FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

COUNTY-WIDE

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

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NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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INTRODUCTORY SECTION

NASSAU COUNTY, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2015

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

County Manager	**Theodore J. Selby**
County Attorney	**Michael Mullin**

FINANCIAL SECTION

Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of Nassau County, Florida, (the County), as of and for the year ended September 30, 2015, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2015, and the respective changes in financial position and cash flows, where appropriate, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITORS' REPORT
(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the current year, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No.71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require employers participating in defined benefit pension plans to report the net pension liability and other pension related deferred inflows and outflows related to these plans. In connection with the implementation of these statements, the County decreased its beginning net position in the governmental activities by $34,109,791 and decreased beginning net position in the business-type activities by $458,009. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section is presented for purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance projects, as required by Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements. The schedule of expenditures of state financial assistance projects is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2016, 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.

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

Purvis, Gray and Company, LLP

May 13, 2016
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, 2015. 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 exceeded its liabilities at the close of fiscal year 2015 by $426,824,214 (net position). The net position from governmental activities of $430,519,166 was partially offset by the net position of $(3,694,952) from business-type activities.

- The County's revenues exceeded its expenses by $4,969,674 for the fiscal year, compared to a deficit of $(14,553,153) in the prior year. General revenues increased by $10,417,182, including an $8,091,725 increase in property tax revenue and a $1,358,421 increase in sales tax revenue. The year-to-year deficit in program revenues, net of expenses, decreased from $(76,449,174) in the prior year to $(67,343,529) in fiscal year 2015, due primarily to an increase in capital grants and contributions revenue and steady to lower year-over-year expenses across most county programs. Capital grant revenue and physical environment expense for fiscal year 2015 included the impact of a $4.3 million grant for beach re-nourishment expenses for the benefit of certain property owners.

- The General Fund reported a deficit of revenues to expenditures of $(2,658,957), which was more than offset by a $2,260,835 excess of transfers in over transfers out, capital lease proceeds of $2,789,669, and sale of capital asset proceeds of $221,905, resulting in a $2,613,452 increase in fund balance for the fiscal year.

- Proprietary funds reported an increase in net position of $935,001. The solid waste fund reported a change in net position of $(444,520), which was more than offset by a $1,379,521 increase in net position for the water and sewer fund.

- Outstanding long-term bonded debt as of September 30, 2015, was $50,381,060, a reduction of $3,577,713 from the prior year. Of this amount, $3,524,065 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	3
Capital Projects Funds	6
Special Revenue Funds	34
Total Governmental Funds	**44**
Total Proprietary Funds	**2**
Total Agency Funds	**12**

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 include solid waste disposal and 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, 2015; 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.

Fund Financial Statements *(Concluded)*
The County maintains forty-four (44) 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, Transportation Fund, Municipal Services Fund, One-cent County Surtax Fund, Nassau County Capital Projects-Impact Fee Fund, and Capital Projects Transportation Fund, which are considered to be major funds. Data from the other thirty-eight (38) 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 two enterprise funds to account for the fiscal activities relating to solid waste disposal and water and sewer utilities. 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 solid waste disposal and water and sewer utilities.

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 exceeded liabilities by $426,824,214 at the close of the fiscal year ended September 30, 2015.

At the end of the fiscal year 2015, the County is able to report positive balances in two categories of net position, for the government as a whole, and for governmental activities. The business-type activities have a $(3,694,952) balance due primarily to the Landfill Early Closure costs, continued maintenance, and monitoring of the closed Landfills.

Government-wide Financial Analysis *(Concluded)*

Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	$ 69,793,483	$ 68,443,855	$ 11,740,199	$ 11,948,010	$ 81,533,682	$ 80,391,865
Capital Assets	454,961,042	455,020,629	13,878,142	14,293,925	468,839,184	469,314,554
Total Assets	524,754,525	523,464,484	25,618,341	26,241,935	550,372,866	549,706,419
Deferred Outflow of Resources	7,301,983	0	665,699	628,453	7,967,682	628,453
Outstanding Obligations	86,800,979	54,644,459	29,566,911	30,721,634	116,367,890	85,366,093
Other Liabilities	7,227,375	8,225,741	313,243	320,698	7,540,618	8,546,439
Total Liabilities	94,028,354	62,870,200	29,880,154	31,042,332	123,908,508	93,912,532
Deferred Inflows of Resources	7,508,988	0	98,838	0	7,607,826	0
Net Position:						
Net Investment in Capital Assets	415,383,811	415,506,856	328,142	477,378	415,711,953	415,984,234
Restricted	23,776,958	22,557,822	1,843,697	1,764,062	25,620,655	24,321,884
Unrestricted	(8,641,603)	22,529,606	(5,866,791)	(6,413,384)	(14,508,394)	16,116,222
Total Net Position	$ 430,519,166	$ 460,594,284	$ (3,694,952)	$ (4,171,944)	$ 426,824,214	$ 456,422,340

As of the end of fiscal year 2015, the County's total net position of $426,824,214 included $415,711,953 (97.4%) of net investments in capital assets such as land, buildings, infrastructure, improvements and equipment, less any outstanding debt used to acquire those capital assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, $25,620,655 (6.0%), represents resources that are subject to external restriction on how they may be used. For fiscal year 2015, the County recorded a $32 million net pension liability for its participation in the Florida Retirement System resulting in a $29.6 million decrease in net position and an unrestricted funds balance of $(14,508,394) at fiscal year-end. The County's landfill postclosure liability of $15.2 million also significantly reduces the unrestricted fund balance.

Governmental Activities

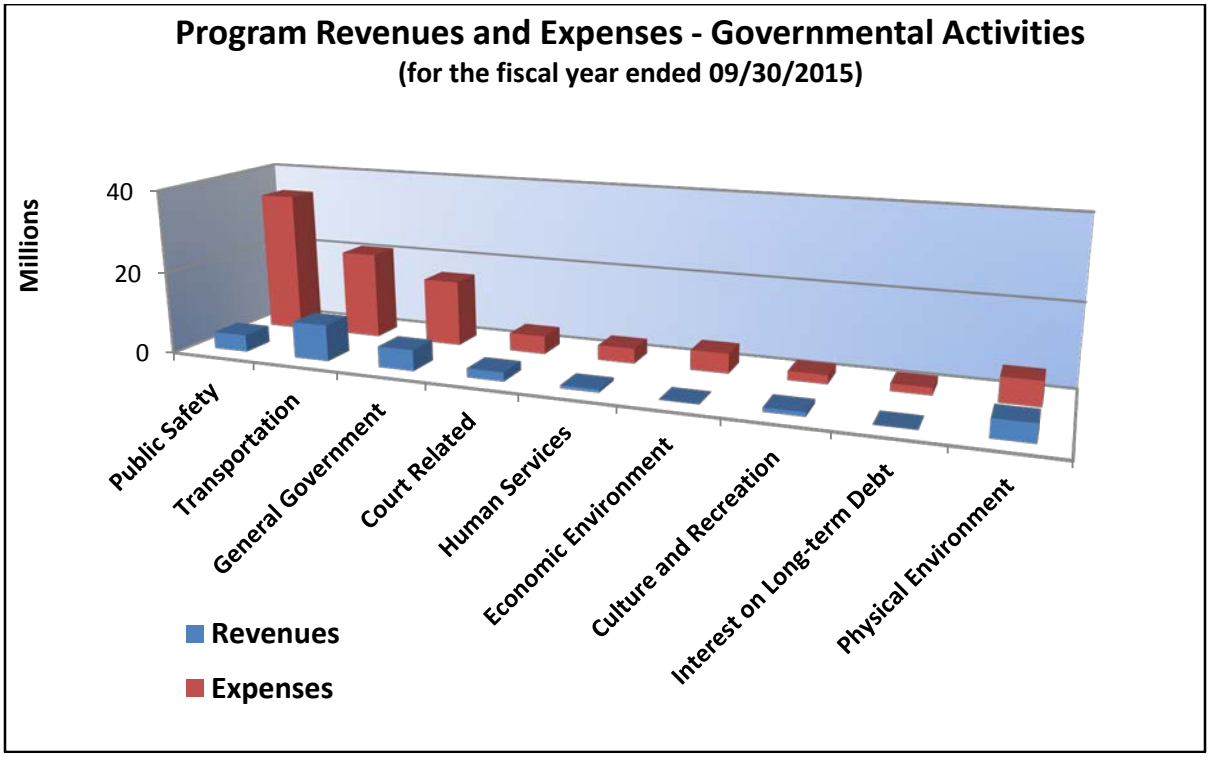
The County's total net position of $426,824,214 on September 30, 2015, represents a year-to-year decrease of $29,598,126, compared to a year-to-year decrease on September 30, 2014, of $15,121,030. The County's total change in net position from activities of $4,969,674 was more than offset by prior period adjustments of $(34,567,800) as the result of the County's adoption of GASB 68 reporting requirements regarding net pension liability.

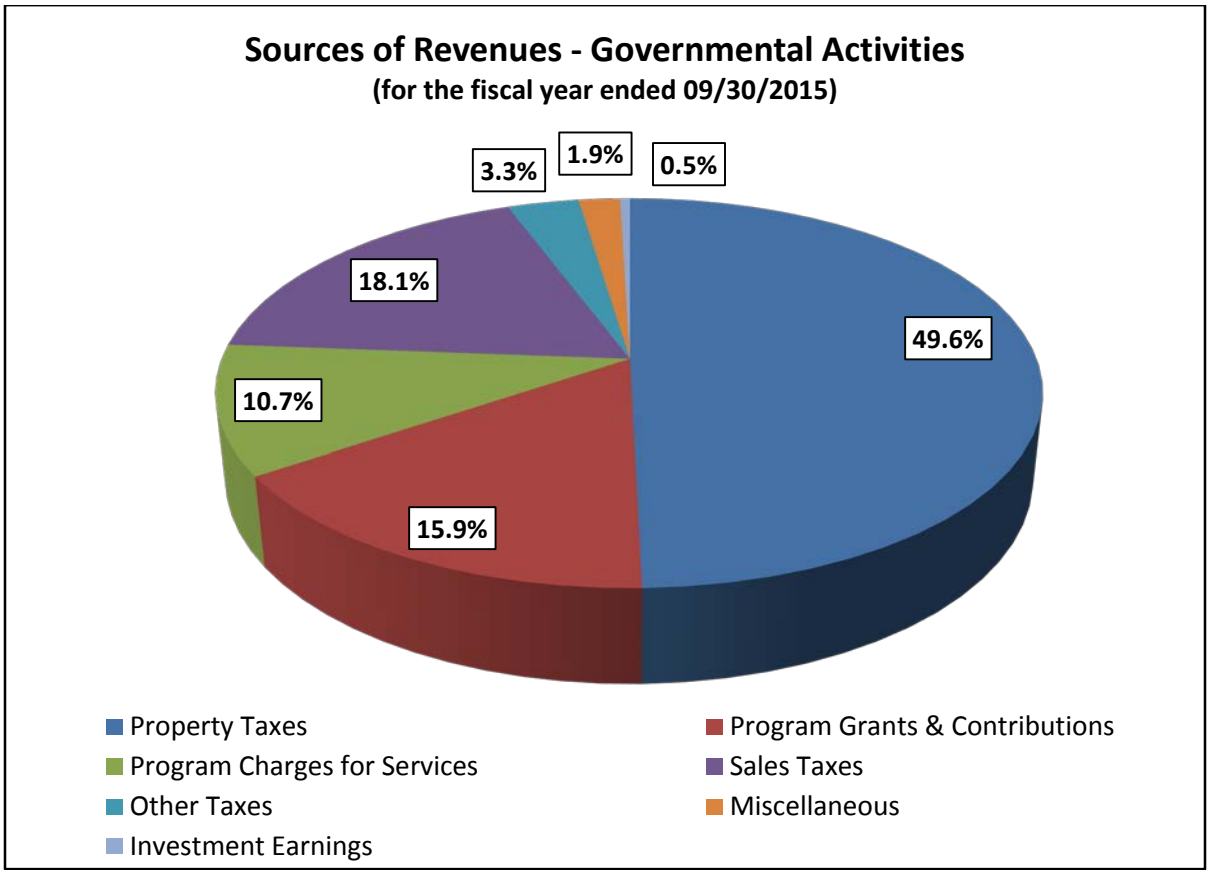
Fiscal year 2015 Governmental Activities improved the County's net position by $4,034,673, and Business-type Activities increased the County's net position by $935,001. Governmental Activities revenues exceeded expenses by $3,908,052 in fiscal year 2015 compared to a prior year deficit of Governmental Activities revenues to expenses of $(15,189,618). Factors contributing to this year-over-year change include an increase in property tax revenue of $8,091,725, an increase in sales tax revenue of $1,358,421, a $9,190,077 increase in capital grants for governmental programs, and $621,359 in revenue from the County's newly established mobility fees which became effective in fiscal year 2015. Governmental Activities expenses increased by $2,607,051 in fiscal year 2015 as compared to the prior year.

Management's Discussion and Analysis
(Continued)

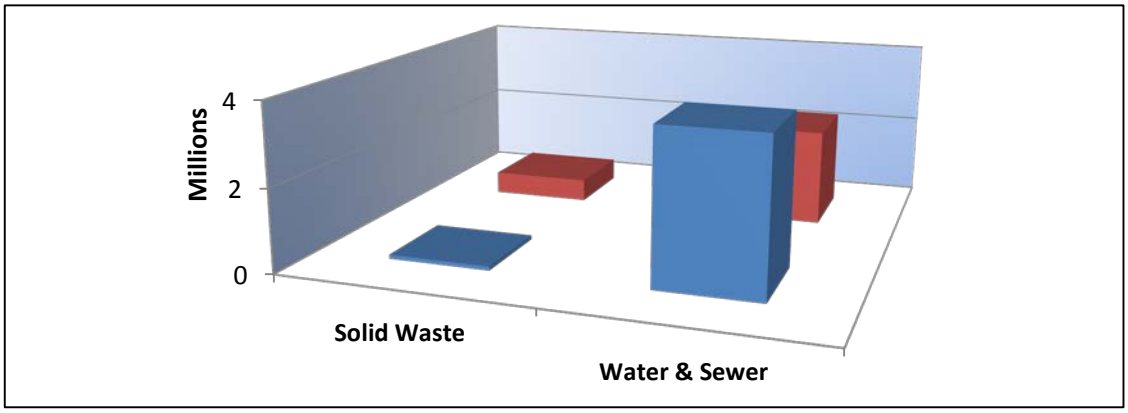
Nassau County, Florida
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services	$ 10,499,502	$ 8,618,246	$ 3,701,943	$ 3,578,932	$ 14,201,445	$ 12,197,178
Operating Grants and Contributions	5,933,754	5,748,207	90,909	90,909	6,024,663	5,839,116
Capital Grants and Contributions	9,705,414	515,337	0	0	9,705,414	515,337
General Revenues:						
Property Taxes	48,753,957	40,662,232	0	0	48,753,957	40,662,232
Other Taxes	21,064,742	19,601,276	0	0	21,064,742	19,601,276
Other Revenues	2,323,032	1,430,382	171,472	202,131	2,494,504	1,632,513
Total Revenues	98,280,401	76,575,680	3,964,324	3,871,972	102,244,725	80,447,652
Expenses						
General Government	16,009,956	16,721,827	0	0	16,009,956	16,721,827
Court Related	4,378,067	4,554,090	0	0	4,378,067	4,554,090
Public Safety	34,550,368	34,722,118	0	0	34,550,368	34,722,118
Physical Environment	5,930,183	998,344	0	0	5,930,183	998,344
Transportation	21,162,038	23,424,702	0	0	21,162,038	23,424,702
Economic Environment	4,785,737	3,575,047	0	0	4,785,737	3,575,047
Human Services	3,620,876	3,608,530	0	0	3,620,876	3,608,530
Culture/Recreation	2,141,849	2,399,597	0	0	2,141,849	2,399,597
Interest on Long-term Debt	1,793,275	1,761,043	0	0	1,793,275	1,761,043
Solid Waste Disposal	0	0	552,637	870,768	552,637	870,768
Water and Sewer	0	0	2,350,065	2,364,739	2,350,065	2,364,739
Total Expenses	94,372,349	91,765,298	2,902,702	3,235,507	97,275,051	95,000,805
Excess of Revenue Over Expense	3,908,052	(15,189,618)	1,061,622	636,465	4,969,674	(14,553,153)
Add: Contributions	0	0	0	0	0	0
Add: Transfers	126,621	127,286	(126,621)	(127,286)	0	0
Change in Net Position	4,034,673	(15,062,332)	935,001	509,179	4,969,674	(14,553,153)
Net Position-Beginning of Year	460,594,284	476,158,056	(4,171,944)	(4,614,686)	456,422,340	471,543,370
Prior Period Adjustments	(34,109,791)	(501,440)	(458,009)	(66,437)	(34,567,800)	(567,877)
Net Position-End of Year	$ 430,519,166	$ 460,594,284	$ (3,694,952)	$ (4,171,944)	$ 426,824,214	$ 456,422,340


