)</u>	<u>(12,759)</u>
5,100,298	594,489	921,574	141,886	877,556	21,400
<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>\$ 18,268,233</u>	<u>\$ 205,503</u>	<u>\$ 2,007,231</u>	<u>\$ 808,727</u>	<u>\$ 7,680,307</u>	<u>\$ 914,313</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, 2022**

	<u>Special Revenue Funds</u>		
	<u>Firefighter Education Trust</u>	<u>F.S. Special Revenues Fund</u>	<u>Total Special Revenue Funds</u>
Revenues			
Taxes	\$ -	\$ -	\$ 11,861,201
Licenses and Permits	-	-	4,353,196
Intergovernmental Revenues	-	32,851	7,791,300
Charges for Services	-	289,094	1,165,924
Fines and Forfeitures	-	45,443	119,171
Investment Earnings (Loss)	-	-	164,434
Miscellaneous	-	-	186,688
Total Revenues	<u>-</u>	<u>367,388</u>	<u>25,641,914</u>
Expenditures			
Current:			
General Government Services	-	-	2,047,534
Public Safety	-	45,000	723,546
Physical Environment	-	-	978,111
Transportation	-	-	-
Economic Environment	-	-	5,764,235
Human Services	-	-	114,843
Culture and Recreation	-	7,925	7,925
Court-Related Expenditures	-	97,687	210,597
Capital Outlay	-	64,636	7,860,468
Debt Service:			
Principal Retirement	-	-	3,511
Interest and Fiscal Charges	-	-	187
(Total Expenditures)	<u>-</u>	<u>215,248</u>	<u>17,710,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>152,140</u>	<u>7,930,957</u>
Other Financing Sources (Uses)			
Aid from Individuals	-	-	1,601,452
Transfers from Constitutional Officers	-	-	1,298
Transfers to Constitutional Officers	-	-	(1,116,687)
Transfers in	-	-	65,669
Transfers (out)	-	-	(251,663)
Leases (Lessee)	-	-	40,932
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>341,001</u>
Net Change in Fund Balances	-	152,140	8,271,958
Fund Balances at Beginning of Year	<u>3</u>	<u>1,883,412</u>	<u>28,034,007</u>
Fund Balances at End of Year	<u>\$ 3</u>	<u>\$ 2,035,552</u>	<u>\$ 36,305,965</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
\$ 942,283	\$ -	\$ 942,283	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,747,331	-	903,235
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,233	-	3,233	-	20,731	-	520
-	-	-	-	-	-	-
<u>945,516</u>	<u>-</u>	<u>945,516</u>	<u>-</u>	<u>2,768,062</u>	<u>-</u>	<u>903,755</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	25,355	-	400,302
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
278,643	1,425,000	1,703,643	-	-	-	-
666,788	897,000	1,563,788	-	-	-	-
<u>945,431</u>	<u>2,322,000</u>	<u>3,267,431</u>	<u>-</u>	<u>25,355</u>	<u>-</u>	<u>400,302</u>
85	(2,322,000)	(2,321,915)	-	2,742,707	-	503,453
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,322,000	2,322,000	-	-	-	100,812
-	-	-	-	(2,501,075)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>2,322,000</u>	<u>2,322,000</u>	<u>-</u>	<u>(2,501,075)</u>	<u>-</u>	<u>100,812</u>
85	-	85	-	241,632	-	604,265
1,496,682	-	1,496,682	3,284	4,768,466	117,695	137,914
<u>\$ 1,496,767</u>	<u>\$ -</u>	<u>\$ 1,496,767</u>	<u>\$ 3,284</u>	<u>\$ 5,010,098</u>	<u>\$ 117,695</u>	<u>\$ 742,179</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, 2022**

	<u>Capital Projects Funds</u>			
	<u>Capital Projects Impact Fees</u>	<u>Capital Projects</u>	<u>Total Capital Project Funds</u>	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 12,803,484
Licenses and Permits	-	-	3,650,566	8,003,762
Intergovernmental Revenues	-	-	-	7,791,300
Charges for Services	-	-	-	1,165,924
Fines and Forfeitures	-	-	-	119,171
Investment Earnings (Loss)	34,851	34,877	90,979	258,646
Miscellaneous	-	-	-	186,688
Total Revenues	<u>34,851</u>	<u>34,877</u>	<u>3,741,545</u>	<u>30,328,975</u>
Expenditures				
Current:				
General Government Services	-	-	-	2,047,534
Public Safety	-	-	-	723,546
Physical Environment	-	-	-	978,111
Transportation	-	-	425,657	425,657
Economic Environment	-	-	-	5,764,235
Human Services	-	-	-	114,843
Culture and Recreation	-	-	-	7,925
Court-Related Expenditures	-	-	-	210,597
Capital Outlay	402,469	363,836	766,305	8,626,773
Debt Service:				
Principal Retirement	-	-	-	1,707,154
Interest and Fiscal Charges	-	-	-	1,563,975
(Total Expenditures)	<u>402,469</u>	<u>363,836</u>	<u>1,191,962</u>	<u>22,170,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(367,618)</u>	<u>(328,959)</u>	<u>2,549,583</u>	<u>8,158,625</u>
Other Financing Sources (Uses)				
Aid from Individuals	-	-	-	1,601,452
Transfers from Constitutional Officers	-	-	-	1,298
Transfers to Constitutional Officers	-	(1,608,251)	(1,608,251)	(2,724,938)
Transfers in	-	3,349,173	3,449,985	5,837,654
Transfers (out)	-	-	(2,501,075)	(2,752,738)
Leases (Lessee)	-	-	-	40,932
Debt Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,740,922</u>	<u>(659,341)</u>	<u>2,003,660</u>
Net Change in Fund Balances	(367,618)	1,411,963	1,890,242	10,162,285
Fund Balances at Beginning of Year	<u>4,234,554</u>	<u>5,719,595</u>	<u>14,981,508</u>	<u>44,512,197</u>
Fund Balances at End of Year	<u>\$ 3,866,936</u>	<u>\$ 7,131,558</u>	<u>\$ 16,871,750</u>	<u>\$ 54,674,482</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, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2023.

Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2022-001 that we consider to be significant deficiencies.

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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***

Report on 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 22, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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 22, 2023
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, 2022, and have issued our report thereon dated March 22, 2023.

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 22, 2023, 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. Finding 2021-001 remains outstanding.

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 Board employees compensated in the last pay period of the Board'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 Board'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 Board 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	\$ 78,254
Sewer Improvement Project	\$ 83,151

- 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 Board amends a final adopted budget under Section 189.016(6), Florida Statutes is \$9,263,593.

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.



March 22, 2023
Gainesville, Florida

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

SECTION I - FINANCIAL STATEMENT FINDINGS

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

Condition

Effective October 1, 2020, Nassau County Board of County Commissioners, Nassau County, Florida (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.

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.

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

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 billing adjustments in order to help ensure that billing adjustments are properly reviewed and authorized.

Finding 2022-001: Accounting for Land and Infrastructure Donations (Significant Deficiency)

Condition

The County sometimes receives land and infrastructure as donations or as part of developer agreements in which developers transfer land and improvements to the County in exchange for impact fee credits. During the audit, we noted that some of these assets transferred to the County in prior years were not recorded in the County's financial statements.

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.

**NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

Cause of Condition

Land and infrastructure donations and transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

Effect of Condition

Transferred land and infrastructure with an appraised value of \$2,629,000 at date of donation was not reflected in prior year financial statements as impact fee revenues. As described in Note 22, a prior period adjustment was made to record these assets in the County-wide financial statements.

Recommendation

We recommend the County review processes and controls over the tracking of developer agreements and implement additional procedures to ensure that transfers of land and infrastructure to the County are properly reflected in the accounting records.



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

John F. Martin
A.M. "Hupp" Huppmann
Jeff Gray
Alyson R. McCullough
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 C. MAY
County Attorney

March 23, 2023

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) and accounting for land and infrastructure donations related to Nassau County, for the year ended September 30, 2022.

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

Condition

Effective October 1, 2020, Nassau County Board of County Commissioners, Nassau County, Florida (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.

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.

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

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 billing adjustments in order to help ensure that billing adjustments are properly reviewed and authorized.

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, 2022.

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.

As 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 NAU operations. Although financial and billing information was previously available for monitoring, to further assure timeliness of reviews and formal approvals are documented, the County secured a secondary audit firm to review the expansion of the internal controls to meet the request of the Auditor. This contract was executed on May 17, 2022 and the final report on internal control recommendations was issued on August 19, 2022. Although the reports recommendations have been implemented, this occurred at the end of the FY 2021/22. The County will continue to maintain and enhance the internal controls as needed.

Finding 2022-001: Accounting for Land and Infrastructure Donations (Significant Deficiency) Condition

The County sometimes receives land and infrastructure as donations or as part of developer agreements in which developers transfer land and improvements to the County in exchange for impact fee credits.

During the audit, we noted that some of these assets transferred to the County in prior years were not recorded in the County’s financial statements.

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.

Cause of Condition

Land and infrastructure donations and transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

Effect of Condition

Transferred land and infrastructure with an appraised value of \$2,629,000 at date of donation was not reflected in prior year financial statements as impact fee revenues. As described in Note 22, a prior period adjustment was made to record these assets in the County-wide financial statements.

Recommendation

We recommend the County review processes and controls over the tracking of developer agreements and implement additional procedures to ensure that transfers of land and infrastructure to the County are properly reflected in the accounting records.

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, 2022.

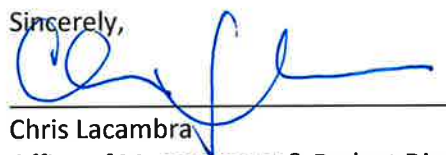
As further noted in the Management Letter, it notes that Section 10.554(1)(i)2., Rules of the Auditor General, requires that the Auditor communicate any recommendations to improve financial management. In connection with the audit, the Auditor did not have any such recommendations.

With regard to the proper and timely recording of Land and infrastructure donations, as noted by the Auditor these transfers typically occur outside of certain accounting processes and may require certain milestones to be met, such as dedication and completion of improvements prior to being entered into the

accounting records. This may be due to the nature of construction projects which can occur over multiple accounting periods and require extensive tracking and communication. In addition, since there is no exchange of cash during these transactions, they are not captured within the certain accounting processes.

As noted in the financial statements, the recording of the assets previously transferred to the County in 2019/20 has been corrected through a prior period adjustment. It should be further noted that the County in conjunction with the County Clerk's Office have continued to improve the internal processes to address new issues caused by the previously unknown levels of significant growth and development throughout the County. We continue to seek the Board of County Commissioners approval for the receipt of assets as necessary and have improved the tracking and monitoring of such events. The County along with the County Clerk's Office will further review and implement as feasible additional technology enhancements or internal forms as needed to continue to properly track and record assets.

Sincerely,



Chris Lacambra
Office of Management & Budget Director, Nassau County

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

2022

Nassau County Clerk of the Circuit Court
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

SEPTEMBER 30, 2022

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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

Opinions

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 year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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,

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

INDEPENDENT AUDITOR'S REPORT

of Nassau County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida as of September 30, 2022, 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.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk'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.

Such information 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. The 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 GAAS. In our opinion, the other financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 Clerk's internal control over financial reporting and compliance.



March 3, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Jury Services	
Assets						
Cash	\$ 541,395	\$ 302,888	\$ 1,493,770	\$ 407,147	\$ -	\$ 2,745,200
Accounts Receivable	47	-	-	-	-	47
Due from Board of County Commissioners	27,894	-	-	-	-	27,894
Due from Other Funds	128,063	117,174	21,826	-	-	267,063
Due from Other Governments	54,177	-	-	19,215	23,833	97,225
Prepaid Expenses	158	15	1,384	-	-	1,557
Total Assets	751,734	420,077	1,516,980	426,362	23,833	3,138,986
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	251,426	602	55,243	-	-	307,271
Due to Board of County Commissioners	341,398	241	-	-	-	341,639
Due to Other Funds	-	42,884	-	5,916	23,833	72,633
Due to Other Governments	547	246,960	27,000	-	-	274,507
Unearned Revenue	-	129,390	-	-	-	129,390
Other Accrued Liabilities	158,363	-	-	-	-	158,363
Total Liabilities	751,734	420,077	82,243	5,916	23,833	1,283,803
Fund Balances						
Restricted:						
Records Modernization	-	-	1,434,737	-	-	1,434,737
Child Support	-	-	-	420,446	-	420,446
Total Fund Balances	-	-	1,434,737	420,446	-	1,855,183
Total Liabilities and Fund Balances	\$ 751,734	\$ 420,077	\$ 1,516,980	\$ 426,362	\$ 23,833	\$ 3,138,986

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, 2022**

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Jury Services	
Revenues						
Intergovernmental Revenue	\$ -	\$ 204,330	\$ -	\$ 112,245	\$ 76,062	\$ 392,637
Charges for Services	828,169	909,614	363,897	-	-	2,101,680
Judgments and Fines	-	474,604	-	-	-	474,604
Miscellaneous Revenue	8,527	828	-	-	-	9,355
Total Revenues	<u>836,696</u>	<u>1,589,376</u>	<u>363,897</u>	<u>112,245</u>	<u>76,062</u>	<u>2,978,276</u>
Expenditures						
Current:						
General Government:						
Personnel Services	2,832,790	-	-	-	-	2,832,790
Operating Expenditures	780,238	-	70,000	-	-	850,238
Economic Environment:						
Personnel Services	65,451	-	-	-	-	65,451
Operating Expenditures	5,684	-	-	-	-	5,684
Court-Related:						
Personnel Services	-	1,284,903	-	111,454	63,379	1,459,736
Operating Expenditures	-	46,909	152,654	1,247	12,683	213,493
Capital Outlay	124,174	1,104	22,995	-	-	148,273
(Total Expenditures)	<u>(3,808,337)</u>	<u>(1,332,916)</u>	<u>(245,649)</u>	<u>(112,701)</u>	<u>(76,062)</u>	<u>(5,575,665)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,971,641)</u>	<u>256,460</u>	<u>118,248</u>	<u>(456)</u>	<u>-</u>	<u>(2,597,389)</u>
Other Financing Sources (Uses)						
Reversion to State of Florida	-	(256,460)	-	-	-	(256,460)
Transfers in from Board of County Commissioners	3,312,571	-	-	-	-	3,312,571
Transfers (out) to Board of County Commissioners	(340,930)	-	-	-	-	(340,930)
Total Other Financing Sources (Uses)	<u>2,971,641</u>	<u>(256,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,715,181</u>
Net Change in Fund Balances	-	-	118,248	(456)	-	117,792
Fund Balances, Beginning of Year	-	-	1,316,489	420,902	-	1,737,391
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434,737</u>	<u>\$ 420,446</u>	<u>\$ -</u>	<u>\$ 1,855,183</u>

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, 2022**

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 797,585	\$ 828,082	\$ 828,169	\$ 87
Miscellaneous Revenue	8,000	8,000	8,527	527
Total Revenues	<u>805,585</u>	<u>836,082</u>	<u>836,696</u>	<u>614</u>
Expenditures				
Current:				
General Government:				
Personnel Services	2,955,736	2,832,783	2,832,790	(7)
Operating Expenditures	850,191	780,248	780,238	10
Economic Environment:				
Personnel Services	64,126	65,451	65,451	-
Operating Expenditures	5,714	5,683	5,684	(1)
Capital Outlay	-	124,172	124,174	(2)
(Total Expenditures)	<u>(3,875,767)</u>	<u>(3,808,337)</u>	<u>(3,808,337)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,070,182)</u>	<u>(2,972,255)</u>	<u>(2,971,641)</u>	<u>614</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	3,070,182	3,313,185	3,312,571	(614)
Transfers (out) to Board of County Commissioners	-	(340,930)	(340,930)	-
Total Other Financing Sources (Uses)	<u>3,070,182</u>	<u>2,972,255</u>	<u>2,971,641</u>	<u>(614)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<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, 2022**