Program Revenues and Expenses - Governmental Activities
(for the fiscal year ended 09/30/2015)
Millions
40
20
0
Public Safety
Transportation
General Government
Court Related
Human Services
Economic Environment
Culture and Recreation
Interest on Long-term Debt
Physical Environment
Revenues
Expenses


Sources of Revenues - Governmental Activities
(for the fiscal year ended 09/30/2015)
3.3%
1.9%
0.5%
18.1%
49.6%
10.7%
15.9%
Property Taxes
Program Grants & Contributions
Program Charges for Services
Sales Taxes
Other Taxes
Miscellaneous
Investment Earnings

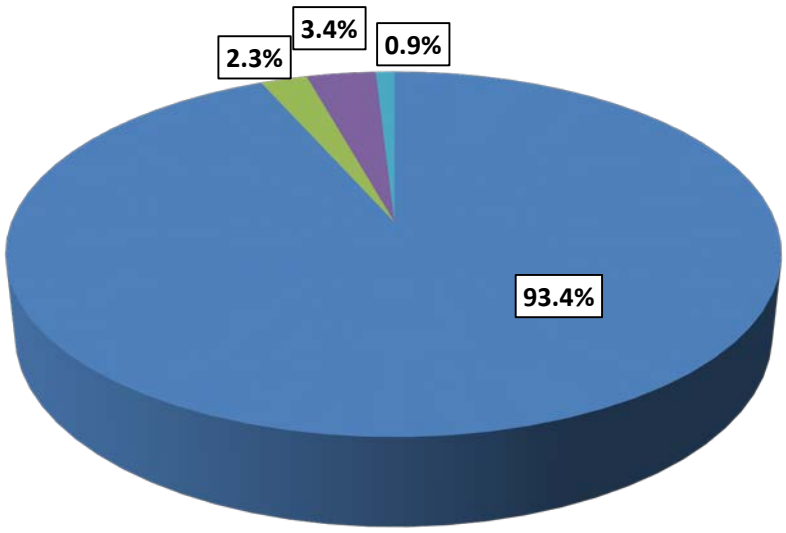
Program Revenues and Expenses - Business-type Activities
(for the fiscal year ended 09/30/2015)



■ **Revenues**

■ **Expenses**

Transfers and Sources of Revenues - Business-type Activities
(for the fiscal year ended 09/30/2015)



■ Program Charges for Services

■ Transfers In

■ Program Grants & Contributions

■ Miscellaneous

■ Investment Earnings

Analysis of the County's Fund Financials

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

As of the end of fiscal year 2015, the County's governmental funds reported combined ending fund balances of $60,550,017. This represents an increase of $2,547,290 from the adjusted balance of the prior year. The majority of fund balance in the amount of $38,407,920 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 $22,142,097 is non-spendable or restricted 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 2015, the general fund had a total fund balance of $14,296,219, an increase of $2,613,452 from the prior year. Significant changes from the prior year include an increase in revenues of $8,731,964 due mostly to a $7,595,399 increase in tax revenue. An increase in expenditures of $4,766,514 included a capital outlay increase of $3,899,003 and a public safety increase of $1,063,163. Net transfers of $2,260,835 offset most of the deficiency of revenues over expenditures, while Capital Lease proceeds of $2,789,669 and proceeds from sale of General Capital Assets of $221,905 resulted in a net change in fund balance of $2,613,452. A majority of the fund balance in the amount of $13,477,240 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 $818,979 is non-spendable or restricted and, therefore, already committed for prepaid items, grants and state laws, or constrained by an external third party. 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 19.9% of the total General Fund expenditures. Total fund balance represents 27.8% of that same amount.

At the end of fiscal year 2015, the transportation fund had a fund balance of $4,975,268, an increase of $1,300,071 when compared to the prior year balance. The increase was due primarily to a decrease in transfers out of $1,412,257 when compared to the prior fiscal year.

The municipal services fund had a total fund balance of $4,665,604 at the end of fiscal year 2015. The net increase to fund balance of $1,335,768, as compared to an increase of $103,920 in the prior year, is mainly due to a year-to-year increase to transfers in of $1,055,042.

The one-cent surtax fund had a total fund balance of $6,294,232 at the end of fiscal year 2015, a year-to-year decrease of $5,260,867, compared to a decrease in fund balance of $2,026,984 in fiscal year 2014. Major changes from the prior year were a $3,127,200 increase in transfers out, a $613,586 increase in revenues, and a $837,822 increase in expenditures.

The capital projects-impact fee fund had a total fund balance of $4,832,344 at the end of fiscal year 2015, an increase of $903,932 from the prior year balance. During the fiscal year, capital outlay expenditures totaled $49,346, a $2,004,045 decrease when compared to the prior year.

Analysis of the County's Fund Financials *(Concluded)*

The capital projects transportation fund had a fund balance of $3,012,854 at the end of the fiscal year, a decrease of $2,001,766 as compared to the prior year ending balance. Revenues were up $2,768,152 when compared to the prior year, and expenditures were steady at $5,012,949, while transfers in decreased by $1,758,500. During the year, the County continued road and bridge projects including completion of the guardrail repair project and numerous drainage improvement projects, including Swallowfork Phase IV, Maranatha Road, and Fouraker Road.

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The solid waste and water and sewer funds are reported as major enterprise funds. In the solid waste fund, unrestricted net position decreased from the prior year by $444,520, due in large part to an operating loss of $498,404. In the water and sewer fund, the increase in unrestricted net position of $1,379,521 was due mainly to operating income of $1,778,748, partially offset by a net non-operating loss of $344,545. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to:

	Unrestricted Net Position	
Fund	**2015**	**2014**
Solid Waste	$(12,403,720)	$(11,857,993)
Water and Sewer	6,536,929	5,444,609

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 2015, supplemental appropriations to the General Fund (Board only) budget were approximately $2.4 million, or 4.2% of the original adopted budget.

- The major portion of the supplemental appropriations came from $2.2 million in capital lease proceeds for the replacement of radios for use of the county wide communication system.

- Other significant adjustments included $175,000 for various grants, $252,000 in donations, and an overall decrease in cash forward adjustment of $274,000.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounted to $468,839,184 (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 6 in Notes to Financial Statements.

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

- Continued resurfacing and drainage improvements on Jasmine Road with a project budget of $849,747
- Began construction of addition to the 911 Call Center with a project budget of $4,443,660
- Began construction of the new Sheriff Administration building with a project budget of $10,000,000
- Completed design and bid documents for resurfacing of Old Dixie Highway from Bypass Road to Henry Smith Road with a project budget of $1,959,026
- New County-wide communication system at a cost of $2,996,122
- Completed Bay Road Phase II construction with a project budget of $2,097,167
- Completed CR121 Resurfacing from Curry Rd to Andrew with a project budget of $1,354,691
- Completed construction of Concourse Loop Flora Park with a project budget of $2,604,647

Nassau County, Florida
Capital Assets (Net of Depreciation)

	Governmental Actitivies		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 75,810,776	$ 75,799,935	$ 815,228	$ 815,228	$ 76,626,004	$ 76,615,163
Construction Work in Progress	8,534,761	4,864,574	34,311	0	8,569,072	4,864,574
Buildings and Improvements	37,359,791	38,387,972	963,226	986,636	38,323,017	39,374,608
Machinery and Equipment	12,622,101	8,137,240	12,065,377	12,492,061	24,687,478	20,629,301
Infrastructure	320,633,613	327,830,908	0	0	320,633,613	327,830,908
Total	$ 454,961,042	$ 455,020,629	$ 13,878,142	$ 14,293,925	$ 468,839,184	$ 469,314,554

Management's Discussion and Analysis
(Concluded)

Long-term Liabilities
At the end of the fiscal year, the County had total outstanding bonds, notes, and other long term obligations, including net pension liability, in the amount of $116,367,890. 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.

Long-term Liabilities

	2015	2014
Governmental Activities:		
Revenue Bonds	$ 36,831,060	$ 39,513,773
Compensated Absences	7,059,322	7,031,535
Capital Lease Payable	2,746,171	0
Claims Payable	155,433	233,149
Other Post Employment Benefits	8,389,859	7,866,002
Net Pension Liability	31,619,134	0
Total Gov't Activities	86,800,979	54,644,459
Business-type Activities:		
Revenue Bonds, Net	13,550,000	14,445,000
Compensated Absences	273,805	278,626
Other Post Employment Benefits	146,334	147,028
Landfill Closure/Postclosures	15,188,041	15,850,980
Net Pension Liability	408,731	0
Total Business-type Activities	29,566,911	30,721,634
Total Outstanding Liabilities	$ 116,367,890	$ 85,366,093

The County's outstanding liabilities increased by $31,001,797 (36.3%) in fiscal year 2015. Reductions in Revenue Bonds of $3,577,713, and in Landfill Closure/Post-closure obligations of $662,939 were more than offset by an increase in Net Pension Liability of $32,027,865, Capital Leases Payable of $2,746,171 and Other Post-employment Benefits of $523,163. Additional information on Nassau County's outstanding debt can be found in Note 9 in Notes to Financial Statements.

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/Comptroller's Financial Services 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, 2015

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
Assets			
Cash and Cash Equivalents	$ 13,337,536	$ 6,250,154	$ 19,587,690
Equity in Pooled Investments	50,833,172	2,305,379	53,138,551
Accounts Receivable, Net	882,799	334,873	1,217,672
Assessments Receivable, Net	0	31,973	31,973
Internal Balances	26,125	(26,125)	0
Loans Receivable, Net	48,000	0	48,000
Due from Other Governments	3,888,166	446	3,888,612
Inventories	295,082	55,723	350,805
Prepaid Items	475,603	20,925	496,528
Deposits	7,000	0	7,000
Restricted Assets:			
Cash and Cash Equivalents	0	2,766,851	2,766,851
Capital Assets:			
Nondepreciable	84,345,537	849,539	85,195,076
Depreciable, Net	370,615,505	13,028,603	383,644,108
Total Assets	524,754,525	25,618,341	550,372,866
Deferred Outflow of Resources			
Unamortized Refunding Loss	0	583,564	583,564
Pension Related	7,301,983	82,135	7,384,118
Total Deferred Outflow of Resources	7,301,983	665,699	7,967,682
Liabilities			
Accounts Payable	4,465,158	189,304	4,654,462
Other Current Liabilities	786,090	0	786,090
Retainage Payable	365,918	0	365,918
Due to Other Governments	978,911	2	978,913
Unearned Revenue	47,472	3,050	50,522
Deposits	67,930	120,887	188,817
Accrued Interest Payable	515,896	0	515,896
Payable from Restricted Assets:			
Landfill Postclosure Costs	0	780,731	780,731
Noncurrent Liabilities:			
Due Within One Year	7,349,556	997,322	8,346,878
Due in More Than One Year	47,832,289	12,972,817	60,805,106
Landfill Postclosure Liability (Payable from Restricted Assets)	0	14,407,310	14,407,310
Net Pension Liability	31,619,134	408,731	32,027,865
Total Liabilities	94,028,354	29,880,154	123,908,508
Deferred Inflows of Resources			
Pension Related	7,508,988	98,838	7,607,826
Net Position			
Net Investment in Capital Assets	415,383,811	328,142	415,711,953
Restricted for:			
Utility System Improvements	0	1,396,197	1,396,197
Debt Service	1,588,252	447,500	2,035,752
Impact Fees	4,832,344	0	4,832,344
Capital Projects	620,060	0	620,060
Court Facilities	1,962,707	0	1,962,707
Tourist Development	4,612,096	0	4,612,096
Building Department	3,378,647	0	3,378,647
Grants and Other Purposes	6,782,852	0	6,782,852
Unrestricted	(8,641,603)	(5,866,791)	(14,508,394)
Total Net Position	$ 430,519,166	$ (3,694,952)	$ 426,824,214

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, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary Government							
Governmental Activities:							
General Government	$ 16,009,956	$ 3,960,822	$ 1,052,045	$ 35,045	$ (10,962,044)	$ 0	$ (10,962,044)
Court-related	4,378,067	1,953,253	227,409	0	(2,197,405)	0	(2,197,405)
Public Safety	34,550,368	3,034,074	1,082,584	0	(30,433,710)	0	(30,433,710)
Physical Environment	5,930,183	0	0	4,263,933	(1,666,250)	0	(1,666,250)
Transportation	21,162,038	899,277	2,853,626	5,080,885	(12,328,250)	0	(12,328,250)
Economic Environment	4,785,737	0	16,145	0	(4,769,592)	0	(4,769,592)
Human Services	3,620,876	64,414	646,888	0	(2,909,574)	0	(2,909,574)
Culture and Recreation	2,141,849	587,662	55,057	325,551	(1,173,579)	0	(1,173,579)
Interest on Long-term Debt	1,793,275	0	0	0	(1,793,275)	0	(1,793,275)
Total Governmental Activities	94,372,349	10,499,502	5,933,754	9,705,414	(68,233,679)	0	(68,233,679)
Business-type Activities:							
Solid Waste	552,637	4,880	90,909	0	0	(456,848)	(456,848)
Water and Sewer	2,350,065	3,697,063	0	0	0	1,346,998	1,346,998
Total Business-type Activities	2,902,702	3,701,943	90,909	0	0	890,150	890,150
Total Primary Government	$ 97,275,051	$ 14,201,445	$ 6,024,663	$ 9,705,414	(68,233,679)	890,150	(67,343,529)
		General Revenues					
		Property Taxes			48,753,957	0	48,753,957
		Sales Taxes			17,826,091	0	17,826,091
		Fuel Taxes			2,516,404	0	2,516,404
		Utility Services Taxes			722,247	0	722,247
		Investment Earnings			442,989	36,205	479,194
		Miscellaneous			1,880,043	135,267	2,015,310
		Transfers			126,621	(126,621)	0
		Total General Revenues and Transfers			72,268,352	44,851	72,313,203
		Change in Net Position			4,034,673	935,001	4,969,674
		Net Position Beginning of Year			460,594,284	(4,171,944)	456,422,340
		Prior Period Adjustments			(34,109,791)	(458,009)	(34,567,800)
		Net Position Beginning of Year (As Restated)			426,484,493	(4,629,953)	421,854,540
		Net Position End of Year			$ 430,519,166	$ (3,694,952)	$ 426,824,214