	Court Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 136,651	\$ 162,156	\$ 204,330	\$ 42,174
Charges for Services	937,046	937,046	909,614	(27,432)
Judgments and Fines	489,546	489,546	474,604	(14,942)
Miscellaneous Revenue	-	-	828	828
Total Revenues	<u>1,563,243</u>	<u>1,588,748</u>	<u>1,589,376</u>	<u>628</u>
Expenditures				
Current:				
Court-Related:				
Personnel Services	1,472,963	1,284,984	1,284,903	81
Operating Expenditures	90,280	302,658	46,909	255,749
Capital Outlay	-	1,106	1,104	2
(Total Expenditures)	<u>(1,563,243)</u>	<u>(1,588,748)</u>	<u>(1,332,916)</u>	<u>255,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	256,460	256,460
Other Financing Sources (Uses)				
Reversion to State of Florida	-	-	(256,460)	(256,460)
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<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, 2022**

	<u>Public Records Modernization Trust Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 409,082	\$ 409,082	\$ 363,897	\$ (45,185)
Miscellaneous Revenue	-	-	-	-
Total Revenues	<u>409,082</u>	<u>409,082</u>	<u>363,897</u>	<u>(45,185)</u>
Expenditures				
Current:				
General Government:				
Operating Expenditures	-	-	70,000	(70,000)
Court-Related:				
Operating Expenditures	1,680,646	1,702,577	152,654	1,549,923
Capital Outlay	-	22,995	22,995	-
(Total Expenditures)	<u>(1,680,646)</u>	<u>(1,725,572)</u>	<u>(245,649)</u>	<u>1,479,923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,271,564)</u>	<u>(1,316,490)</u>	<u>118,248</u>	<u>1,434,738</u>
Net Change in Fund Balances	(1,271,564)	(1,316,490)	118,248	1,434,738
Fund Balances, Beginning of Year	<u>1,271,564</u>	<u>1,316,490</u>	<u>1,316,489</u>	<u>(1)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434,737</u>	<u>\$ 1,434,737</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, 2022**

	<u>Child Support Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 127,010	\$ 127,010	\$ 112,245	\$ (14,765)
Miscellaneous Revenue	-	-	-	-
Total Revenues	<u>127,010</u>	<u>127,010</u>	<u>112,245</u>	<u>(14,765)</u>
Expenditures				
Current:				
Court-Related:				
Personnel Services	120,492	120,360	111,454	8,906
Operating Expenditures	427,420	427,552	1,247	426,305
(Total Expenditures)	<u>(547,912)</u>	<u>(547,912)</u>	<u>(112,701)</u>	<u>435,211</u>
Net Change in Fund Balances	(420,902)	(420,902)	(456)	420,446
Fund Balances, Beginning of Year	<u>420,902</u>	<u>420,902</u>	<u>420,902</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,446</u>	<u>\$ 420,446</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, 2022**

Assets

Cash	\$ 3,224,639
Accounts Receivable	84,796
Due from Other Governments	<u>88</u>

Total Assets 3,309,523

Liabilities

Accounts Payable	19,988
Due to Board of County Commissioners	46,049
Due to Other Funds	194,430
Due to Other Governments	625,820
Other Liabilities	<u>7,515</u>

Total Liabilities 893,802

Net Position, Held in a Custodial Capacity to be Disbursed \$ 2,415,721

See accompanying notes to financial statements.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022**

Additions

Fines and Forfeitures and Fees Collected	\$ 4,382,041
Tax Deeds and Fees Collected	774,205
Support and Fees Collected	6,428
Registry of the Court and Fees Collected	3,699,358
Recording Fees Collected	5,545,290
Bail Bonds and Fees Collected	261,342

Total Additions	14,668,664
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Deductions

Fines and Forfeitures and Fees Distributions	3,990,305
Tax Deeds and Fees Distributions	909,229
Support and Fees Distributions	6,428
Registry of the Court and Fees Distributions	3,510,720
Recording Fees Distributions	5,343,216
Bail Bonds and Fees Distributions	157,450

Total Deductions	13,917,348
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Change in Net Position	751,316
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Net Position, Beginning	1,664,405
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Net Position, Ending	\$ 2,415,721
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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 2022, 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 GAAP, 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**

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Clerk adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year, are evaluated for implementation based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, there were no leases that met the above criteria.

Note 2 - Cash and Investments

At September 30, 2022, the carrying amount of the Clerk's deposits was \$5,963,489 and the bank balance was \$6,104,838. The Clerk also held \$6,350 in change funds at September 30, 2022. 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, 2022.

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.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

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' website (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:

- *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.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
DROP – Applicable to Members from all of the Above Classes	0.00	16.68	0.00	16.94
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 \$455,330 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

Pension Liabilities and Pension Expense. At September 30, 2022, the Clerk's proportionate share of the FRS net pension liability was \$3,802,907. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

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.

Benefits Provided. For the fiscal year ended September 30, 2022, 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, 2023 and 2022, 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 \$53,455 for the fiscal year ended September 30, 2022.

Pension Liabilities and Pension Expense. At September 30, 2022, the Clerk's proportionate share of the HIS net pension liability was \$920,995. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2021-22 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.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

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 State Board of Administration (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 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67

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, 2022, 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.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

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 \$68,150 for the fiscal year ended September 30, 2022.

Note 4 - Other Postemployment Benefits (OPEB)

The County offers certain postemployment health care benefits that are considered part of an OPEB plan for financial accounting purposes. 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.

Percent of Direct Subsidy up to “Subsidy Base Maximum”

Years of Service With Nassau County	Hired Before 10/1/05	Hired on or After 10/1/05
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, 2022, totaled \$1,775,498. 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, 2022.

The Clerk’s long-term debt is recorded in the statement of net position as part of the basic financial statements of the County.

**NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS**

A summary of the changes in long-term liabilities is as follows:

	Balance October 1, 2021	Additions	(Deletions)	Balance September 30, 2022
Liability for Compensated Absences	\$ 109,676	\$ 224,421	\$ (229,100)	\$ 104,997
Other Postemployment Benefits	1,722,011	53,487	-	1,775,498
Net Pension Liabilities:				
FRS Plan	698,133	3,104,774	-	3,802,907
HIS Plan	<u>954,651</u>	<u>-</u>	<u>(33,656)</u>	<u>920,995</u>
Total Long-Term Debt	<u>\$ 3,484,471</u>	<u>\$ 3,382,682</u>	<u>\$ (262,756)</u>	<u>\$ 6,604,397</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.

Note 6 – Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2022, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 128,063	\$ -
Special Revenue Funds		
Court Fund	117,174	42,884
Public Records		
Modernization Fund	21,826	-
Child Support Fund	-	5,916
Jury Services	-	23,833
Custodial Funds		
Civil Trust Fund	-	54,870
Recording Trust Fund	-	77,202
Criminal Trust Fund	-	3,627
Special Trust Fund	-	58,161
Domestic Relations Fund	<u>-</u>	<u>570</u>
Total	<u>\$ 267,063</u>	<u>\$ 267,063</u>

Interfund balances generally result from funds being deposited in one fund but not remitted to another fund until the subsequent month. All interfund balances are expected to be liquidated within three months.

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, 2022**

	Civil Trust	Recording Trust	Criminal Trust	Special Trust	Jury and Witness	Domestic Relations	Registry of the Court	Bail Bonds	Total
Assets									
Cash	\$ 943,087	\$ 1,207,503	\$ 95,984	\$ 140,094	\$ -	\$ 738	\$ 688,913	\$ 148,320	\$ 3,224,639
Accounts Receivable	-	84,695	-	101	-	-	-	-	84,796
Due from Other Governments	-	-	-	-	-	88	-	-	88
Total Assets	943,087	1,292,198	95,984	140,195	-	826	688,913	148,320	3,309,523
Liabilities									
Accounts Payable	6,083	413	316	836	-	-	12,214	126	19,988
Due to Board of County Commissioners	-	17,288	1,941	26,820	-	-	-	-	46,049
Due to Other Funds	54,870	77,202	3,627	58,161	-	570	-	-	194,430
Due to Other Governments	32,451	547,757	4,661	39,319	-	256	-	1,376	625,820
Other Liabilities	619	1,361	5,000	535	-	-	-	-	7,515
Total Liabilities	94,023	644,021	15,545	125,671	-	826	12,214	1,502	893,802
Net Position, Held in a Custodial Capacity to be Disbursed	\$ 849,064	\$ 648,177	\$ 80,439	\$ 14,524	\$ -	\$ -	\$ 676,699	\$ 146,818	\$ 2,415,721