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

NASSAU COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	County Transportation Fund	Municipal Services Fund
Assets			
Cash and Cash Equivalents	$ 4,288,919	$ 1,118,157	$ 1,107,748
Equity in Pooled Investments	11,264,851	4,601,692	3,261,549
Accounts Receivable (Net of Allowance for Uncollectibles)	871,734	11,065	0
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0
Due from Other Funds	732,184	15,497	23,614
Due from Other Governments	989,621	452,173	127,134
Inventories	208,631	86,451	0
Prepaid Expenditures	39,398	350	426,289
Deposits	6,105	895	0
Total Assets	18,401,443	6,286,280	4,946,334
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	2,222,189	1,013,993	35,451
Accrued Liabilities	786,090	0	0
Retainage Payable	0	14,675	0
Due to Other Funds	43,492	95,523	183,159
Due to Other Governments	58,416	382	370
Unearned Revenues	34,748	0	0
Deposits	3,427	10,440	0
Total Liabilities	3,148,362	1,135,013	218,980
Deferred Inflows of Resources	956,862	175,999	61,750
Fund Balances			
Nonspendable	360,027	87,696	426,288
Restricted	458,952	0	5,000
Committed	0	0	0
Assigned	3,253,609	4,887,572	4,234,316
Unassigned	10,223,631	0	0
Total Fund Balances	14,296,219	4,975,268	4,665,604
Total Liabilities and Fund Balances	$ 18,401,443	$ 6,286,280	$ 4,946,334

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

One-Cent Small County Surtax Fund	Capital Projects - Impact Fee Ordinance Trust Fund	Capital Projects - Transportation Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 660,790	$ 860,016	$ 304,789	$ 4,997,117	$ 13,337,536
5,104,390	4,612,639	2,852,970	19,135,081	50,833,172
0	0	0	0	882,799
0	0	0	48,000	48,000
0	0	0	112,778	884,073
1,230,876	0	457,428	630,934	3,888,166
0	0	0	0	295,082
0	0	0	9,566	475,603
0	0	0	0	7,000
6,996,056	5,472,655	3,615,187	24,933,476	70,651,431
65,125	100	120,106	1,008,194	4,465,158
0	0	0	0	786,090
16,699	0	24,799	309,745	365,918
0	1,129	0	534,645	857,948
0	639,082	0	280,661	978,911
0	0	0	12,724	47,472
0	0	0	54,063	67,930
81,824	640,311	144,905	2,200,032	7,569,427
620,000	0	457,428	259,948	2,531,987
0	0	0	9,323	883,334
0	4,832,344	0	15,962,467	21,258,763
0	0	0	122,908	122,908
6,294,232	0	3,012,854	6,378,798	28,061,381
0	0	0	0	10,223,631
6,294,232	4,832,344	3,012,854	22,473,496	60,550,017
$ 6,996,056	$ 5,472,655	$ 3,615,187	$ 24,933,476	$ 70,651,431

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, 2015

Total Fund Balances of Governmental Funds		$ 60,550,017
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	$ 807,741,627	
(Less: Accumulated Depreciation)	(352,780,585)	
		454,961,042
Certain receivables do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the funds.		2,531,987
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions	7,301,983	
Deferred Inflows Related to Pensions	(7,508,988)	
		(207,005)
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	(35,643,086)	
Premium on Bonds Payable	(1,187,974)	
Capital Leases Payable	(2,746,171)	
Compensated Absences	(7,059,322)	
Other Postemployment Benefits	(8,389,859)	
Claims Payable	(155,433)	
Accrued Interest Payable	(515,896)	
Net Pension Liability	(31,619,134)	
		(87,316,875)
Total Net Position of Governmental Activities		$ 430,519,166

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, 2015

	General Fund	County Transportation Fund	Municipal Services Fund
Revenues			
Taxes	$ 37,434,365	$ 4,825,543	$ 8,343,023
Licenses and Permits	21,162	48,441	63,492
Intergovernmental Revenues	5,869,467	1,281,509	701,320
Charges for Services	3,919,891	44,669	192,894
Fines and Forfeitures	161,670	0	1,525
Interest Earnings	134,882	48,347	55,381
Miscellaneous	1,183,170	123,274	68,040
Total Revenues	48,724,607	6,371,783	9,425,675
Expenditures			
Current:			
General Government Services	14,099,704	0	616,113
Public Safety	24,965,674	0	6,650,411
Physical Environment	327,279	0	0
Transportation	0	5,531,330	0
Economic Environment	205,545	0	0
Human Services	2,629,109	0	805,250
Culture and Recreation	1,733,863	0	0
Court-related Expenditures	1,381,685	0	0
Capital Outlay	5,985,342	1,399,159	54,063
Debt Service:			
Principal Retirement	43,500	0	0
Interest and Fiscal Charges	11,863	0	0
(Total Expenditures)	51,383,564	6,930,489	8,125,837
(Deficiency) Excess of Revenues (Under) Over Expenditures	(2,658,957)	(558,706)	1,299,838
Other Financing Sources (Uses)			
Transfers in	4,894,040	1,956,405	3,070,698
Transfers (out)	(2,633,205)	(222,954)	(3,037,418)
Capital Lease	2,789,669	0	0
Sale of General Capital Assets	221,905	125,326	2,650
Total Other Financing Sources (Uses)	5,272,409	1,858,777	35,930
Net Change in Fund Balances	2,613,452	1,300,071	1,335,768
Fund Balances at Beginning of Year	11,682,767	3,675,197	3,329,836
Fund Balances at End of Year	$ 14,296,219	$ 4,975,268	$ 4,665,604

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

One-Cent Small County Surtax Fund	Capital Projects - Impact Fee Ordinance Trust Fund	Capital Projects - Transportation Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 8,528,832	$ 0	$ 0	$ 6,333,355	$ 65,465,118
0	973,742	0	2,588,498	3,695,335
0	0	2,969,310	6,875,336	17,696,942
0	0	0	1,977,264	6,134,718
0	0	0	649,726	812,921
82,623	20,539	18,837	82,380	442,989
0	0	0	277,150	1,651,634
8,611,455	994,281	2,988,147	18,783,709	95,899,657
0	2,738	0	802,992	15,521,547
8,336	5,507	0	853,576	32,483,504
15,000	0	0	5,565,656	5,907,935
0	0	34,576	0	5,565,906
0	0	0	4,580,886	4,786,431
0	0	0	127,337	3,561,696
27,924	2,738	0	2,061	1,766,586
0	0	0	2,174,566	3,556,251
856,950	49,346	4,978,373	5,705,284	19,028,517
0	0	0	2,511,560	2,555,060
0	0	0	1,873,242	1,885,105
908,210	60,329	5,012,949	24,197,160	96,618,538
7,703,245	933,952	(2,024,802)	(5,413,451)	(718,881)
117,888	0	150,000	10,606,339	20,795,370
(13,082,000)	(30,020)	(126,964)	(1,536,188)	(20,668,749)
0	0	0	0	2,789,669
0	0	0	0	349,881
(12,964,112)	(30,020)	23,036	9,070,151	3,266,171
(5,260,867)	903,932	(2,001,766)	3,656,700	2,547,290
11,555,099	3,928,412	5,014,620	18,816,796	58,002,727
$ 6,294,232	$ 4,832,344	$ 3,012,854	$ 22,473,496	$ 60,550,017

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, 2015

Net Change in Fund Balances - Total Governmental Funds		$ 2,547,290
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	$ 18,223,709	
(Current Year Depreciation)	(20,445,277)	
Contributions of Capital Assets	2,247,742	
(Loss) on Disposal of Capital Assets	(85,760)	
		(59,586)
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.		(216,877)
Capital Lease Proceeds provide current financial resources to governmental funds; however, entering into a capital lease agreement increases long-term liabilities in the statement of net assets.		(2,789,671)
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.		2,651,969
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.		2,283,652
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	17,583	
Amortization of Premiums	74,247	
Change in Long-term Claims Payable	77,716	
Change in Other Postemployment Benefits	(523,857)	
Change in Accrued Compensated Absences	(27,793)	
		(382,104)
Change in Net Position - Governmental Activities		$ 4,034,673

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

NASSAU COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds		
	Solid Waste Disposal	**Water and Sewer**	**Total**
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 2,289	$ 6,247,865	$ 6,250,154
Cash and Cash Equivalents - Restricted	809,895	0	809,895
Equity in Pooled Investments	2,305,379	0	2,305,379
Accounts Receivable, Net	3,314	331,559	334,873
Assessments Receivable, Net	31,973	0	31,973
Due from Other Governments	0	446	446
Due from Other Funds	358	0	358
Inventories	0	55,723	55,723
Prepaid Expenditures	921	20,004	20,925
Total Current Assets	3,154,129	6,655,597	9,809,726
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	0	1,956,956	1,956,956
Capital Assets (Net of Accumulated Depreciation Where Applicable)	1,378,264	12,499,878	13,878,142
Total Noncurrent Assets	1,378,264	14,456,834	15,835,098
Total Assets	4,532,393	21,112,431	25,644,824
Deferred Outflow of Resources			
Unamortized Refunding Loss	0	583,564	583,564
Pension Related	24,536	57,599	82,135
Total Deferred Outflow of Resources	24,536	641,163	665,699
Total Assets and Deferred Outflows	4,556,929	21,753,594	26,310,523
Liabilities			
Current Liabilities:			
Accounts Payable	97,931	91,373	189,304
Due to Other Funds	8,344	18,139	26,483
Due to Other Governments	2	0	2
Unearned Revenue	3,050	0	3,050
Deposits	0	120,887	120,887
Bonds Payable	0	915,000	915,000
Landfill Postclosure Liability	780,731	0	780,731
Compensated Absences	19,240	63,082	82,322
Total Current Liabilities	909,298	1,208,481	2,117,779
Noncurrent Liabilities:			
Compensated Absences	65,372	126,111	191,483
Other Postemployment Benefits	48,778	97,556	146,334
Bonds Payable Long-term	0	12,635,000	12,635,000
Landfill Postclosure Liability (Payable from Restricted Assets)	14,407,310	0	14,407,310
Net Pension Liability	122,101	286,630	408,731
Total Noncurrent Liabilities	14,643,561	13,145,297	27,788,858
Total Liabilities	15,552,859	14,353,778	29,906,637
Deferred Inflow of Resources			
Pension Related	29,526	69,312	98,838
Total Deferred Inflow of Resources	29,526	69,312	98,838
Total Liabilites and Deferred Inflows	15,582,385	14,423,090	30,005,475
Net Position			
Investment in Capital Assets	1,378,264	(1,050,122)	328,142
Restricted	0	1,843,697	1,843,697
Unrestricted	(12,403,720)	6,536,929	(5,866,791)
Total Net Position	$ (11,025,456)	$ 7,330,504	$ (3,694,952)

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

NASSAU COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds		
	Solid Waste Disposal	**Water and Sewer**	**Total**
Operating Revenues			
Charges for Services	$ 4,880	$ 3,558,130	$ 3,563,010
Connection and Impact Fees	0	138,933	138,933
Other Income	49,353	85,914	135,267
Total Operating Revenues	54,233	3,782,977	3,837,210
Operating Expenses			
Contractual Services	29,602	1,449	31,051
Professional Services	6,580	29,413	35,993
Landfill Postclosure	41,670	0	41,670
Salaries and Benefits	250,744	673,545	924,289
Rentals and Leases	2,044	2,463	4,507
Repairs and Maintenance	22,300	127,643	149,943
Gas and Oil	10,620	14,259	24,879
Materials	3,669	1,294	4,963
Depreciation	119,695	700,678	820,373
Other Expenses	65,713	453,485	519,198
Total Operating Expenses	552,637	2,004,229	2,556,866
Operating (Loss) Income	(498,404)	1,778,748	1,280,344
Nonoperating Revenues (Expenses)			
Interest Earnings	34,914	1,291	36,205
Grant Revenues	90,909	0	90,909
Interest and Other Debt Service Costs	0	(345,836)	(345,836)
Total Nonoperating Revenues (Expenses)	125,823	(344,545)	(218,722)
(Loss) Income Before Transfers	(372,581)	1,434,203	1,061,622
Transfers in	358	0	358
Transfers (out)	(72,297)	(54,682)	(126,979)
Change in Net Position	(444,520)	1,379,521	935,001
Total Net Position, Beginning of Year	(10,444,114)	6,272,170	(4,171,944)
Prior Period Adjustments	(136,822)	(321,187)	(458,009)
Net Position, Beginning of Year (as Restated)	(10,580,936)	5,950,983	(4,629,953)
Total Net Position, End of Year	$ (11,025,456)	$ 7,330,504	$ (3,694,952)

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

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

	Business-type Activities - Enterprise Funds		
	Solid Waste	Water and Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 38,433	$ 3,790,233	$ 3,828,666
Cash Payments to Vendors for Goods and Services	(863,291)	(629,103)	(1,492,394)
Cash Payments to Employees	(253,762)	(707,923)	(961,685)
Cash Received from Other Sources	49,122	0	49,122
Net Cash Provided by (Used in) Operating Activities	(1,029,498)	2,453,207	1,423,709
Noncapital Financing Activities			
Cash Received from Grant Revenues	90,909	0	90,909
Transfers from Other Funds	358	0	358
Transfers to Other Funds	(72,297)	(54,682)	(126,979)
Net Cash Provided by (Used in) Noncapital Financing Activities	18,970	(54,682)	(35,712)
Capital and Related Financing Activities			
Acquisition of Property, Plant, and Equipment	(85,079)	(320,512)	(405,591)
Principal Payments on Bonds	0	(895,000)	(895,000)
Payment of Interest and Other Debt Costs	0	(300,946)	(300,946)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(85,079)	(1,516,458)	(1,601,537)
Investing Activities			
Interest Received	34,914	1,291	36,205
Proceeds from the Sale of Investments	1,065,328	0	1,065,328
Net Cash Provided by (Used in) Investing Activities	1,100,242	1,291	1,101,533
Net Increase (Decrease) in Cash and Cash Equivalents	4,635	883,358	887,993
Cash and Cash Equivalents, Beginning of Year	807,549	7,321,463	8,129,012
Cash and Cash Equivalents, End of Year	$ 812,184	$ 8,204,821	$ 9,017,005
Reported in Statement of Net Position as:			
Cash and Cash Equivalents	$ 2,289	$ 6,247,865	$ 6,250,154
Current: Cash and Cash Equivalents - Restricted	809,895	0	809,895
Noncurrent: Cash and Cash Equivalents - Restricted	0	1,956,956	1,956,956
Total	$ 812,184	$ 8,204,821	$ 9,017,005