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Civil Trust	Recording Trust	Criminal Trust	Special Trust	Jury and Witness	Domestic Relations	Registry of the Court	Bail Bonds	Total
Additions									
Fines and Forfeitures and Fees Collected	\$ 2,487,735	\$ -	\$ 255,290	\$ 1,632,911	\$ 6,105	\$ -	\$ -	\$ -	\$ 4,382,041
Tax Deeds and Fees Collected	-	774,205	-	-	-	-	-	-	774,205
Support and Fees Collected	-	-	-	-	-	6,428	-	-	6,428
Registry of the Court and Fees Collected	-	-	-	-	-	-	3,699,358	-	3,699,358
Recording Fees Collected	-	5,545,290	-	-	-	-	-	-	5,545,290
Bail Bonds and Fees Collected	-	-	-	-	-	-	-	261,342	261,342
Total Additions	2,487,735	6,319,495	255,290	1,632,911	6,105	6,428	3,699,358	261,342	14,668,664
Deductions									
Fines and Forfeitures and Fees Distributions	2,117,983	-	209,790	1,656,427	6,105	-	-	-	3,990,305
Tax Deeds and Fees Distributions	-	909,229	-	-	-	-	-	-	909,229
Support and Fees Distributions	-	-	-	-	-	6,428	-	-	6,428
Registry of the Court and Fees Distributions	-	-	-	-	-	-	3,510,720	-	3,510,720
Recording Fees Distributions	-	5,343,216	-	-	-	-	-	-	5,343,216
Bail Bonds and Fees Distributions	-	-	-	-	-	-	-	157,450	157,450
Total Deductions	2,117,983	6,252,445	209,790	1,656,427	6,105	6,428	3,510,720	157,450	13,917,348
Change in Net Position	369,752	67,050	45,500	(23,516)	-	-	188,638	103,892	751,316
Net Position, Beginning of Year	479,312	581,127	34,939	38,040	-	-	488,061	42,926	1,664,405
Net Position, End of Year	\$ 849,064	\$ 648,177	\$ 80,439	\$ 14,524	\$ -	\$ -	\$ 676,699	\$ 146,818	\$ 2,415,721

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 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, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated March 3, 2023.

Report on 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***

Report on 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.



March 3, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.



March 3, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.



March 3, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.



March 3, 2023
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, 2022, and have issued our report thereon dated March 3, 2023.

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 March 3, 2023, 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.



March 3, 2023
Gainesville, Florida

2022

Nassau County Sheriff
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

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

**NASSAU COUNTY SHERIFF
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited 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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

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, 2022, 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.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheriff's internal control. Accordingly, no such opinion is expressed.

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Such information 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. The 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 GAAS. In our opinion, the other financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 Sheriff's internal control over financial reporting and compliance.



March 13, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Inmate Commissary	Federal Inmate	Capital Projects		
Assets						
Cash in Bank	\$ 1,898,670	\$ 1,414,851	\$ 246,870	\$ 396,116	\$ 35,107	\$ 3,991,614
Cash on Hand	500	-	-	-	3,942	4,442
Accounts Receivable	33,750	40,193	-	-	-	73,943
Due from Other Funds	188,453	8,033	-	-	2,386	198,872
Due from Board of County Commissioners	43,582	-	-	-	186,500	230,082
Due from Other Governments	974	-	43,244	-	-	44,218
Other Current Assets	100	-	-	-	-	100
Total Assets	2,166,029	1,463,077	290,114	396,116	227,935	4,543,271
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	559,149	1,890	-	30,000	1,253	592,292
Due to Board of County Commissioners	124,331	-	283,044	-	-	407,375
Due to Other Funds	2,452	-	-	-	186,500	188,952
Other Current Liabilities	1,480,097	6,201	7,070	-	12,040	1,505,408
Total Liabilities	2,166,029	8,091	290,114	30,000	199,793	2,694,027
Fund Balances						
Restricted:						
Inmate Welfare	-	1,454,986	-	-	-	1,454,986
Capital Projects	-	-	-	366,116	-	366,116
Committed:						
Investigative	-	-	-	-	28,142	28,142
Total Fund Balances	-	1,454,986	-	366,116	28,142	1,849,244
Total Liabilities and Fund Balances	\$ 2,166,029	\$ 1,463,077	\$ 290,114	\$ 396,116	\$ 227,935	\$ 4,543,271

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, 2022

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Inmate Commissary	Federal Inmate	Capital Projects		
Revenues						
Intergovernmental	\$ 54,093	\$ -	\$ 449,773	\$ -	\$ -	\$ 503,866
Miscellaneous	262,946	416,193	-	-	3,804	682,943
Total Revenues	317,039	416,193	449,773	-	3,804	1,186,809
Expenditures						
Current:						
Court-Related:						
Personal Services	1,362,515	-	-	-	-	1,362,515
Operating Expenditures	41,105	-	-	-	-	41,105
Public Safety:						
Personal Services	23,145,158	27,721	144,614	-	206,115	23,523,608
Operating Expenditures	6,791,660	140,417	17,271	-	226,009	7,175,357
Capital Outlay	1,749,552	-	4,844	3,039,845	330,361	5,124,602
Debt Service:						
Principal	248,192	-	-	-	-	248,192
Interest	11,305	-	-	-	-	11,305
(Total Expenditures)	(33,349,487)	(168,138)	(166,729)	(3,039,845)	(762,485)	(37,486,684)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,032,448)	248,055	283,044	(3,039,845)	(758,681)	(36,299,875)
Other Financing Sources (Uses)						
Transfers in from Board of County Commissioners	33,145,965	-	-	1,608,251	736,546	35,490,762
Transfers (out) to Board Board of County Commissioners	(113,517)	-	(283,044)	-	-	(396,561)
Total Other Financing Sources (Uses)	33,032,448	-	(283,044)	1,608,251	736,546	35,094,201
Net Change in Fund Balance	-	248,055	-	(1,431,594)	(22,135)	(1,205,674)
Fund Balance, Beginning of Year	-	1,206,931	-	1,797,710	50,277	3,054,918
Fund Balance, End of Year	\$ -	\$ 1,454,986	\$ -	\$ 366,116	\$ 28,142	\$ 1,849,244

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, 2022

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 54,093	\$ 54,093	\$ -
Miscellaneous	-	262,946	262,946	-
Total Revenues	<u>-</u>	<u>317,039</u>	<u>317,039</u>	<u>-</u>
Expenditures				
Current:				
Court-Related:				
Personal Services	1,399,160	1,362,515	1,362,515	-
Operating Expenditures	43,811	41,105	41,105	-
Public Safety:				
Personal Services	24,521,963	23,145,158	23,145,158	-
Operating Expenditures	5,690,113	6,791,660	6,791,660	-
Capital Outlay	739,307	1,749,552	1,749,552	-
Debt Service:				
Principal	247,214	248,192	248,192	-
Interest	12,284	11,305	11,305	-
(Total Expenditures)	<u>(32,653,852)</u>	<u>(33,349,487)</u>	<u>(33,349,487)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,653,852)</u>	<u>(33,032,448)</u>	<u>(33,032,448)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	32,808,852	33,145,965	33,145,965	-
Transfers (out) to Board of County Commissioners	(155,000)	(113,517)	(113,517)	-
Total Other Financing Sources (Uses)	<u>32,653,852</u>	<u>33,032,448</u>	<u>33,032,448</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022

	<u>Inmate Commissary Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ 348,000	\$ 416,193	\$ 416,193	\$ -
Total Revenues	<u>348,000</u>	<u>416,193</u>	<u>416,193</u>	<u>-</u>
Expenditures				
Current:				
Public Safety:				
Personal Services	-	27,721	27,721	-
Operating Expenditures	-	140,417	140,417	-
Contingency	<u>1,554,931</u>	<u>1,454,986</u>	<u>-</u>	<u>1,454,986</u>
(Total Expenditures)	<u>(1,554,931)</u>	<u>(1,623,124)</u>	<u>(168,138)</u>	<u>1,454,986</u>
Net Change in Fund Balance	(1,206,931)	(1,206,931)	248,055	1,454,986
Fund Balance, Beginning of Year	<u>1,206,931</u>	<u>1,206,931</u>	<u>1,206,931</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,986</u>	<u>\$ 1,454,986</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, 2022

	Federal Inmate Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 511,000	\$ 449,773	\$ 449,773	\$ -
Total Revenues	<u>511,000</u>	<u>449,773</u>	<u>449,773</u>	<u>-</u>
Expenditures				
Current:				
Public Safety:				
Personal Services	249,312	144,614	144,614	-
Operating Expenditures	38,850	17,271	17,271	-
Capital Outlay	80,000	4,844	4,844	-
(Total Expenditures)	<u>(368,162)</u>	<u>(166,729)</u>	<u>(166,729)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>142,838</u>	<u>283,044</u>	<u>283,044</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers (out) to Board of County Commissioners	(142,838)	(283,044)	(283,044)	-
Total Other Financing Sources (Uses)	<u>(142,838)</u>	<u>(283,044)</u>	<u>(283,044)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<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, 2022**

	<u>Custodial Funds</u>
Assets	
Cash	\$ 84,269
Due from Other Funds	<u>4</u>
Total Assets	<u><u>84,273</u></u>
Liabilities	
Accounts Payable	48,589
Due to Other Funds	9,924
Due to Board of County Commissioners	<u>5,686</u>
Total Liabilities	<u>64,199</u>
Net Position	<u><u>\$ 20,074</u></u>

See accompanying notes to financial statements.

**NASSAU COUNTY SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
Additions	
Inmate Funds Collected	\$ 1,310,432
Fines, Forfeitures, and Fees Collected	125,256
Total Additions	1,435,688
 Deductions	
Inmate Funds Disbursed	1,323,988
Fines, Forfeitures, and Fees Disbursed	125,256
Total Deductions	1,449,244
 Change in Net Position	(13,556)
 Net Position, Beginning of Year	33,630
 Net Position, End of Year	\$ 20,074

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 three non-major special revenue funds in the financial statements under the following titles: Sheriff’s Investigative 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 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 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 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 provides the Sheriff and his employees with workers' compensation and group health insurance coverage. Accidental death coverage for Law Enforcement Officers is also provided by the Board. The premiums for such coverage are 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 Sheriff's 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 a combined \$500,000 per accident for bodily injury and 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**

Implementation of GASB Statement No. 87, Leases

During the year ended September 30, 2022, the Sheriff adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases* (GASB 87), which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year, are evaluated based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. A description of the Sheriff's leasing arrangements is included in Note 6. GASB 87 implementation required assessment of leases as of October 1, 2021. Therefore, no restatement of prior periods was required as a result of implementation.

Note 2 - Cash

Cash Deposits

At September 30, 2022, the carrying amount of the Sheriff's deposits was \$4,080,325 and the bank balance was \$4,705,697. Cash on hand was \$4,442. 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.

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

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' website (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.

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:

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class Members Initially Enrolled Before July 1, 2011:	
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
Regular Class Members Initially Enrolled on or After July 1, 2011:	
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
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
FRS, Special Risk Regular	3.00	24.17	3.00	26.11
DROP - Applicable to Members from all of the Above Classes	3.00	16.68	3.00	16.94
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 \$3,673,300 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

Pension Liabilities. At September 30, 2022, the Sheriff's proportionate share of the FRS net pension liability was \$30,711,604. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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.

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, 2022, 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, 2023 and 2022, 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 \$316,387 for the fiscal year ended September 30, 2022 (modified accrual basis).

Pension Liabilities. At September 30, 2022, the Sheriff's proportionate share of the HIS net pension liability was \$5,421,854. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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.

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

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 State Board of Administration (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. 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 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67
FRS, Special Risk Regular	3.00	11.00	3.00	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the 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, 2022, 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.

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

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, 2022, the Sheriff's pension expense related to the Investment Plan totaled \$611,140.

Note 4 - Other Postemployment Benefits (OPEB)

The County offers certain postemployment health care benefits that are considered part of an OPEB plan for financial accounting purposes. 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. 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 OPEB plan for purposes of computing the OPEB obligation. The Sheriff's portion of the OPEB obligation for the year totaled \$7,415,314. 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, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance September 30, 2022</u>
Capital Assets				
Construction in Process	\$ 1,331,492	\$ 3,045,025	\$ (676,193)	\$ 3,700,324
Machinery and Equipment	22,708,834	2,129,333	(662,667)	24,175,500
Accumulated Depreciation	<u>(14,421,581)</u>	<u>(2,480,620)</u>	<u>698,226</u>	<u>(16,203,975)</u>
Capital Assets, Net	<u>\$ 9,618,745</u>	<u>\$ 2,693,738</u>	<u>\$ (640,634)</u>	<u>\$ 11,671,849</u>

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

Depreciation expense was recorded in the County's government-wide financial statements in the amount of \$2,480,620.

Note 6 - 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, 2022:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2022</u>
Liability Under Leases	\$ 211,677	\$ -	\$ (105,839)	\$ 105,838
Note Payable	508,441	-	(142,353)	366,088
Accrued Compensated Absences	1,728,840	1,642,977	(1,533,820)	1,837,997
Other Postemployment Benefits	7,191,929	233,385	-	7,415,314
Net Pension Liabilities:				
FRS Plan	6,036,993	24,674,611	-	30,711,604
HIS Plan	<u>6,036,582</u>	-	<u>(614,728)</u>	<u>5,421,854</u>
Totals	<u>\$ 21,714,462</u>	<u>\$ 26,550,973</u>	<u>\$ (2,396,740)</u>	<u>\$ 45,858,695</u>

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.

Leases

In October of 2018, the Sheriff entered into a 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. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement.

Assets associated with equipment leases and related amortization for the year ended September 30, 2022 are:

	<u>October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>September 30, 2022</u>
Assets Under Leases - Equipment	\$ 211,677	\$ -	\$ -	\$ 211,677
Accumulated Amortization	-	(105,839)	-	(105,839)
Net Assets Under Leases - Equipment	<u>\$ 211,677</u>	<u>(105,839)</u>	<u>-</u>	<u>\$ 105,838</u>

**NASSAU COUNTY SHERIFF
NOTES TO FINANCIAL STATEMENTS**

Lease payments made under this agreement during the fiscal year ended September 30, 2022, were \$105,839. Future minimum lease payments, which do not include an interest component, under this lease are as follows:

Year Ending September 30,	Future Lease Payments (Principal Only)
2023	\$ 105,838
Total Future Minimum Lease Payments	\$ 105,838

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:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 146,070	\$ 7,588	\$ 153,658
2024	149,816	3,842	153,658
2025	70,202	488	70,690
Total	\$ 366,088	\$ 11,918	\$ 378,006

Note 7 - Inter Fund Receivables and Payables

Inter Fund receivables and payables at September 30, 2022, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 188,453	\$ 2,452
Special Revenue Funds:		
Equitable Sharing Fund	-	186,500
Inmate Commissary	8,033	-
911 Operations Fund	2,386	-
Fiduciary Funds:		
Inmate Trust	4	9,924
Totals	\$ 198,876	\$ 198,876

Interfund balances generally result from funds being deposited in one fund but not remitted to another fund until the subsequent month. All interfund balances are expected to be liquidated within three months.