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

NASSAU COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Concluded)

	Business-type Activities - Enterprise Funds		
	Solid Waste	**Water and Sewer**	**Total**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (498,404)	$ 1,778,748	$ 1,280,344
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	120,695	700,678	821,373
Provision for Postclosure Costs	(662,939)	0	(662,939)
Changes in Assets - Decrease (Increase):			
Decrease (Increase) in Accounts Receivable	1,540	(10,406)	(8,866)
Decrease (Increase) in Assessments Receivable	2,790	0	2,790
Decrease (Increase) in Due from Other Funds	(203)	(1)	(204)
Decrease (Increase) in Due from Other Governments	29,188	(446)	28,742
Decrease (Increase) in Inventory	0	(18,042)	(18,042)
Decrease (Increase) in Prepaid Expense	(430)	1	(429)
Decrease (Increase) in Deferred Outflows	(12,240)	(28,734)	(40,974)
Changes in Liabilities - Increase (Decrease):			
Increase (Decrease) in Accounts Payable	(19,154)	18,946	(208)
Increase (Decrease) in Due to Other Funds	358	4,274	4,632
Increase (Decrease) in Due to Other Governments	(140)	0	(140)
Increase (Decrease) in Unearned Revenues	450	0	450
Increase (Decrease) in Deposits	0	14,296	14,296
Increase (Decrease) in Compensated Absences	(231)	(463)	(694)
Increase (Decrease) in Net Pension Liability	47,664	111,889	159,553
Increase (Decrease) in Deferred Inflows	(45,155)	(105,999)	(151,154)
Increase (Decrease) in Other Postemployment Benefits	6,713	(11,534)	(4,821)
Net Cash Provided by (Used in) Operating Activities	$ (1,029,498)	$ 2,453,207	$ 1,423,709

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

NASSAU COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2015

		Total Agency Funds
Assets		
Cash and Cash Equivalents	$	5,306,706
Equity in Pooled Investments		4,334,627
Due from Other Governments		4,567
Due from Individuals		50,160
Total Assets		9,696,060
Liabilities		
Accounts Payable		29,322
Due to Other Governments		887,096
Due to Bond Holders		4,338,746
Deposits		2,430,042
Undistributed Collections		2,010,854
Total Liabilities	$	9,696,060

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

NASSAU COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS INDEX

September 30, 2015

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Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

Nassau County is a political subdivision of the State of Florida. It is composed of an elected Board of County Commissioners and elected Constitutional Officers, who are governed by federal and state statutes, regulations, and County ordinances.

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

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of Nassau County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2015. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

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

A. Reporting Entity *(Concluded)*

The Recreation and Water Conservation and Control District No. 1 (RWCCD) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The Board of County Commissioners sits as the governing body. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2015. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

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 nonfiduciary activities of the County.

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

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

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

C. Fund Accounting

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

Note 1 - <u>Summary of Significant Accounting Policies</u> *(Continued)*

C. Fund Accounting *(Continued)*

- **Governmental Funds**
  - **Major Governmental Funds**
    - ► The **General Fund—**is used to account for all revenues and expenditures applicable to the general operations of the 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 **One-Cent Small County Surtax Fund**—is used to account transactions associated with one-cent funds. Financing is provided by a one-cent sales tax on all transactions occurring in the County that are subject to imposed state tax on sales, use, services, rentals, and admissions.

    - ► The **Capital Projects - Impact Fee Ordinance Trust Fund** is—used to account for district expenditures associated with capital expansion. Funding is provided from impact fees on new construction.

    - ► The **Capital Projects - Transportation Fund—**is used to account for all financial resources used for the acquisition or construction of major transportation related capital facilities and/or projects. Funding is provided from a variety of funding sources.

  - **Nonmajor Governmental Funds**
    - ► **Special Revenue Funds—**are used to account for the proceeds of specific revenue sources other than major capital projects or to finance specified activities as required by law.

    - ► **Debt Service Funds—**are used to account for the accumulation of resources for, and the payment of, interest, principal, and related costs on general long-term debt.

    - ► **Capital Projects Funds—**are used to account for all financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

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

C. Fund Accounting *(Concluded)*

- **Major Proprietary Funds**
  - **The Solid Waste Disposal and the Water and Sewer Enterprise Funds—**are used to account for operations either: (1) that are financed and operated in a manner similar to private business enterprises where the intent of the 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.

    The Solid Waste Disposal Fund provides a Convenience Recycling Center for the collection and disposal of solid waste and recyclables for the citizens of Nassau County. The fund also accounts for the post-closure requirement costs for all closed landfills. The Water and Sewer Fund accounts for water and wastewater services provided to approximately 3,300 customers on 4,800 acres located entirely in the County, situated north of the Duval County line and south of the City of Fernandina Beach.

- **Fiduciary Funds**
  Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds; examples include cash bonds, traffic fines, support payments, and ad valorem taxes.

D. Measurement Focus

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

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

- **Proprietary Funds—**The enterprise funds are accounted for on an "economic resources" measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources are included on their Statement of Net Position, and the reported net position provides an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net position.

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

D. Measurement Focus *(Concluded)*

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

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

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 thirty days after year-end.

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

The proprietary funds and agency 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.

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

F. Cash and Cash Equivalents *(Concluded)*

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 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 nonspendable 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.

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

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 – nonspendable, restricted, committed, assigned, and unassigned:

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

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization's governing authority (the Board of County Commissioners). These committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.

- **Assigned**—This component of fund balance consists of amounts that are constrained by less-than-formal action of the County's governing body (e.g., resolution). The County's fund balance policy was adopted under the County's resolution No. 2013-105. Changes in assigned fund balance require prior approvals from the governing body through less-than-formal action (e.g., resolution), the County Manager and Budget Officer. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective funds.

- **Unassigned—**This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

- **Flow Assumption**

  When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the County's policy to use committed resources first, then assigned, and then unassigned as needed.

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

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 solid waste and water and sewer enterprise funds are set-aside for payment of the landfill postclosure and monitoring costs, capital reserves, renewal and replacement, and the utility system. These resources are classified as restricted cash and investments on the statement of net position - proprietary funds because their use is limited. All cash and investments classified as restricted are the result of various bond indenture or other legal requirements. When both restricted and unrestricted resources are available for use, the County's practice is to use the restricted resources first, then unrestricted resources as they are needed.

O. Capital Assets and Long-term Liabilities

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

- **Governmental Funds**

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

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

  The Sheriff, pursuant to Chapter 274, Florida Statutes, is accountable for and thus maintains capital asset records pertaining to equipment used in operations.

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

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

O. Capital Assets and Long-term Liabilities (*Continued)*

- **Governmental Funds *(Concluded)***

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

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

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

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.

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

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

- **Proprietary Enterprise Funds**

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

Buildings	15-40 Years
Equipment	3-20 Years

P. Capitalization of Interest Costs

When applicable, the County capitalizes interest costs related to construction of capital assets. For fiscal year ended September 30, 2015, no interest was capitalized.

Q. Deferred Inflows/Outflows of Resources

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

R. Compensated Absences

Annual, sick, bonus, and compensatory leave amounts accumulate and vest in accordance with the policies of the Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser, Supervisor of Elections, and negotiated union contracts. Provisions of these policies and the union contracts specify how benefits are earned, accumulated, and when and to what extent they vest.

For governmental activities, compensated absences are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department.

S. Other Postemployment Benefits

The County has recorded the liability in the government-wide statements and the enterprise funds for postemployment benefits other than pensions.

For governmental activities, other postemployment benefits are generally liquidated by the General Fund, the County Transportation Fund, the Municipal Services Fund, and the Building Department.

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, 2015, the Board levied 6.5670 mills. An additional 1.6694 mills was levied for the benefit of the Nassau County Municipal Services Taxing Unit.

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

T. Property Taxes *(Concluded)*

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

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

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. Adoption of New Accounting Standards

Governmental Accounting Standards Board (GASB) Statement No. 68

The County participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the County implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 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. The beginning net position of the County was decreased by $34,567,800 due to the adoption of this statement. The County's proportionate share of the net pension liabilities at June 30, 2015, was $32,027,865, which has been recorded as an obligation at September 30, 2015.

Note 2 - Cash and Investments

Deposits with Financial Institutions

The carrying amount of the County's deposits with financial institutions was $27,661,247 and the bank balances were $29,826,930 at September 30, 2015. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act*. Qualified public depositories are required by this law to pledge collateral with a market value equal to a percentage of the average daily balance of all public deposits in excess of any federal deposit insurance. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default, and if necessary a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

Investments

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

The County's investments conform to the provisions of Florida Statutes, Section 218.415. The following items discuss the County's exposure to various risks of their investment portfolio.

Interest Rate Risk—The risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy for operating surplus funds that limits investment maturities to twelve months as a means of managing its exposure to fair value losses from increasing interest rates. Investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of a Master Repurchase Agreement in form approved by the Public Securities Association.

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

In accordance with the provisions of Rule 62-701, Florida Administrative Code, the County has established escrow accounts to provide proof of financial responsibility for the postclosure costs associated with the Old West Nassau, the Bryceville, the Lofton Creek, and New West Nassau Landfills. The amounts in these escrow accounts are determined by engineering studies as required by the above rule, and are reported as restricted pooled investments.

Note 2 - Cash and Investments *(Concluded)*

Investments *(Concluded)*

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

Description	Fair Value
Cash and Cash Equivalents	$ 27,661,247
Certificates of Deposit	20,556,253
Money Market Accounts	36,916,925
Total Cash and Investments	$ 85,134,425

Reported in accompanying financial statements as follows:

Account	Reported Amount
Cash and Cash Equivalents - Governmental Funds	$ 13,337,536
Cash and Cash Equivalents - Business-type Activities	6,250,154
Cash and Cash Equivalents - Agency Funds	5,306,706
Equity in Pooled Investments - Governmental Funds	50,833,172
Equity in Pooled Investments - Business-type Activities	2,305,379
Equity in Pooled Investments - Agency Funds	4,334,627
Restricted Cash and Cash Equivalents - Business-type Activities	2,766,851
Total Cash and Investments	$ 85,134,425

Note 3 - Accounts Receivable

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

	Receivable	Allowance	Net
Governmental Funds			
General Fund	$ 3,484,681	$ (2,612,947)	$ 871,734
County Transportation	11,065	0	11,065
Total Governmental Funds	$ 3,495,746	$ (2,612,947)	$ 882,799
Business-type Funds			
Solid Waste Disposal	$ 3,314	$ 0	$ 3,314
Water	351,213	(19,654)	331,559
Total Business-type Funds	$ 354,527	$ (19,654)	$ 334,873

Note 4 - Assessments Receivable

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

	Receivable	Allowance	Net
Business-type Funds			
Solid Waste Disposal	$ 810,847	$ (778,874)	$ 31,973

Note 5 - Restricted Assets

Restricted assets in the proprietary and governmental funds at September 30, 2015, represent monies required to be restricted for debt service and construction under terms of outstanding bond agreements and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the proprietary funds at September 30, 2015, were restricted for the following purposes:

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

Reported in accompanying financial statements as follows:

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

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance 10/1/14	Increases	(Decreases)	Balance 9/30/15
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 75,799,935	$ 12,200	$ (1,359)	$ 75,810,776
Construction Work in Progress	4,864,574	10,497,869	(6,827,682)	8,534,761
Total Capital Assets Not Being Depreciated	80,664,509	10,510,069	(6,829,041)	84,345,537
Capital Assets Being Depreciated:				
Building and Improvements	58,119,533	503,163	(4,850)	58,617,846
Machinery and Equipment	32,002,504	7,461,962	(1,910,498)	37,553,968
Leasehold Improvements	1,151,985	0	0	1,151,985
Infrastructure	617,248,353	8,823,938	0	626,072,291
Total Capital Assets Being Depreciated	708,522,375	16,789,063	(1,915,348)	723,396,090
Less Accumulated Depreciation:				
Buildings and Improvements	(20,761,463)	(1,500,499)	4,850	(22,257,112)
Machinery and Equipment	(23,865,264)	(2,892,700)	1,826,097	(24,931,867)
Leasehold Improvements	(122,083)	(30,845)	0	(152,928)
Infrastructure	(289,417,445)	(16,021,233)	0	(305,438,678)
Total Accumulated Depreciation	(334,166,255)	(20,445,277)	1,830,947	(352,780,585)
Total Capital Assets Being Depreciated, Net	374,356,120	(3,656,214)	(84,401)	370,615,505
Total Governmental Activities Capital Assets, Net	$ 455,020,629	$ 6,853,855	$ (6,913,442)	$ 454,961,042

Note 6 - Capital Assets *(Concluded)*

	Balance 10/1/14	Increases	(Decreases)	Balance 9/30/15
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 815,228	$ 0	$ 0	$ 815,228
Construction Work in Progress	0	34,311	0	34,311
Total Capital Assets Not Being Depreciated	815,228	34,311	0	849,539
Capital Assets, Being Depreciated:				
Building and Improvements	1,222,973	0	0	1,222,973
Equipment	20,499,068	379,775	(105,257)	20,773,586
Landfill	41,701,285	0	0	41,701,285
Total Capital Assets Being Depreciated	63,423,326	379,775	(105,257)	63,697,844
Less Accumulated Depreciation:				
Building and Improvements	(236,337)	(23,410)	0	(259,747)
Equipment	(8,007,007)	(796,963)	95,761	(8,708,209)
Landfill	(41,701,285)	0	0	(41,701,285)
Total Accumulated Depreciation	(49,944,629)	(820,373)	95,761	(50,669,241)
Total Capital Assets, Being Depreciated, Net	13,478,697	(440,598)	(9,496)	13,028,603
Total Business-type Activities Capital Assets, Net	$ 14,293,925	$ (406,287)	$ (9,496)	$ 13,878,142

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

Governmental Activities	
General Government	$ 529,080
Public Safety	3,156,767
Physical Environment	3,073
Transportation	15,410,410
Human Services	118,334
Culture and Recreation	369,400
Court Related	858,213
Total Depreciation Expense - Governmental Activities	$ 20,445,277
Business-type Activities	
Solid Waste	$ 119,695
Water and Sewer	700,678
Total Depreciation Expense - Business-type Activities	$ 820,373

Note 7 - Interfund Activity

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

Due to/from other funds:

Receivable Fund	Payable Fund	Total
General	County Transportation	$ 95,340
General	Municipal Services	183,086
General	Nonmajor Governmental	427,283
General	Solid Waste Disposal	8,344
General	Water and Sewer	18,131
County Transportation	General Fund	15,497
Nonmajor Governmental	Capital Projects – Transportation	1,129
Municipal Services	General Fund	23,614
Nonmajor Governmental	County Transportation	183
Nonmajor Governmental	Municipal Services	73
Nonmajor Governmental	General Fund	4,381
Nonmajor Governmental	Nonmajor Governmental	107,012
Solid Waste Fund	General Fund	358
Total		$ 884,431

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 In							
Transfers Out	General	County Trans-portation	Municipal Service	One-Cent Surtax	Capital Projects Trans-portation	Nonmajor	Solid Waste	Total
General	$ 0	$ 8,349	$ 23,614	$ 0	$ 0	$ 2,601,242	$ 0	$ 2,633,205
County Transportation	72,954	0	0	0	150,000	0	0	222,954
Municipal Services	3,037,418	0	0	0	0	0	0	3,037,418
One-Cent County Surtax	693,549	1,844,286	3,044,165	0	0	7,500,000	0	13,082,000
Capital Projects: Impact Fee	30,020	0	0	0	0	0	0	30,020
Capital Projects: Transportation	0	103,770	0	23,194	0	0	0	126,964
Nonmajor	933,233	0	2,919	94,694	0	504,984	358	1,536,188
Solid Waste	72,184	0	0	0	0	113	0	72,297
Water and Sewer	54,682	0	0	0	0	0	0	54,682
Total	$ 4,894,040	$ 1,956,405	$ 3,070,698	$ 117,888	$ 150,000	$ 10,606,339	$ 358	$ 20,795,728

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.