OTHER FINANCIAL INFORMATION

**NASSAU COUNTY SHERIFF
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2022**

	<u>Sheriff Investigative</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
Assets				
Cash in Bank	\$ 24,200	\$ -	\$ 10,907	\$ 35,107
Cash on Hand	3,942	-	-	3,942
Due from Other Funds	-	-	2,386	2,386
Due from Board of County Commissioners	-	186,500	-	186,500
Total Assets	<u>28,142</u>	<u>186,500</u>	<u>13,293</u>	<u>227,935</u>
Liabilities and Fund Balances				
Accounts Payable	-	-	1,253	1,253
Due to Other Funds	-	186,500	-	186,500
Other Current Liabilities	-	-	12,040	12,040
Total Liabilities	<u>-</u>	<u>186,500</u>	<u>13,293</u>	<u>199,793</u>
Fund Balances				
Committed:				
Investigative	<u>28,142</u>	<u>-</u>	<u>-</u>	<u>28,142</u>
Total Fund Balances	<u>28,142</u>	<u>-</u>	<u>-</u>	<u>28,142</u>
Total Liabilities and Fund Balances	<u>\$ 28,142</u>	<u>\$ 186,500</u>	<u>\$ 13,293</u>	<u>\$ 227,935</u>

**NASSAU COUNTY SHERIFF
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Sheriff Investigative</u>	<u>Equitable Sharing</u>	<u>911 Operations</u>	<u>Total Other Governmental Funds</u>
Revenues				
Miscellaneous	\$ 3,804	\$ -	\$ -	\$ 3,804
Total Revenues	<u>3,804</u>	<u>-</u>	<u>-</u>	<u>3,804</u>
Expenditures				
Current:				
Public Safety:				
Personal Services	-	-	206,115	206,115
Operating Expenditures	25,939	-	200,070	226,009
Capital Outlay	-	330,361	-	330,361
(Total Expenditures)	<u>(25,939)</u>	<u>(330,361)</u>	<u>(406,185)</u>	<u>(762,485)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,135)</u>	<u>(330,361)</u>	<u>(406,185)</u>	<u>(758,681)</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	-	330,361	406,185	736,546
Total Other Financing Sources (Uses)	<u>-</u>	<u>330,361</u>	<u>406,185</u>	<u>736,546</u>
Net Change in Fund Balance	(22,135)	-	-	(22,135)
Fund Balance, Beginning of Year	<u>50,277</u>	<u>-</u>	<u>-</u>	<u>50,277</u>
Fund Balance, End of Year	<u>\$ 28,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,142</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, 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, 2022**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
Assets			
Cash	\$ 5,520	\$ 78,749	\$ 84,269
Other Receivables	-	4	4
	<u>5,520</u>	<u>78,753</u>	<u>84,273</u>
Total Assets	<u>5,520</u>	<u>78,753</u>	<u>84,273</u>
Liabilities			
Accounts Payable	-	48,589	48,589
Due to Other Funds	-	9,924	9,924
Due to Board of County Commissioners	5,520	166	5,686
	<u>5,520</u>	<u>58,679</u>	<u>64,199</u>
Total Liabilities	<u>5,520</u>	<u>58,679</u>	<u>64,199</u>
Net Position	<u>\$ -</u>	<u>\$ 20,074</u>	<u>\$ 20,074</u>

**NASSAU COUNTY SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2022**

	<u>Individual Depositors/ Suspense</u>	<u>Inmate Trust</u>	<u>Total</u>
Additions			
Inmate Funds Collected	\$ -	\$ 1,310,432	\$ 1,310,432
Fines, Forfeitures, and Fees Collected	125,256	-	125,256
Total Additions	<u>125,256</u>	<u>1,310,432</u>	<u>1,435,688</u>
Deductions			
Inmate Funds Disbursed	-	1,323,988	1,323,988
Fines, Forfeitures, and Fees Disbursed	125,256	-	125,256
Total Deductions	<u>125,256</u>	<u>1,323,988</u>	<u>1,449,244</u>
Change in Net Position	<u>-</u>	<u>(13,556)</u>	<u>(13,556)</u>
Net Position, Beginning of Year	<u>-</u>	<u>33,630</u>	<u>33,630</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ 20,074</u>	<u>\$ 20,074</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 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, 2022, 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 13, 2023.

Report on 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.

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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***

Report on 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 13, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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 13, 2023
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, 2022, and have issued our report thereon dated March 13, 2023.

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 13, 2023, 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 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, 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 13, 2023
Gainesville, Florida

2022

Nassau County Tax Collector
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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

**NASSAU COUNTY TAX COLLECTOR
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable John Drew
Nassau County Tax Collector
Nassau County, Florida

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 for the Tax Collector as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the general fund, only for that portion of the general fund, of Nassau County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2022, 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.

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The Honorable John Drew
Nassau County Tax Collector
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

The Honorable John Drew
Nassau County Tax Collector
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, 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, rules, 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.

Purvis Gray

March 6, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

Assets

Cash	\$ 998,481
Due from Agency Fund	70,622
Total Assets	<u><u>1,069,103</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	299,652
Other Current Liabilities	366
Due to Board of County Commissioners	676,214
Due to Other Governments	28,628
Unearned Revenue	64,243
Total Liabilities	<u><u>1,069,103</u></u>

Fund Balance

Total Liabilities and Fund Balance

	<u>-</u>
	<u><u>\$ 1,069,103</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, 2022**

Revenues	
Charges for Services	\$ 1,265,085
Miscellaneous	4,383
Total Revenues	1,269,468
Expenditures	
Current:	
General Government:	
Personnel Services	2,877,479
Operating Expenditures	1,140,397
Debt Service Expenditures:	
Principal	38,958
Interest	184
Capital Outlay	80,334
(Total Expenditures)	(4,137,352)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,867,884)
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	3,535,292
Transfers (out) to Board of County Commissioners	(667,408)
Total Other Financing Sources (Uses)	2,867,884
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	-
Fund Balance, End of Year	\$ -

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, 2022

	General Fund			Variance With Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Charges for Services	\$ 927,245	\$ 927,245	\$ 1,265,085	\$ 337,840
Miscellaneous	-	-	4,383	4,383
Total Revenues	<u>927,245</u>	<u>927,245</u>	<u>1,269,468</u>	<u>342,223</u>
Expenditures				
Current:				
General Government:				
Personnel Services	2,924,627	3,133,301	2,877,479	255,822
Operating Expenditures	1,100,414	1,320,998	1,140,397	180,601
Debt Service Expenditures:				
Principal	-	-	38,958	(38,958)
Interest	-	-	184	(184)
Capital Outlay	54,775	144,775	80,334	64,441
(Total Expenditures)	<u>(4,079,816)</u>	<u>(4,599,074)</u>	<u>(4,137,352)</u>	<u>461,722</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,152,571)</u>	<u>(3,671,829)</u>	<u>(2,867,884)</u>	<u>803,945</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	4,019,864	4,019,864	3,535,292	(484,572)
Transfers (out) to Board of County Commissioners	(867,293)	(348,035)	(667,408)	(319,373)
Total Other Financing Sources (Uses)	<u>3,152,571</u>	<u>3,671,829</u>	<u>2,867,884</u>	<u>(803,945)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<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, 2022**

	Custodial Fund
Assets	
Cash	\$ 3,047,072
Due from Individuals	112,896
Due from Board of County Commissioners	4
Total Assets	3,159,972
 Liabilities	
Due to General Fund	70,622
Due to Board of County Commissioners	508
Due to Other Governments	259,536
Undistributed Collections	2,828,918
Total Liabilities	3,159,584
 Net Position	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 388

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, 2022**

	Custodial Fund
Additions	
Licenses and Tag Fees Collected	\$ 17,234,299
Property Taxes and Fees Collected	103,210,122
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Collected	59,656,826
Tourist Development Fees Collected	11,412,420
Total Additions	191,513,667
 Deductions	
Licenses and Tag Fees Disbursed	17,234,299
Property Taxes and Fees Disbursed	103,210,122
Refunds, Unclaimed Funds, Redeposits, and Credit Card Payments Disbursed	59,659,525
Tourist Development Fees Disbursed	11,412,420
Total Deductions	191,516,366
 Change in Net Position	(2,699)
 Net Position, Beginning	3,087
 Net Position, Ending	\$ 388

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, Florida Tax Collector (the Tax Collector) 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 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 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 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 Governmental Accounting Standards Board (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 Tax Collector 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 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.

Implementation of GASB Statement No. 87, Leases

During the year ended September 30, 2022, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases* (GASB 87), which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year, are evaluated based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. A description of the Tax Collector's leasing arrangements is included in Note 7. GASB 87 implementation required assessment of leases as of October 1, 2021. Therefore, no restatement of prior periods was required as a result of implementation.

Note 2 - Cash

At September 30, 2022, the carrying amount of the Tax Collector's cash on hand and on deposit was \$4,045,553 and the bank balances were \$4,125,321. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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.

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' website (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with 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.

**NASSAU COUNTY TAX COLLECTOR
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. 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.

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:

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

**NASSAU COUNTY TAX COLLECTOR
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 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	10.82	3.00	11.91
FRS, Elected County Officers	3.00	51.42	3.00	57.00
FRS, Senior Management Service	3.00	29.01	3.00	31.57
DROP – Applicable to Members from all of the Above Classes	0.00	18.34	0.00	18.60
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 \$317,477 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2022, the Tax Collector’s proportionate share of the FRS net pension liability was \$2,516,591. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Benefits Provided. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2022 and 2021, 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 \$33,187 for the fiscal year ended September 30, 2022.

Pension Liabilities. At September 30, 2022, the Tax Collector's proportionate share of the HIS net pension liability was \$538,723. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2021-22 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 State Board of Administration (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

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67
FRS, Special Risk Regular	3.00	11.00	3.00	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the 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, 2022, 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 \$47,708 for the fiscal year ended September 30, 2022.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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, 2022:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 2022</u>
Liabilities Under Leases	\$ 73,105	\$ -	\$ (38,958)	\$ 34,147
Accrued Compensated Absences	97,468	188,677	(204,096)	82,049
Net Pension Liabilities:				
FRS Plan	511,010	2,005,581	-	2,516,591
HIS Plan	620,249	-	(81,526)	538,723
Other Postemployment Benefits	<u>886,329</u>	<u>27,530</u>	<u>-</u>	<u>913,859</u>
Total Long-Term Debt	<u>\$ 2,188,161</u>	<u>\$ 2,221,788</u>	<u>\$ (324,580)</u>	<u>\$ 4,085,369</u>

Liabilities under leases represent the net present value of payments due under leasing arrangements. See Note 7 for a description of the Tax Collector's leasing arrangements.

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.

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

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%

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, 2022, totaled \$913,859. 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 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2022, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 70,622	\$ -
Fiduciary:		
Custodial Fund	-	70,622
Totals	<u>\$ 70,622</u>	<u>\$ 70,622</u>

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

The Tax Collector is party to a lease agreement with Pitney Bowes for a letter opener and associated mail metering equipment. The lease period is for 58 months through fiscal year 2026. The quarterly payments due under the lease are \$1,361 due at the beginning of each quarter. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement.

Assets associated with equipment leases and related amortization for the year ended September 30, 2022 are:

	<u>October 1, 2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>September 30, 2022</u>
Assets Under Leases - Equipment	\$ 25,468	\$ -	\$ -	\$ 25,468
Accumulated Amortization	-	(5,233)	-	(5,233)
Net Assets Under Leases - Equipment	<u>\$ 25,468</u>	<u>(5,233)</u>	<u>-</u>	<u>\$ 20,235</u>

**NASSAU COUNTY TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS**

Equipment lease payments made under this agreement during the fiscal year ended September 30, 2022, were \$5,442. The principal and interest components of future minimum lease payments are as follows:

Year Ending September 30,	Principal	Interest
2023	\$ 5,327	\$ 115
2024	5,361	81
2025	5,395	47
2026	4,070	13
Total	\$ 20,153	\$ 256

Building Leases

The Tax Collector leases office space for a branch location in Callahan, Florida. The lease term is for 17 months through fiscal year 2023. The monthly payments due under the lease are \$3,494 due at the beginning of each month. The monthly payments include a fixed non-lease component of \$674 per month for shared maintenance, janitorial, etc. services provided to all tenants of the building, which is subject to an annual escalation of 3% effective in March of each year. The lease component of each fixed monthly payment is adjusted annually by the amount of the change in the non-lease component. There are no variable payment components, escalation provisions on total monthly lease payments, or residual value guarantees by the lessee associated with this agreement.

Assets associated with building leases and related amortization for the year ended September 30, 2022 are:

	October 1, 2021	Additions	(Deletions)	September 30, 2022
Assets Under Leases - Buildings	\$ 47,636	\$ -	\$ -	\$ 47,636
Accumulated Amortization	-	(33,625)	-	(33,625)
Net Assets Under Leases - Buildings	\$ 47,636	(33,625)	-	\$ 14,011

Payments under these building leases totaled \$41,933 for the year ended September 30, 2022, which includes \$8,230 in non-lease shared cost allocation costs. The principal and interest components of future minimum lease payments under the building lease agreement described above are as follows:

Year Ending September 30,	Principal	Interest
2023	\$ 13,994	\$ 7
Total	\$ 13,994	\$ 7

Note 8 - 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 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 9 - 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 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, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 6, 2023.

Report on 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***

Report on 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.



March 6, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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.



March 6, 2023
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, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 6, 2023.

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 March 6, 2023, 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.



March 6, 2023
Gainesville, Florida

2022

Nassau County Property Appraiser
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**NASSAU COUNTY PROPERTY APPRAISER
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable A. Michael Hickox
Nassau County Property Appraiser
Nassau County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Property Appraiser as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the general fund, only for that portion of the general fund, of Nassau County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2022, 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.

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The Honorable A. Michael Hickox
Nassau County Property Appraiser
Nassau County, Florida

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

The Honorable A. Michael Hickox
Nassau County Property Appraiser
Nassau County, Florida

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023, 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, rules, 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 Property Appraiser's internal control over financial reporting and compliance.



March 2, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

Assets	
Cash	\$ 124,484
Other Receivable	2,728
Total Assets	<u>127,212</u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	124,275
Due to Other Governments	2,717
Other Current Liabilities	220
Total Liabilities	<u>127,212</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 127,212</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, 2022**

Revenues	
Intergovernmental Revenue	\$ 160,200
Charges for Services	90,322
Interest Income	26
Miscellaneous	3,142
Total Revenues	<u>253,690</u>
Expenditures	
Current:	
General Government:	
Personal Services	2,284,431
Operating Expenditures	395,702
Public Safety:	
Personal Services	75,506
Operating Expenditures	298,631
Capital Outlay	2,261
(Total Expenditures)	<u>(3,056,531)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,802,841)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	2,903,366
Transfers in from Constitutional Officers	23,000
Transfers (out) to Board of County Commissioners	(123,525)
Total Other Financing Sources (Uses)	<u>2,802,841</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 160,200	\$ 160,200	\$ 160,200	\$ -
Charges for Services	93,030	98,030	90,322	(7,708)
Interest Income	-	-	26	26
Miscellaneous	3,000	3,330	3,142	(188)
Total Revenues	<u>256,230</u>	<u>261,560</u>	<u>253,690</u>	<u>(7,870)</u>
Expenditures				
Current:				
General Government:				
Personal Services	2,494,852	2,346,234	2,284,431	61,803
Operating Expenditures	632,707	624,262	395,702	228,560
Public Safety:				
Personal Services	-	107,361	75,506	31,855
Operating Expenditures	-	52,771	298,631	(245,860)
Capital Outlay	-	2,261	2,261	-
Contingency	50,000	50,000	-	50,000
(Total Expenditures)	<u>(3,177,559)</u>	<u>(3,182,889)</u>	<u>(3,056,531)</u>	<u>126,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,921,329)</u>	<u>(2,921,329)</u>	<u>(2,802,841)</u>	<u>118,488</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	2,898,329	2,898,329	2,903,366	5,037
Transfers in from Constitutional Officers	23,000	23,000	23,000	-
Transfers (out) to Board of County Commissioners	-	-	(123,525)	(123,525)
Total Other Financing Sources (Uses)	<u>2,921,329</u>	<u>2,921,329</u>	<u>2,802,841</u>	<u>(118,488)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</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 are 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, 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. 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.

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Property Appraiser adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated for implementation based on materiality levels established by the County. Leases that qualify

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, the implementation of this standard was not deemed to be material to the Property Appraiser's financial statements.

Note 2 - Cash

At September 30, 2022, the carrying amount of the Property Appraiser's deposits was \$124,384 and the bank balance was \$343,081. The Property Appraiser also held \$100 in petty cash at September 30, 2022. 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' website (www.dms.myflorida.com).

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

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.

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:

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022 Percent of Gross Salary		Year Ended June 30, 2023 Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
DROP – Applicable to Members from All of the Above Classes	3.00	16.68	3.00	16.94
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 \$259,822 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

Pension Liabilities. At September 30, 2022, the Property Appraiser's proportionate share of the FRS net pension liability was \$2,197,619. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

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.

Benefits Provided. For the fiscal year ended September 30, 2022, 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, 2022 and 2021, 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 \$25,968 for the fiscal year ended September 30, 2022.