Note 8 - Operating Leases

■ **Governmental Funds**

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

- **Tower Site (14th Street)**—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing April 24, 2011. Operating lease payments for the year ended September 30, 2015, were $28,105.

- Two **Tower Sites (Hilliard and Dahoma)**—the Board entered into two one-year leases (with renewal terms of four additional periods of one year each) with American Tower Asset Sub, LLC, commencing April 24, 2006. The Board exercised the first renewal, which has an effective date of May 2012. Operating lease payments for the year ended September 30, 2015, were $51,051.

- **West Nassau Land Development**—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2010. Operating lease payments for the year ended September 30, 2015, were $69,129.

Future minimum lease payments under these leases follow:

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

Four constitutional officers entered into several leases for office equipment under operating leases. Total cost for such leases were $69,075 for the year ended September 30, 2015. The future minimum lease payments for the leases are as follows:

Year Ending September 30	Total
2016	$ 61,658
2017	26,152
2018	11,084
2019	7,520
2020	230
Total	$ 106,644

Note 9 - Long-term Obligations

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

	Balance 10/1/14	Additions	Reductions	Balance 9/30/15	Due Within One Year
Governmental Activities					
Bonds Payable	$ 38,251,552	$ 0	$ (2,608,466)	$ 35,643,086	$ 2,534,817
Premium on Bonds Payable	1,262,221	0	(74,247)	1,187,974	74,248
Total Bonds and Notes Payable	39,513,773	0	(2,682,713)	36,831,060	2,609,065
Capital Lease Payable	0	2,789,671	(43,500)	2,746,171	658,897
Claims Payable	233,149	0	(77,716)	155,433	77,717
Compensated Absences	7,031,535	3,908,342	(3,880,555)	7,059,322	4,003,877
Other Postemployment Benefits	7,866,002	523,857	0	8,389,859	0
Net Pension Liability	19,124,820	12,494,314	0	31,619,134	0
Total Governmental Activities Long-term Liabilities	$ 73,769,279	$ 19,716,184	$ (6,684,484)	$ 86,800,979	$ 7,349,556

	Balance 10/1/14	Additions	Reductions	Balance 9/30/15	Due Within One Year
Business-type Activities					
Bonds Payable	$ 14,445,000	$ 0	$ (895,000)	$ 13,550,000	$ 915,000
Compensated Absences	278,626	104,783	(109,604)	273,805	82,322
Other Postemployment Benefits	147,028	0	(694)	146,334	0
Landfill Closure/Postclosures	15,850,980	0	(662,939)	15,188,041	780,731
Net Pension Liability	249,179	159,552	0	408,731	0
Total Business-type Activities Long-term Liabilities	$ 30,970,813	$ 264,335	$ (1,668,237)	$ 29,566,911	$ 1,778,053

Governmental Activities

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

2009-1 Gas Tax Revenue Bonds

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

The 2009-1 Gas Tax Revenue Bonds are secured by a lien upon and pledge of the proceeds of the constitutional, County, and ninth-cent gas tax. Annual principal and interest on the bond are expected to require approximately 51% of such tax revenue and are payable through 2018. Principal and interest payments for the current year totaled $1,104,021 and gas tax revenues totaled $2,169,131. At year-end, pledged future revenues totaled $3,312,063, which was the amount of remaining principal and interest on the bond. Other County revenues are not available to finance this bond issue.

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

Governmental Activities *(Continued)*
2009-1 Gas Tax Revenue Bonds *(Concluded)*
In addition, the bondholders do not have any authority to compel the County to increase ad valorem taxes for financing this bond issue. The bond bearing interest at rates at 1.86% per annum, is dated October 1, 2012, and has a maturity date of October 1, 2018.

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

Year Ending September 30	Principal	Interest	Total
2016	$ 1,044,639	$ 59,382	$ 1,104,021
2017	1,064,069	39,952	1,104,021
2018	1,083,861	20,160	1,104,021
Total	$ 3,192,569	$ 119,494	$ 3,312,063

2000 Optional Gas Tax Revenue Bonds
The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of $6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 Bonds. The 2000 bonds are capital appreciation bonds; additional capital appreciation through September 30, 2015, totaled $4,136,408.

The Series 2000 Bonds are special, limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by Resolution. Annual principal and interest on the bonds are expected to require approximately 46% of such tax revenue and are payable through 2025. Principal and Interest payments for the current year totaled $945,000 and gas tax revenues totaled $2,070,661. At year-end, pledged future revenues totaled $9,450,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% and 5.81% per annum, are dated August 30, 2000, and are in denominations of $5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of $945,000, which is on hand at year-end.

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

Year Ending September 30	Principal	Interest	Total
2016	$ 405,178	$ 539,822	$ 945,000
2017	380,533	564,467	945,000
2018	357,030	587,970	945,000
2019	334,662	610,338	945,000
2020	315,176	629,824	945,000
2021-2025	1,316,527	3,408,473	4,725,000
Total	$ 3,109,106	$ 6,340,894	$ 9,450,000

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

Governmental Activities *(Concluded)*

2007 Public Improvement Revenue Refunding Bonds

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

The Series 2007 Bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non ad valorem tax revenues in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 34% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled $2,335,350 and non ad valorem tax revenues totaled $6,779,476. At year-end, pledged future revenues totaled $37,166,150, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

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

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

Year Ending September 30	Principal	Interest	Total
2016	$ 1,085,000	$ 1,238,150	$ 2,323,150
2017	1,125,000	1,194,750	2,319,750
2018	1,170,000	1,149,750	2,319,750
2019	1,230,000	1,091,250	2,321,250
2020	1,295,000	1,029,750	2,324,750
2021-2025	7,510,000	4,110,500	11,620,500
2026-2030	9,575,000	2,036,250	11,611,250
2031	2,215,000	110,750	2,325,750
Total	$ 25,205,000	$ 11,961,150	$ 37,166,150

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, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
Board	$ 6,087,960	$ 2,499,004	$ (2,615,625)	$ 5,971,339
Clerk	0	158,776	(91,719)	67,057
Sheriff	764,412	1,053,361	(988,443)	829,330
Tax Collector	41,743	57,939	(45,210)	54,472
Property Appraiser	102,118	109,091	(96,271)	114,938
Supervisor of Elections	35,302	30,171	(43,287)	22,186
Total	$ 7,031,535	$ 3,908,342	$ (3,880,555)	$ 7,059,322

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

Business-type Activities

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

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bond is expected to require approximately 51% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled $1,195,946 and revenues totaled $2,403,190. At year-end, pledged future revenues totaled $15,530,795, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

Rate Covenant

The County has covenanted to establish and collect fees from users of the Water and Sewer System (gross revenues of the System, as defined in the bond ordinance) sufficient to pay the costs of operation and maintenance of the System (as defined in the bond ordinance) plus 120% of the bond service requirements for that year. In addition, the rate covenant requires the County to establish and collect fees from users of the System and impact fees sufficient to pay the costs of operation and maintenance of the System plus 120% of the bond service requirements for that year. The 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:

Year Ending September 30	Principal	Interest	Total
2016	$ 915,000	$ 281,489	$ 1,196,489
2017	930,000	261,655	1,191,655
2018	955,000	241,391	1,196,391
2019	975,000	220,644	1,195,644
2020	995,000	199,466	1,194,466
2021-2025	5,310,000	663,275	5,973,275
2026-2028	3,470,000	112,875	3,582,875
Total	$ 13,550,000	$ 1,980,795	$ 15,530,795

Compensated Absences

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

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

Note 10 - No Commitment Special Assessment Debt

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

At September 30, 2015, the Special Assessment Bond outstanding totaled $5,015,762.

Note 11 - Bond Arbitrage Rebate

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

- $29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- $19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2013.
- $6,213,421 Nassau County, Florida, Gas Tax Revenue Bond, Series 2009-1.
- $11,169,000 Nassau County, Florida, SAISSA Renourishment Bond, Series 2011.

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

Note 12 - Landfill Postclosure Care Costs

State and federal laws require the County to fund landfill postclosure care costs once a landfill site stops accepting waste and to perform certain maintenance and monitoring functions at the landfill sites for twenty years if the landfill stopped receiving waste before October 9, 1993, and thirty years if the landfill stopped receiving waste after October 9, 1993. The 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 postclosure care cost incurred for each year is reported as a reduction of the postclosure liability, along with the change in required escrow balance until the required twenty-or-thirty-year postclosure care period is satisfied. The County has accrued a total of $15,188,041 for postclosure care cost at September 30, 2015, for the four closed landfills. The liability is based on engineering estimates of annual postclosure care cost.

These postclosure care costs are based on estimates of what it would cost to perform all postclosure care using 2015 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Note 12 - Landfill Postclosure Care Costs *(Concluded)*

The County 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 County must document specifically how it intends to finance the long-term care of the landfill as part of its closure plan. The County is in compliance with these requirements with escrow balances that exceed the amounts required by state law (amounts required by State law are $780,731 as of September 30, 2015). At September 30, 2015, the escrow balances are as follows:

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

Note 13 - Retirement Plans

General Information about the Florida Retirement System

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 County are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The County's pension expense totaled $2,199,061 for the fiscal year ended September 30, 2015, (all plans).

Note 13 - Retirement Plans *(Continued)*

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 County 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* (SMSC)—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, 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. 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.

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*
Benefits Provided. (Concluded)

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
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 County's 2014-15 fiscal year were as follows:

	Year Ended June 30, 2015 Percent of Gross Salary		Year Ended June 30, 2016 Percent of Gross Salary	
Class	**Employee**	**Employer**	**Employee**	**Employer**
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
FRS, Special Risk Regular	3.00	18.52	3.00	20.34
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployment Retiree	(1)	(1)	(1)	(1)

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

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*

Contributions. (Concluded)

The County's contributions, to the Plan totaled $4,083,702 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2015, the County reported a liability of $21,386,969 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's contributions during the FRS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2015, the County's proportion was .165580704%, which was an increase of .00654846 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized pension expense of $1,400,948 related to the Plan. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions after Measurement Date	$ 1,083,249	$ 0
Difference Between Expected and Actual Experience	2,257,831	507,233
Changes of Assumptions	1,419,525	0
Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions	1,491,118	1,879,778
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	5,106,850
Total	$ 6,251,723	$ 7,493,861

The deferred outflows of resources related to pensions, totaling $1,083,249, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability as of June 30, 2016, for the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2016	$ (1,819,972)
2017	(1,819,972)
2018	(1,819,972)
2019	2,393,339
2020	564,732
2021	176,458
Total	$ (2,325,387)

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

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

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

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

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

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

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Concluded)*

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

FRS – County:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
County's Proportionate Share of the Net Pension Liability	$ 55,418,473	$ 21,386,969	$ (6,932,833)

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

HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Contribution rates during the County's fiscal year were 1.26% from October 1, 2014 through June 30, 2015, and 1.66% from July 1, 2015 through September 30, 2015. The County 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.

Note 13 - Retirement Plans *(Continued)*

HIS Pension Plan *(Continued)*

Contributions. *(Concluded)*

The County's contributions to the HIS Plan totaled $431,586 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2015, the County reported a net pension liability of $10,640,896 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportionate share of the net pension liability was based on the County's contributions during the HIS Pension Plan's fiscal year relative to the contributions of all participating members. At June 30, 2015, the County's proportionate share was .104338602%, which was an increase of .000911416 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the County recognized pension expense of $798,113 related to the HIS Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions after Measurement Date	$ 136,191	$ 0
Difference Between Expected and Actual Experience	0	0
Changes of Assumptions	837,161	113,965
Changes in Proportion and Difference between County Contributions and Proportionate Share of Contributions	153,283	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,760	0
Total	$ 1,132,395	$ 113,965

The deferred outflows of resources related to pensions, totaling $136,191, resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2016	$ 151,157
2017	151,157
2018	151,157
2019	149,986
2020	149,424
2021-2022	129,358
Total	$ 882,239

Note 13 - Retirement Plans *(Continued)*

HIS Pension Plan *(Concluded)*

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. 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 Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
County's Proportionate Share of the Net Pension Liability	$ 12,124,806	$ 10,640,896	$ 9,403,538

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

Note 13 - Retirement Plans *(Continued)*

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. 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 2014-15 fiscal year were as follows:

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

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

Note 13 - Retirement Plans *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*

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 $243,711 for the fiscal year ended September 30, 2015.

Changes in Benefit Terms. No significant changes.

Changes in Assumptions:

- **HIS—**In the July 1, 2015 actuarial valuation, the municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

Note 14 - 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 15 - Other Postemployment Benefits (OPEB)

Plan Description

The County follows GASB Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain postemployment health care benefits provided by the County. The requirements of this statement are being implemented prospectively, with the actuarially determined liability of $22,324,333 at October 1, 2008, the date of the transition amortized over thirty years.

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. GASB Statement No. 45 calls this the "implicit rate subsidy."

Note 15 - Other Postemployment Benefits (OPEB) ***(Continued)***

Plan Description ***(Concluded)***

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.

Percent of Direct Subsidy up to "Subsidy Base Maximum" of $597.24			
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.

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. The County selected an interest rate discount of 4.0% for this purpose. The net amount of retiree contributions totaled $110,033.

Annual OPEB Cost and Net OPEB Obligation—The County's annual OPEB cost (expense) is calculated based on the annual contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability represents an actuarial measurement to the obligation that has accrued so far based on the promise that has been made to current retirees and to current employees. Since the County's OPEB is currently unfunded, the offset to that expense comes from actual subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the employer contribution and equals the total age-adjusted costs paid by the County for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The following table shows the components of the County's net OPEB obligation to the other postemployment benefit plan:

Note 15 - Other Postemployment Benefits (OPEB) ***(Continued)***

Plan Description ***(Concluded)***
Annual OPEB Cost and Net OPEB Obligation—*(Concluded)*

Normal Cost (Service Cost for One Year)	$ 711,738
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	780,271
Interest on Normal Cost and Amortization	0
Annual Required Contribution (ARC)	1,492,009
Interest on Net OPEB Obligation	320,521
Adjustment to ARC	(333,876)
Annual OPEB Cost	1,478,654
Employer Contributions Made	(955,491)
Increase in Net OPEB Obligation	523,163
Net OPEB Obligation at Beginning of Year	8,013,030
Net OPEB Obligation at End of Year	$ 8,536,193

The County's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions Toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2013	$ 1,890,057	$ 1,034,875	54.75%	$ 7,007,539
09/30/2014	1,999,521	994,030	49.71%	8,013,030
09/30/2015	1,478,654	955,491	64.62%	8,536,193

In the statement of net position, the County reports $8,389,859 net OPEB obligation in governmental activities and $146,334 in the business-type activities.