Pension Liabilities. At September 30, 2022, the Property Appraiser's proportionate share of the HIS net pension liability was \$452,247. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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 HIS Plan can be found in the County-wide annual financial report.

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

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 State Board of Administration (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.

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 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2023	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
FRS, Regular	3.00	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67
FRS, Special Risk Regular	3.00	11.00	3.00	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the 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, 2022, 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.

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

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 \$41,884 for the fiscal year ended September 30, 2022.

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, 2022:

	Balance October 1, 2021	Additions	(Deletions)	Balance September 30, 2022
Accrued Compensated Absences	\$ 178,450	\$ 165,701	\$ (132,079)	\$ 212,072
Net Pension Liabilities:				
FRS Plan	429,134	1,768,485	-	2,197,619
HIS Plan	466,006	-	(13,759)	452,247
Other Postemployment Benefits	506,474	15,731	-	522,205
Total Long-Term Debt	\$ 1,580,064	\$ 1,949,917	\$ (145,838)	\$ 3,384,143

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.

**NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS**

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”

Years of Service	Hired Before	Hired on or After
With Nassau County	10/1/05	10/1/05
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 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, 2022, totaled \$522,205. 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, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated March 2, 2023.

Report on 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 opinions 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 or significant deficiencies may exist that were not 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***

Report on 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.



March 2, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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.



March 2, 2023
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, 2022, and have issued our report thereon dated March 2, 2023.

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 March 2, 2023, 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.



March 2, 2023
Gainesville, Florida

2022

Nassau County Supervisor of Elections
Nassau County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

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

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
NASSAU COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Janet H. Adkins
Nassau County Supervisor of Elections
Nassau County, Florida

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Supervisor of Elections as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the general fund, only for that portion of the general fund, of Nassau County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2022, 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.

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The Honorable Janet H. Adkins
Nassau County Supervisor of Elections
Nassau County, Florida

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions of events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

The Honorable Janet H. Adkins
Nassau County Supervisor of Elections
Nassau County, Florida

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023 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, rules, 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 Supervisor of Elections' internal control over financial reporting and compliance.



March 2, 2023
Gainesville, Florida

FINANCIAL STATEMENTS

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

Assets	
Cash	\$ 402,495
Prepays	5,708
Total Assets	<u>408,203</u>
 Liabilities and Fund Balance	
Liabilities	
Accounts Payable	72,386
Due to the Board of County Commissioners	294,757
Accrued Salaries and Benefits	41,060
Total Liabilities	<u>408,203</u>
 Fund Balance	 <u>-</u>
 Total Liabilities and Fund Balance	 <u>\$ 408,203</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, 2022**

Revenues	
Intergovernmental Revenue	\$ 39,112
Charges for Services	29
Fines and Forfeitures	50
Miscellaneous Revenue	6,177
Total Revenues	<u>45,368</u>
 Expenditures	
Current:	
General Government:	
Personnel Services	1,242,691
Operating Expenditures	872,115
Capital Outlay	140,747
(Total Expenditures)	<u>(2,255,553)</u>
 (Deficiency) of Revenues (Under) Expenditures	 <u>(2,210,185)</u>
 Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	2,527,895
Transfers (out) to Board of County Commissioners	(294,710)
Transfers (out) to Property Appraiser	(23,000)
Total Other Financing Sources (Uses)	<u>2,210,185</u>
 Net Change in Fund Balance	 -
 Fund Balance, Beginning of Year	 <u>-</u>
 Fund Balance, End of Year	 <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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ -	\$ 39,112	\$ 39,112	\$ -
Charges for Services	-	29	29	-
Fines and Forfeitures	-	50	50	-
Miscellaneous Revenue	-	6,176	6,177	1
Total Revenues	<u>-</u>	<u>45,367</u>	<u>45,368</u>	<u>1</u>
Expenditures				
Current:				
General Government:				
Personnel Services	1,359,974	1,242,691	1,242,691	-
Operating Expenditures	916,521	872,114	872,115	(1)
Capital Outlay	282,500	209,847	140,747	69,100
(Total Expenditures)	<u>(2,558,995)</u>	<u>(2,324,652)</u>	<u>(2,255,553)</u>	<u>69,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,558,995)</u>	<u>(2,279,285)</u>	<u>(2,210,185)</u>	<u>69,100</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	2,596,995	2,596,995	2,527,895	(69,100)
Transfers (out) to Board of County Commissioners	(15,000)	(294,710)	(294,710)	-
Transfers (out) to Property Appraiser	(23,000)	(23,000)	(23,000)	-
Total Other Financing Sources (Uses)	<u>2,558,995</u>	<u>2,279,285</u>	<u>2,210,185</u>	<u>(69,100)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<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 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.

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.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS**

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 (1st) pay day of December each year. If an employee retires into the Florida Retirement System, he or she is eligible to receive payment for up to seven hundred twenty (720) hours of unused sick leave.

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.

Use of Estimates

The preparation of financial statements in accordance with GAAP, 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.

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Supervisor of Elections adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year, are evaluated for implementation based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, the implementation of this standard was not deemed to be material to the Supervisor of Elections' financial statements.

Note 2 - Cash

At September 30, 2022, the carrying amount of the Supervisor of Elections' cash balance, as recorded on the Board's records, was \$402,495. 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.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
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 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' website (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 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.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
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 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:

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

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

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS**

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
DROP – Applicable to Members from all of the Above Classes	0.00	16.68	0.00	16.94
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%, the fee of 0.06% for administration of the FRS Investment Plan, and provision of education tools for both plans.

The Supervisor of Elections contributions (employer) to the FRS Plan totaled \$177,197 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities. At September 30, 2022, the Supervisor of Elections’ proportionate share of the FRS net pension liability was \$1,075,316. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

Further information about the Supervisor of Elections’ 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 (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, 2022, 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.

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
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, 2022 and 2021, 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.

The Supervisor of Elections' contributions to the HIS Plan totaled \$12,848 for the fiscal year ended September 30, 2022.

Pension Liabilities. At September 30, 2022, the Supervisor of Elections' proportionate share of the HIS net pension liability was \$157,661. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Supervisor of Elections' proportionate share of the net pension liability was based on its contributions to the HIS Plan compared to the contributions of all participating members.

Further information about the Supervisor of Elections' net pension liability, pension expense, actuarial assumptions, sensitivity analysis, and other required disclosures related to the HIS Plan can be found in the County-wide annual financial report.

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 State Board of Administration (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. 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 2021-2022 fiscal year were as follows:

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS**

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</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	3.30	3.00	6.30
FRS, Elected County Officers	3.00	8.34	3.00	11.34
FRS, Senior Management Service	3.00	4.67	3.00	7.67

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, 2022, 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.

The Supervisor of Elections' Investment Plan pension expense totaled \$13,560 for the fiscal year ended September 30, 2022.

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, 2022:

	<u>Balance</u> <u>October 1,</u> <u>2021</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance</u> <u>September 30,</u> <u>2022</u>
Accrued Compensated Absences	\$ 75,388	\$ 61,416	\$ (22,548)	\$ 114,256
Net Pension Liabilities:				
FRS Plan	-	1,075,316	-	1,075,316
HIS Plan	-	157,661	-	157,661
Other Postemployment Benefits	<u>278,561</u>	<u>8,652</u>	<u>-</u>	<u>287,213</u>
Total Long-Term Debt	<u>\$ 353,949</u>	<u>\$ 1,303,045</u>	<u>\$ (22,548)</u>	<u>\$ 1,634,446</u>

**NASSAU COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS**

The Supervisor of Elections’ long-term liabilities are not recorded in the accompanying financial statements since they are not payable from available resources but are recorded in the statement of net position as part of the basic financial statements of the County.

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.

See Note 3 for more information on the Supervisor of Elections’ 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 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%

Currently, the Supervisor of Elections has 10 active employees and 1 retired employee 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, 2022, totaled \$287,213. 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 Janet H. Adkins
Nassau County Supervisor of Elections
Nassau County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2022, 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 2, 2023.

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) 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 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***

Report on 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 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 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 2, 2023
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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 aforementioned requirements for the year ended September 30, 2022.

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 2, 2023
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, 2022, and have issued our report thereon dated March 2, 2023.

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 March 2, 2023, 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 2, 2023
Gainesville, Florida

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