Funding Status and Funding Progress—As of October 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $18,362,841 and the actuarial value of the assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $18,362,841. The covered payroll (annual payroll of active employees covered by the plan) was $25,948,949, and the ratio of the UAAL to the covered payroll was 70.77%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

Note 15 - Other Postemployment Benefits (OPEB) *(Concluded)*

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates, and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost. The actuarial assumptions also included a payroll growth rate of 4%, inflation rate of 2.5% and an annual health care cost trend rate of 9.0% initially, reduced annually to an ultimate rate of 4.24% after 26 years. The remaining amortization period at September 30, 2015, was twenty-four years.

The results presented as of the actuarial valuation date have been derived using the individual Entry Age Actuarial Cost Method with a closed amortization of the UAAL as a level percent of expected payroll. This is the most common such method used for government pension valuations (and likely so for OPEB valuations) and spreads the cost evenly as a percent of pay throughout the collection careers of those in the covered workforce. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 16 - Deficit Equity Balances

The County has accrued the estimated postclosure monitoring liability for its closed landfills until the conclusion of the 20 or 30-year postclosure monitoring period. These liabilities are not required to be fully funded until later dates. As a result, the Solid Waste Disposal Fund has accumulated negative unrestricted net position at September 30, 2015, as follows:

Prior Year Total Net Position	$ (10,580,936)
Change in Net Position for the Year Ended September 30, 2015	(444,520)
Total Net Position for the Year Ended September 30, 2015	(11,025,456)
Investment in Capital Assets	(1,378,264)
Total Unrestricted Net Position	$ (12,403,720)

Note 17 - Fund Balance Classification

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2015, is as follows:

Nonspendable Fund Balance	
Prepaid Expenditures	$ 475,603
Inventory	295,082
Deposits	7,000
Long-term Receivable	105,649
Total Nonspendable Fund Balance	883,334

Note 17 - Fund Balance Classification *(Concluded)*

Restricted Fund Balance		
Crime Prevention	$	161,782
Economic Development		87,901
Other Human Resources		231,307
Developer Agreements		5,000
Physical Environment		369,478
Law Enforcement		209,959
Impact Fees		4,832,344
Law Library		152,080
Public Safety		296,028
Other Culture/Recreation		103,766
State Housing Initiative Program		401,081
Court Facilities		661,667
Criminal Justice		1,263,861
Tourist Development		4,612,095
Building Department		3,378,647
Debt Services - Bonds		1,588,252
Capital Projects - Transportation		1,513,993
Clerk Public Records		655,051
Clerk Child Support		301,617
Sheriff Inmate Commissary		424,062
Sheriff Other Funds		8,792
Total Restricted Fund Balance		21,258,763
Committed Fund Balance		
Fire/Rescue		3
Clerk Teen Court		7,580
Sheriff Investigative Fund		115,325
Total Committed Fund Balance		122,908
Assigned Fund Balance		
Reserves for Capital Plan		175,895
General Government		619,530
Supervisor of Elections		241,643
Public Safety		1,641,735
Sheriff Administration Building		1,816,674
Economic Development		6,314
Transportation		7,580,997
Human Services		54,085
Culture and Recreation		1,561,364
Court Related		19,440
Capital Projects - Public Safety		6,378,797
Capital Projects - Transportation		3,012,854
Minimum Fund Balance		2,440,613
Next Year's Operations		2,314,239
Property Appraiser		197,201
Total Assigned Fund Balance		28,061,381
Unassigned Fund Balance		10,223,631
Total	$	60,550,017

Note 18 - 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 19 - 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, 2015:

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

The following is a summary of encumbrances outstanding for the County as of September 30, 2015:

General Fund	$ 438,425
County Transportation Fund	86,503
Municipal Services Fund	424,964
One-Cent County Surtax Fund	135
Law Enforcement Trust	5,850
NC Anti-Drug Enforcement	2,495
Building Department	10,946
F.S. Special Revenues	4,185
911 Operations and Maintenance	6,618
Capital Project Impact Fee Ordinance Trust Fund	6,463
Capital Projects County Complex	401,627
Water and Sewer Fund	77,570
	$ 1,465,781

Note 20 - 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, 2015, there was one bond outstanding with an aggregate principal amount payable of $10,510,000. The issue amount and the September 30, 2015, outstanding balance is as follows:

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

Note 21 - Other Disclosures

During the fiscal year ended September 30, 2015, the County implemented GASB 68, "Accounting and Financial Reporting for Pensions." GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. In compliance with this statement, the County's liability for its proportionate share of the net pension liability and deferred outflows of resources has been reclassified as a restatement of beginning net position as follows:

	Net Position Beginning of the Year	Cumulative Effect of Implementing GASB 68	Net Position Beginning of the Year (Restated)
Governmental Activities	$ 460,594,284	$ (34,109,791)	$ 426,484,493
Business-type Activities	(4,171,944)	(458,009)	(4,629,953)
Enterprise Funds:			
Solid Waste	(10,444,114)	(136,822)	(10,580,936)
Water and Sewer	6,272,170	(321,187)	5,950,983

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 36,914,275	$ 36,914,275	$ 37,434,365	$ 520,090
Licenses and Permits	12,000	12,000	21,162	9,162
Intergovernmental Revenues	5,255,432	5,394,047	5,869,467	475,420
Charges for Services	3,330,333	3,535,748	3,919,891	384,143
Fines and Forfeitures	55,700	55,872	161,670	105,798
Interest Earnings	134,215	134,215	134,882	667
Miscellaneous	125,143	711,778	1,183,170	471,392
Total Revenues	45,827,098	46,757,935	48,724,607	1,966,672
Expenditures				
Current:				
General Government Services	14,495,226	14,500,341	14,099,704	400,637
Public Safety	25,142,012	25,316,410	24,965,674	350,736
Physical Environment	344,528	340,013	327,279	12,734
Economic Environment	286,795	286,690	205,545	81,145
Human Services	2,724,473	2,724,207	2,629,109	95,098
Culture and Recreation	1,869,927	1,803,053	1,733,863	69,190
Court-related Expenditures	1,465,698	1,400,769	1,381,685	19,084
Reserve for Contingency	200,000	10,000	0	10,000
Capital Outlay	1,819,563	6,786,745	5,985,342	801,403
Debt Service:				
Principal Retirement	127,938	55,363	43,500	11,863
Interest and Fiscal Charges	0	0	11,863	(11,863)
(Total Expenditures)	48,476,160	53,223,591	51,383,564	1,840,027
(Deficiency) of Revenues (Under) Expenditures	(2,649,062)	(6,465,656)	(2,658,957)	3,806,699
Other Financing Sources (Uses)				
Transfers in	4,241,526	4,347,041	4,894,040	546,999
Transfers (out)	(2,248,952)	(2,764,172)	(2,633,205)	130,967
Capital Lease	0	2,789,669	2,789,669	0
Sale of Capital Assets	0	0	221,905	221,905
Total Other Financing Sources (Uses)	1,992,574	4,372,538	5,272,409	899,871
Net Change in Fund Balances	(656,488)	(2,093,118)	2,613,452	4,706,570
Fund Balances at Beginning of Year	8,569,044	8,326,958	11,682,767	3,355,809
Fund Balances at End of Year	$ 7,912,556	$ 6,233,840	$ 14,296,219	$ 8,062,379

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 4,623,094	$ 4,623,094	$ 4,825,543	$ 202,449
Licenses and Permits	26,285	26,285	48,441	22,156
Intergovernmental Revenues	1,132,613	1,105,135	1,281,509	176,374
Charges for Services	30,373	30,373	44,669	14,296
Interest Earnings	40,000	40,000	48,347	8,347
Miscellaneous	45,200	45,200	123,274	78,074
Total Revenues	5,897,565	5,870,087	6,371,783	501,696
Expenditures				
Current:				
Transportation	6,394,317	6,427,607	5,531,330	896,277
Capital Outlay	1,547,771	1,669,979	1,399,159	270,820
(Total Expenditures)	7,942,088	8,097,586	6,930,489	1,167,097
(Deficiency) of Revenues (Under) Expenditures	(2,044,523)	(2,227,499)	(558,706)	1,668,793
Other Financing Sources (Uses)				
Transfers in	1,949,906	1,953,676	1,956,405	2,729
Transfers (out)	(223,057)	(223,068)	(222,954)	114
Sale of General Capital Assets	6,250	101,750	125,326	23,576
Total Other Financing Sources (Uses)	1,733,099	1,832,358	1,858,777	26,419
Net Change in Fund Balances	(311,424)	(395,141)	1,300,071	1,695,212
Fund Balances at Beginning of Year	853,773	2,116,542	3,675,197	1,558,655
Fund Balances at End of Year	$ 542,349	$ 1,721,401	$ 4,975,268	$ 3,253,867

NASSAU COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 8,220,817	$ 8,220,817	$ 8,343,023	$ 122,206
Licenses and Permits	39,500	39,500	63,492	23,992
Intergovernmental Revenues	631,026	627,164	701,320	74,156
Charges for Services	123,200	121,787	192,894	71,107
Fines and Forfeitures	3,700	3,700	1,525	(2,175)
Interest Earnings	36,000	36,000	55,381	19,381
Miscellaneous	700	3,720	68,040	64,320
Total Revenues	9,054,943	9,052,688	9,425,675	372,987
Expenditures				
Current:				
General Government Services	640,709	645,065	616,113	28,952
Public Safety	6,500,399	6,905,892	6,650,411	255,481
Human Services	924,954	916,159	805,250	110,909
Capital Outlay	442,126	489,137	54,063	435,074
(Total Expenditures)	8,508,188	8,956,253	8,125,837	830,416
Excess of Revenues Over Expenditures	546,755	96,435	1,299,838	1,203,403
Other Financing Sources (Uses)				
Transfers in	3,058,265	3,061,184	3,070,698	9,514
Transfers (out)	(3,037,098)	(3,037,999)	(3,037,418)	581
Sale of General Capital Assets	0	0	2,650	2,650
Total Other Financing Sources (Uses)	21,167	23,185	35,930	12,745
Net Change in Fund Balances	567,922	119,620	1,335,768	1,216,148
Fund Balances at Beginning of Year	2,737,714	2,710,717	3,329,836	619,119
Fund Balances at End of Year	$ 3,305,636	$ 2,830,337	$ 4,665,604	$ 1,835,267

NASSAU COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ONE-CENT COUNTY SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 7,602,560	$ 7,602,560	$ 8,528,832	$ 926,272
Interest Earnings	54,000	54,000	82,623	28,623
Total Revenues	7,656,560	7,656,560	8,611,455	954,895
Expenditures				
Current:				
Public Safety	94,888	103,224	8,336	94,888
Physical Environment	0	20,000	15,000	5,000
Transportation	12,273	12,273	0	12,273
Culture and Recreation	0	27,958	27,924	34
Capital Outlay	2,205,214	1,508,415	856,950	651,465
(Total Expenditures)	2,312,375	1,671,870	908,210	763,660
Excess of Revenues Over Expenditures	5,344,185	5,984,690	7,703,245	1,718,555
Other Financing Sources (Uses)				
Transfers in	23,194	117,888	117,888	0
Transfers (out)	(13,271,989)	(13,272,000)	(13,082,000)	190,000
Total Other Financing Sources (Uses)	(13,248,795)	(13,154,112)	(12,964,112)	190,000
Net Change in Fund Balances	(7,904,610)	(7,169,422)	(5,260,867)	1,908,555
Fund Balances at Beginning of Year	7,661,552	9,746,061	11,555,099	1,809,038
Fund Balances at End of Year	$ (243,058)	$ 2,576,639	$ 6,294,232	$ 3,717,593

NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Budgets and Budgetary Accounting

Budgets were adopted by the Board for all Board funds. The Tax Collector and the Property Appraiser adopt budgets independently of the Board. The Sheriff, 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 subfunds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

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

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

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

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

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board or Constitutional Officer, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2015, 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, 2015:

Governmental Funds	
General Fund	$ 2,379,047
Special Revenue Funds	2,834,284
Debt Service Funds	(240,100)
Capital Projects Funds	5,124,372
Total	$ 10,097,603

NASSAU COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Annual Covered Payroll	UAAL as Percentage of Covered Payroll
10/1/2010	$ 0	$ 26,344,943	$ 26,344,943	0.0%	$ 26,825,685	98.21%
10/1/2012	0	21,592,107	21,592,107	0.0%	27,522,323	78.45%
10/1/2014	0	18,362,841	18,362,841	0.0%	25,948,949	70.77%

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

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, 2015

FLORIDA RETIREMENT SYSTEM PENSION PLAN

	September 30, 2015
Nassau County's Proportion of the FRS Net Pension Plan	0.165580704%
Nassau County's Proportion Share of the FRS Net Pension Plan	$ 21,386,969
Nassau County's Covered-Employee Payroll	$ 31,678,266
Nassau County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	67.51%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.00%

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.

HEALTH INSURANCE SUBSIDY PENSION PLAN

	September 30, 2015
Nassau County's Proportion of the HIS Net Pension Plan	0.104338602%
Nassau County's Proportion Share of the HIS Net Pension Plan	$ 10,640,896
Nassau County's Covered-Employee Payroll	$ 31,678,266
Nassau County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	33.59%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.50%

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.

NASSAU COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
SEPTEMBER 30, 2015

FLORIDA RETIREMENT SYSTEM PENSION PLAN

		2015
Contractually Required Contribution	$	4,083,702
FRS Contribution in Relation to the Contractually Required Contribution		(4,083,702)
FRS Contribution Deficiency (Excess)	$	0
Nassau County's Covered-Employee Payroll (FYE 9/30)	$	31,678,266
FRS Contributions as a Percentage of Covered-Employee Payroll		12.89%

HEALTH INSURANCE SUBSIDY PENSION PLAN

		2015
Contractually Required Contribution	$	431,586
HIS Contribution in Relation to the Contractually Required Contribution		(431,586)
HIS Contribution Deficiency (Excess)	$	0
Nassau County's Covered-Employee Payroll (FYE 9/30)	$	31,678,266
HIS Contributions as a Percentage of Covered-Employee Payroll		1.36%

OTHER INFORMATION

NASSAU COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Grant Agency/Grant Title	State CSFA Number	Contract/Grant Number	Expenditures
Department of Community Affairs			
Emergency Management Programs	31.063	15-BG-83-04-55-01-045	$ 85,193
Emergency Management Programs	31.063	16-BG-83-04-55-01-045	4,931
Subtotal Expenditures - CSFA No 31.063			90,124
Total Department of Community Affairs			90,124
Florida Department of Environmental Protection			
Beach Management Funding Assistance Program	37.003	14NA1	4,263,933
Small County Consolidated Waste Grants	37.012	525SC	90,909
Water Resource Management	37.039	LP45040	567,000
Total Department of Environmental Protection			4,921,842
Florida Department of State			
State Aid to Libraries Grant Program	45.030	15-ST-38	44,720
Total Florida Department of State			44,720
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	52.901	12/13	57,545
State Housing Initiatives Partnership Program	52.901	13/14	413,217
State Housing Initiatives Partnership Program	52.901	14/15	52,637
Subtotal Expenditures - CSFA No. 52.901			523,399
Total Florida Housing Finance Corporation			523,399
Florida Department of Transportation			
Small County Outreach Program (SCOP)	55.009	428203-2-58-01 AQV92	1,198,662
Small County Outreach Program (SCOP)	55.009	436589-1-58-01	14,976
Small County Road Assistance Agreement (SCRAP)	55.016	430729-1-58-01 AQV87	119,966
Small County Road Assistance Agreement (SCRAP)	55.016	431636-1-58-01 ARC05	1,317,312
Total Florida Department of Transportation			2,650,916
Florida Department of Health			
County Grant Awards	64.005	C3045	9,550
Total Florida Department of Health			9,550
Florida Department of Management Services			
Wireless 911 Emergency Telephone System	72.001	15-4-18	36,460
E911 System Replacement Grant	72.001	S6-13-12-1	293,021
Subtotal Expenditures - CSFA No. 72.001			329,481
Total Florida Department of Management Services			329,481
Total State Expenditures			$ 8,570,032

NASSAU COUNTY, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 1 - Basis of Presentation

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

Purvis Gray & Company

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 State Project
We have audited Nassau County, Florida's (the County's) compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major state projects for the year ended September 30, 2015. The County's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the County's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Each State Project
In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

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

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*
(Concluded)

Report on Internal Control Over Compliance
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on state financial assistance project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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 *Rules of the Auditor General*, Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

NASSAU COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Summary of Auditors' Results

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Nassau County, Florida (the County).

2. There were no significant deficiencies identified during the audit of the financial statements 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*.

3. There were no instances of noncompliance identified during the audit of the financial statements 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 state projects that are required to be reported in the schedule of findings and questioned costs.

5. The report on compliance for the major state projects expresses an unmodified opinion.

6. The audit disclosed no findings that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.

7. The programs tested as major state financial assistance projects included:

State Projects	CSFA No.
Beach Management Funding Assistance Program	37.003
Water Resource Management	37.039
Small County Road Assistance Agreement (SCRAP)	55.016
Wireless 911 Grants	72.001

8. The threshold for distinguishing Type A and B programs was $300,000 for state projects.

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 State Projects

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

Purvis Gray & Company

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

The Honorable Board of County Commissioners
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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County'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 for the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the 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 Board of County Commissioners
and Constitutional Officers
Nassau County, Florida

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

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that were reported to management in a separate management letter dated May 13, 2016.

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.

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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, (the County's) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the 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 and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the 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, 2015.

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.

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

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Purvis Gray & Company

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

Auditors' Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General.* We have issued our independent auditors' report on internal control over financial reporting and compliance and other matters, independent auditors' report on compliance with requirements applicable to each major state project and on internal control over compliance, and schedule of findings and questioned costs. Disclosures in those reports, which are dated May 13, 2016, 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 recommendations in the preceding annual financial report.

Official Title and Legal Authority
- Section 10.554(1)(i)4., *Rules of the Auditor General,* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The 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.

Financial Condition
- Section 10.554(1)(i)5.a., *Rules of the Auditor General,* requires a statement be included as to whether or not the local governmental entity has 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.

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

MANAGEMENT LETTER
(Concluded)

Financial Condition *(Concluded)*

- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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.

Annual Financial Report

- Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statues, is in agreement with the annual financial report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

- Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

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

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of 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.

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

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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), and Section 365.173(2)(d), Florida Statutes, as of and for the year ended September 30, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the 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, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

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BOARD OF COUNTY
COMMISSIONERS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
SEPTEMBER 30, 2015

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INTRODUCTORY SECTION

NASSAU COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

LIST OF ELECTED AND APPOINTED OFFICIALS

Serving as of September 30, 2015

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

County Manager	**Theodore J. Selby**
County Attorney	**Michael Mullin**

Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited the accompanying financial statements of each major fund and aggregate remaining fund information of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2015, as listed in the table of contents.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the financial reporting provisions of the State of Florida Auditor General, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the state of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, the changes in financial position, and budgetary comparisons of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Nassau County, Florida, as of September 30, 2015, the changes in its financial position or budgetary comparisons, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do no express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

The Honorable Board of County Commissioners
Nassau County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2016, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

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

	General	County Transportation	Municipal Services
Assets			
Cash and Cash Equivalents	$ 2,460,265	$ 1,118,157	$ 1,107,748
Equity in Pooled Investments	11,264,851	4,601,692	3,261,549
Accounts Receivable, (Net of Allowance for Uncollectibles)	823,945	11,065	0
Loans Receivable, (Net of Allowance for Uncollectibles)	0	0	0
Due from Other Funds	344,674	0	0
Due from Constitutional Officers	1,064,701	15,497	23,614
Due from Other Governments	793,444	452,173	127,134
Inventories	208,631	86,451	0
Prepaid Expenditures	35,688	350	426,289
Deposits	6,105	895	0
Total Assets	17,002,304	6,286,280	4,946,334
Liabilities			
Accounts Payable	1,311,394	1,013,993	35,450
Accrued Liabilities	590,430	0	0
Retainage Payable	0	14,675	0
Due to Other Funds	0	95,340	183,086
Due to Constitutional Officers	13,329	183	73
Due to Other Governments	23,695	382	370
Unearned Revenues	4,149	0	0
Deposits	3,427	10,440	0
Total Liabilities	1,946,424	1,135,013	218,979
Deferred Inflows of Resources	956,862	175,999	61,750
Fund Balances			
Nonspendable	360,027	87,696	426,289
Restricted	458,952	0	5,000
Committed	0	0	0
Assigned	3,056,408	4,887,572	4,234,316
Unassigned	10,223,631	0	0
Total Fund Balances	14,099,018	4,975,268	4,665,605
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$ 17,002,304	$ 6,286,280	$ 4,946,334

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

One-Cent Small County Surtax Fund	Capital Projects - Impact Fee Ordinance Trust	Capital Projects - Transportation	Nonmajor Governmental Funds	Total Governmental Funds
$ 660,790	$ 860,016	$ 304,789	$ 2,910,062	$ 9,421,827
5,104,390	4,612,639	2,852,970	19,135,081	50,833,172
0	0	0	0	835,010
0	0	0	48,000	48,000
0	0	0	0	344,674
0	0	0	121,489	1,225,301
1,230,876	0	457,428	398,482	3,459,537
0	0	0	0	295,082
0	0	0	540	462,867
0	0	0	0	7,000
6,996,056	5,472,655	3,615,187	22,613,654	66,932,470
65,125	100	120,106	963,723	3,509,891
0	0	0	0	590,430
16,699	0	24,799	309,745	365,918
0	0	0	39,773	318,199
0	1,129	0	6,717	21,431
0	639,082	0	14,675	678,204
0	0	0	12,724	16,873
0	0	0	54,063	67,930
81,824	640,311	144,905	1,401,420	5,568,876
620,000	0	457,428	259,948	2,531,987
0	0	0	540	874,552
0	4,832,344	0	14,572,945	19,869,241
0	0	0	3	3
6,294,232	0	3,012,854	6,378,798	27,864,180
0	0	0	0	10,223,631
6,294,232	4,832,344	3,012,854	20,952,286	58,831,607
$ 6,996,056	$ 5,472,655	$ 3,615,187	$ 22,613,654	$ 66,932,470

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	County Transportation	Municipal Services
Revenues			
Taxes	$ 37,434,365	$ 4,825,543	$ 8,343,023
Licenses and Permits	21,162	48,441	63,492
Intergovernmental Revenues	5,656,887	1,281,509	701,320
Charges for Services	2,358,394	44,669	192,894
Fines and Forfeitures	161,670	0	1,525
Investment Earnings	134,413	48,347	55,381
Miscellaneous	921,554	123,274	68,040
Total Revenues	46,688,445	6,371,783	9,425,675
Expenditures			
Current:			
General Government Services	6,235,437	0	616,113
Public Safety	9,638,402	0	6,650,410
Physical Environment	327,279	0	0
Transportation	0	5,531,330	0
Economic Environment	152,737	0	0
Human Services	2,629,109	0	805,250
Culture and Recreation	1,733,863	0	0
Court-related Expenditures	679,159	0	0
Capital Outlay	3,801,060	1,399,159	54,063
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
(Total Expenditures)	25,197,046	6,930,489	8,125,836
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,491,399	(558,706)	1,299,839
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	988,518	8,349	23,614
Transfers to Constitutional Officers	(20,992,692)	(72,954)	(2,951,948)
Transfers in	992,034	1,948,056	3,047,084
Transfers (out)	(2,388,134)	(150,000)	(85,470)
Capital Lease	2,202,922	0	0
Sale of General Capital Assets	221,905	125,326	2,650
Total Other Financing Sources (Uses)	(18,975,447)	1,858,777	35,930
Net Change in Fund Balances	2,515,952	1,300,071	1,335,769
Fund Balances at Beginning of Year	11,583,066	3,675,197	3,329,836
Fund Balances at End of Year	$ 14,099,018	$ 4,975,268	$ 4,665,605

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

One-Cent Small County Surtax Fund	Capital Projects - Impact Fee Ordinance Trust	Capital Projects - Transportation	Nonmajor Governmental Funds	Total Governmental Funds
$ 8,528,832	$ 0	$ 0	$ 6,333,355	$ 65,465,118
0	973,742	0	2,588,498	3,695,335
0	0	2,969,310	6,090,198	16,699,224
0	0	0	858,768	3,454,725
0	0	0	165,395	328,590
82,623	20,539	18,837	82,380	442,520
0	0	0	90,415	1,203,283
8,611,455	994,281	2,988,147	16,209,009	91,288,795
0	2,738	0	798,972	7,653,260
8,336	5,507	0	489,979	16,792,634
15,000	0	0	5,565,656	5,907,935
0	0	34,576	0	5,565,906
0	0	0	4,580,886	4,733,623
0	0	0	127,337	3,561,696
27,924	2,738	0	2,061	1,766,586
0	0	0	314,799	993,958
856,950	49,346	4,978,373	5,639,722	16,778,673
0	0	0	2,511,560	2,511,560
0	0	0	1,873,242	1,873,242
908,210	60,329	5,012,949	21,904,214	68,139,073
7,703,245	933,952	(2,024,802)	(5,695,205)	23,149,722
0	0	0	112,329	1,132,810
(100,011)	(7,946)	0	(681,926)	(24,807,477)
117,888	0	150,000	10,025,576	16,280,638
(12,981,989)	(22,074)	(126,964)	(399,141)	(16,153,772)
0	0	0	0	2,202,922
0	0	0	0	349,881
(12,964,112)	(30,020)	23,036	9,056,838	(20,994,998)
(5,260,867)	903,932	(2,001,766)	3,361,633	2,154,724
11,555,099	3,928,412	5,014,620	17,590,653	56,676,883
$ 6,294,232	$ 4,832,344	$ 3,012,854	$ 20,952,286	$ 58,831,607

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2015

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

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

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

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

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

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

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

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

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2015

	SAISSA
Assets	
Equity in Pooled Investments	$ 4,334,627
Due from Constitutional Officers	4,119
Total Assets	4,338,746
Liabilities	
Due to Bond Holders	4,338,746
Total Liabilities	$ 4,338,746

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The Nassau County Housing Finance Authority (NCHFA) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The NCHFA had no revenues or expenditures during the fiscal year ended September 30, 2015. In addition, the NCHFA did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for NCHFA and, accordingly, no financial data for NCHFA is presented in these financial statements.

The Recreation and Water Conservation and Control District No. 1 (RWCCD) is a dependent special district, which functions for the benefit of the citizens of the County and is considered a blended component unit of the County. The RWCCD had no revenues or expenditures during the fiscal year ended September 30, 2015. In addition, the RWCCD did not issue any bonds during the audit period, nor were there any bonds outstanding at year-end. Therefore, financial statements were not prepared for RWCCD and, accordingly, no financial data for RWCCD is presented in these financial statements.

Basis of Presentation

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

Fund Accounting

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

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

Fund Accounting *(Continued)*

- **Governmental Funds**
  - **Major Governmental Funds**
    - The **General Fund—**is used to account for all revenues and expenditures applicable to the general operations of the Board, which are not properly accounted for in other funds.
    - The **County Transportation Trust Fund—**is used to account for the operation of the Road and Bridge Department. Financing is provided principally by ad valorem taxes and the County's share of State gasoline taxes.
    - The **Municipal Services Fund—**is used to account for activities benefiting only the unincorporated areas of the County. Financing is provided principally by ad valorem taxes, the half-cent sales tax, and State Revenue Sharing.
    - The **One-Cent Small County Surtax Fund—**is used to account for transactions associated with one-cent funds. Financing is provided by a one-cent sales tax on all transactions occurring in the County that are subject to imposed state tax on sales, use, services, rentals, and admissions.
    - The **Capital Projects - Impact Fee Ordinance Trust Fund—**is used to account for district expenditures associated with capital expansion. Funding is provided from impact fees on new construction.
    - The **Capital Projects - Transportation Fund—**is used to account for all financial resources used for the acquisition or construction of major transportation-related capital facilities and/or projects. Funding is provided from a variety of funding sources.
  - **Nonmajor Governmental Funds**
    - **Special Revenue Funds—**are used to account for the proceeds of specific revenue sources other than major capital projects or to finance specified activities as required by law.
    - **Debt Service Funds—**are used to account for the accumulation of resources for, and the payment of, interest, principal, and related costs on general long-term debt.
    - **Capital Projects Funds—**are used to account for all financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

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

Fund Accounting *(Concluded)*

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

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

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

Measurement Focus

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

- **Proprietary Funds**—the enterprise funds are accounted for on an “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on their statement of net position, and the reported net position (total reported assets plus deferred outflows, less total reported liabilities, less deferred inflows) provide an indication of the economic net worth of the funds. The operating statements for the proprietary funds report increases (revenues) and decreases (expenses) in total net position.

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

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

Measurement Focus *(Concluded)*

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

Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

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

Deposits and Investments

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

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

Deposits and Investments *(Concluded)*
All investments are stated at fair value. Investment fair values are based on quoted market prices. Investments in mutual funds and Local Government Surplus Funds Trust Fund, which are external 2a-7-like investment pools, are stated at share price which is substantially the same as fair value.

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

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

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

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

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

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

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

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

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

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

Fund Balance *(Concluded)*

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization's governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.

- **Unassigned—**This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

- **Flow Assumption**
  When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board's policy to use committed resources first, then assigned, and then unassigned as needed.

Net Position

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

Restricted Assets

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

Capital Assets and Long-term Liabilities

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

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

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

- **Governmental Funds *(Concluded)***

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

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

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

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

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

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

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

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

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

Buildings	15-40 Years
Equipment	3-20 Years

Capitalization of Interest Costs
When applicable the Board capitalizes interest costs related to construction of capital assets. For fiscal year ended September 30, 2015, no interest was capitalized.

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

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

Other Postemployment Benefits (OPEB)
A liability has been recorded in the enterprise funds for postemployment benefits other than pensions.

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

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

Property Taxes

Real property and tangible personal property are assessed by the Property Appraiser according to the property's just value on January 1st of each year. Section 200.071, Florida Statutes, authorizes the Board to levy ad valorem tax millage against real property and tangible personal property for the County, including dependent districts, not to exceed 10 mills, except for voted levies. The Board shall determine the amount of millage to be levied and shall certify such millage to the Property Appraiser. For the year ended September 30, 2015, the Board levied 6.5670 mills. An additional 1.6694 mills was levied for the benefit of the Nassau County Municipal Services Taxing Unit.

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

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

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

Note 2 - Cash and Investments

Deposits with Financial Institutions

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

Note 2 - Cash and Investments *(Continued)*

Investments

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

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

The Board's investments conform to the provisions of Florida Statutes, Section 218.415. The following items discuss the Board's exposure to various risks of their investment portfolio.

- *Interest Rate Risk*—The risk that changes in interest rates will adversely affect the fair value of an investment. The Board has a formal investment policy for operating surplus funds that limits investment maturities to twelve months as a means of managing its exposure to fair value losses from increasing interest rates. Investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of a Master Repurchase Agreement in form approved by the Public Securities Association.

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

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

Note 2 - Cash and Investments *(Concluded)*

Investments *(Concluded)*

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

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

Reported in accompanying financial statements as follows:

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

Note 3 - Accounts Receivable

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

	Receivable	Allowance	Net
Governmental Funds			
General Fund	$ 3,436,892	$ (2,612,947)	$ 823,945
County Transportation	11,065	0	11,065
Total Governmental Funds	$ 3,447,957	$ (2,612,947)	$ 835,010

	Receivable	Allowance	Net
Business-type Funds			
Solid Waste Disposal	$ 3,314	$ 0	$ 3,314
Water and Sewer	351,213	(19,654)	331,559
Total Business-type Funds	$ 354,527	$ (19,654)	$ 334,873

Note 4 - Assessments Receivable

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

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

Note 5 - Restricted Assets

Restricted assets in the proprietary funds at September 30, 2015, represent monies required to be restricted for debt service and construction under terms of outstanding bond agreements and impact fees restricted to water and sewer system uses. Assets are also restricted in accordance with ordinances and Florida Statutes. Restricted assets for the proprietary funds at September 30, 2015, were restricted for the following purposes:

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

Reported in accompanying financial statements as follows:

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

Note 6 - Capital Assets

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

Note 6 - Capital Assets *(Concluded)*

Capital asset activity for the year ended September 30, 2015, was as follows:

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

Note 7 - Interfund Activity

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

Due to/from other funds:

Receivable Fund	Payable Fund	Total
General	County Transportation	$ 95,340
	Municipal Service	183,086
	Nonmajor	39,773
	Solid Waste Disposal	8,344
	Water and Sewer	18,131
Total		$ 344,674

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs. In addition, to the interfund balances, there were also $1,229,778 due from the Constitutional Officers, and $21,439 due to the Constitutional Officers.

Interfund transfers:

	Transfers In						
Transfers Out	General	County Trans-portation	Municipal Services	One-Cent Surtax	Capital Project Transportation	Nonmajor	Totals
General	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,388,134	$ 2,388,134
County Transportation	0	0	0	0	150,000	0	150,000
Municipal Services	85,470	0	0	0	0	0	85,470
One-Cent County Surtax	593,538	1,844,286	3,044,165	0	0	7,500,000	12,981,989
Impact Fee Ordinance	1,769	0	1,011	0	0	19,294	22,074
Capital Project - Transportation	0	103,770	0	23,194	0	0	126,964
Nonmajor	184,391	0	1,908	94,694	0	118,148	399,141
Solid Waste	72,184	0	0	0	0	0	72,184
Water and Sewer	54,682	0	0	0	0	0	54,682
Total	$ 992,034	$ 1,948,056	$ 3,047,084	$ 117,888	$ 150,000	$ 10,025,576	$ 16,280,638

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

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

Note 8 - Leases

■ **Governmental Funds**

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

- *Tower Site (14th Street)*—the Board entered into a five-year lease with Pinnacle Towers, LLC, commencing April 1, 2011. Operating lease payments for the year ended September 30, 2015, were $28,105.
- Two *Tower Sites (Hilliard and Dahoma)*—the Board entered into two one-year leases (with renewal terms of one year each) with American Tower Asset Sub, LLC, commencing April 24, 2006. The Board exercised the renewal, which has an effective date of May 2012. Operating lease payments for the year ended September 30, 2015, were $51,051.
- *West Nassau Land Development*—the Board entered into a five-year lease with West Nassau Land Development, LLC, commencing July 1, 2015. Operating lease payments for the year ended September 30, 2015, were $69,129.

Future minimum lease payments under these leases follow:

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

Capital Lease

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

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

Asset	
Radios	$ 872,838
(Accumulated Depreciation)	(124,790)
Total	$ 748,048

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

Year Ending September 30,	Governmental Activities
2016	$ 550,731
2017	550,731
2018	550,731
2019	550,731
Total	$ 2,202,924

Note 9 - Long-term Obligations

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

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

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

Governmental Activities

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

2009-1 Gas Tax Revenue Bonds

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

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

Governmental Activities *(Continued)*

2009-1 Gas Tax Revenue Bonds *(Concluded)*
The 2009-1 Gas Tax Revenue Bonds are secured by a lien upon and pledge of the proceeds of the constitutional, County, and ninth-cent gas taxes. Annual principal and interest on the bond are expected to require approximately 51% of such tax revenue and are payable through 2018. Principal and interest payments for the current year totaled $1,104,021 and gas tax revenues totaled $2,169,131. At year-end, pledged future revenues totaled $3,312,063, which was the amount of remaining principal and interest on the bond. Other Board revenues are not available to finance this bond issue.

In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. The bond bearing interest at a rate of 1.86% per annum, is dated October 1, 2012, and has a maturity date of October 1, 2018.

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

Year Ending September 30	Principal	Interest	Total
2016	$ 1,044,639	$ 59,382	$ 1,104,021
2017	1,064,069	39,952	1,104,021
2018	1,083,861	20,160	1,104,021
Total	$ 3,192,569	$ 119,494	$ 3,312,063

2000 Optional Gas Tax Revenue Bonds
The Board, in September 2000, issued the Optional Gas Tax Revenue Bond in the amount of $6,167,580. The proceeds of the bond issue are to pay the cost of acquisition and construction of certain transportation capital improvements in the County and to pay certain costs related to the issuance and sale of the Series 2000 Bonds. The 2000 Bonds are capital appreciation bonds; additional capital appreciation through September 30, 2015, totaled $4,136,408.

The Series 2000 Bonds are special limited obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six-cent local option gas tax and until expended, the monies on deposit in certain funds and accounts created by Resolution. Annual principal and interest on the bonds are expected to require approximately 46% of such tax revenue and are payable through 2025. Principal and interest payments for the current year totaled $945,000 and gas tax revenues totaled $2,070,661. At year-end, pledged future revenues totaled $9,450,000, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue. In addition, the bondholders do not have any authority to compel the Board to increase ad valorem taxes for financing this bond issue. Such bonds, bearing interest at a rate between 5.55% to 5.81% per annum, are dated August 30, 2000, and are in denominations of $5,000 each. A portion of such bonds mature annually starting March 1, 2010, with final maturity being March 1, 2025. The bonds have a required reserve of $945,000, which is on hand at year-end.

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

Governmental Activities ***(Continued)***

2000 Optional Gas Tax Revenue Bonds ***(Concluded)***
Future principal and interest payments for this bond issue are as follows; capital appreciation amounts are included in future interest:

Year Ending September 30	Principal	Interest	Total
2016	$ 405,178	$ 539,822	$ 945,000
2017	380,533	564,467	945,000
2018	357,030	587,970	945,000
2019	334,662	610,338	945,000
2020	315,176	629,824	945,000
2021-2025	1,316,527	3,408,473	4,725,000
Total	$ 3,109,106	$ 6,340,894	$ 9,450,000

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 the Board's outstanding Public Improvement Revenue Bonds, Series 2001; and (3) pay certain issuance costs of the Series 2007 Bonds, including the municipal bond insurance premium.

The Series 2007 Bonds are special obligations of the Board payable solely from amounts budgeted and appropriated by the Board from non ad valorem tax revenues in accordance with the terms of the Resolution. Annual principal and interest on the bonds are expected to require approximately 34% of such non ad valorem tax revenue and are payable through 2031. Principal and interest payments for the current year totaled $2,335,350 and non ad valorem tax revenues totaled $6,779,476. At year-end, pledged future revenues totaled $37,166,150, which was the amount of remaining principal and interest on the bonds. Other Board revenues are not available to finance this bond issue.

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

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

Governmental Activities ***(Concluded)***

2007 Public Improvement Revenue and Refunding Bonds ***(Concluded)***
Future principal and interest payments for this bond issue are as follows:

Year Ending September 30	Principal	Interest	Total
2016	$ 1,085,000	$ 1,238,150	$ 2,323,150
2017	1,125,000	1,194,750	2,319,750
2018	1,170,000	1,149,750	2,319,750
2019	1,230,000	1,091,250	2,321,250
2020	1,295,000	1,029,750	2,324,750
2021-2025	7,510,000	4,110,500	11,620,500
2026-2030	9,575,000	2,036,250	11,611,250
2031-2032	2,215,000	110,750	2,325,750
Total	$ 25,205,000	$ 11,961,150	$ 37,166,150

Compensated Absences—are not recorded on the accompanying governmental fund financial statements; however, it will be recorded on the County-wide financial statements. Following is a summary of annual, sick, bonus and compensatory leave benefits liabilities at September 30, 2015:

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

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

The revenue bond is secured by a pledge of and is payable solely from pledged revenues, which primarily consist of net revenues and impact fees which derive from the System. Annual principal and interest on the bond is expected to require approximately 51% of such revenue and are payable through 2028. Principal and interest payments for the current year totaled $1,195,946 and revenues totaled $2,348,380. At year-end, pledged future revenues totaled $15,530,795, which was the amount of remaining principal and interest on the bond. The Series 2013 Bond shall not be or constitute a general obligation or indebtedness of the County.

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

Rate Covenant

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

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

Year Ending September 30	Principal	Interest	Total
2016	$ 915,000	$ 281,489	$ 1,196,489
2017	930,000	261,655	1,191,655
2018	955,000	241,391	1,196,391
2019	975,000	220,644	1,195,644
2020	995,000	199,466	1,194,466
2021-2025	5,310,000	663,275	5,973,275
2026-2028	3,470,000	112,875	3,582,875
Total	$ 13,550,000	$ 1,980,795	$ 15,530,795

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

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

Note 10 - No Commitment Special Assessment Debt

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

At September 30, 2015, the Special Assessment Bond outstanding totaled $5,015,762.

Note 11 - Bond Arbitrage Rebate

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

- $29,630,000 Nassau County, Florida, Public Improvement Revenue and Refunding, Series 2007.
- $19,160,000 Nassau County, Florida, Water and Sewer System Revenue Bonds, Series 2013.
- $6,213,421 Nassau County, Florida, Gas Tax Revenue Bond, Series 2009-1.
- $11,169,000 Nassau County, Florida, SAISSA Renourishment Bond, Series 2011.

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

Note 12 - Landfill Postclosure Care Costs

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

For the closed landfills, actual postclosure care cost incurred for each year is reported as a reduction of the postclosure liability, along with the change in required escrow balance until the required twenty-or-thirty-year postclosure care period is satisfied. The Board has accrued a total of $15,188,041 for postclosure care cost at September 30, 2015, for the four closed landfills. The liability is based on engineering estimates of annual postclosure care cost.

These postclosure care costs are based on estimates of what it would cost to perform all postclosure care using 2015 dollars. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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

Note 13 - Retirement Plans

General Information about the Florida Retirement System (FRS)

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

FRS Pension Plan

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

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

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

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*

Plan Description. *(Concluded)*

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

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
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 atAage 68 or with 36 or more Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	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.

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

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

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

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

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

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Continued)*
Actuarial Assumptions. (Concluded)

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

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

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

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

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

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

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

Note 13 - Retirement Plans *(Continued)*

FRS Pension Plan *(Concluded)*

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

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

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

HIS Pension Plan

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

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

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

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

Note 13 - Retirement Plans *(Continued)*

HIS Pension Plan *(Continued)*

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

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

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

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

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

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

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

Note 13 - Retirement Plans *(Continued)*

HIS Pension Plan *(Concluded)*

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

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

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

FRS – Defined Contribution Pension Plan

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

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

Note 13 - Retirement Plans *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*

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

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

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

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

Note 14 - Deferred Compensation Plan

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

Note 14 - Deferred Compensation Plan *(Concluded)*

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

Note 15 - Other Postemployment Benefits

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

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, there are 294 active employees and 55 retired employees participating in the plan. The Board's OPEB obligation totaled $4,255,902, of which $146,334 has been recorded in the Proprietary funds. The remainder has been included in long-term debt of the County as a whole. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 16 - Deficit Equity Balances

The Board has accrued the estimated postclosure monitoring liability for its closed landfills until the conclusion of the 20-or-30-year postclosure monitoring periods. These liabilities are not required to be fully funded until later dates. As a result, the Solid Waste Disposal Fund has accumulated negative unrestricted net position at September 30, 2015, as follows:

Prior Year Total Net Position	$ (10,444,114)
Change in Net Position for the Year Ended September 30, 2015	(454,482)
Total Net Position for the Year Ended September 30, 2015	(10,898,596)
Investment in Capital Assets	(1,378,264)
Total Unrestricted Net Position	$ (12,276,860)

Note 17 - Fund Balance Classification

The following is a summary of the Board's fund balance classifications and the purpose of each as of September 30, 2015, is as follows:

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

Note 18 - Risk Management

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

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

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

Note 19 - Commitments and Contingencies

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

The following is a summary of major commitments of the Board and contracts in progress as of September 30, 2015:

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

Note 20 - Conduit Debt Obligations

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COUNTY TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ONE-CENT SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Budgets and Budgetary Accounting

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

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

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

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

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

If during the fiscal year, additional revenues become available for appropriations in excess of those estimated in the budget, the Board, by resolution, may make supplemental appropriations for the year up to the amount of such excess. During the fiscal year ended September 30, 2015, various supplemental appropriations were approved by the Board in accordance with Florida Statutes. The following funds received supplemental appropriations during the year ended September 30, 2015:

Governmental Funds	
General Fund	$ 2,379,047
Special Revenue Funds	2,834,284
Debt Service Funds	(240,100)
Capital Projects Funds	5,124,372
Total	$ 10,097,603

COMBINING NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

- **Law Enforcement Training**—to account for criminal justice education degree programs and training courses. Financing is provided by the imposition of a court cost surcharge.

- **Special Law Enforcement**—to account for undercover drug and alcohol investigations funded with investigative fines.

- **Sheriff Donations—**to account for law enforcement projects funded with donations.

- **Law Enforcement Trust**—to account for law enforcement related projects funded by the proceeds from confiscated property forfeitures.

- **Nassau County Anti-Drug Enforcement**—to account for activities associated with the County's drug enforcement and drug education programs. Financing is provided principally by Federal drug grants.

- **Court Facility Fees**—to account for the operation and maintenance of Nassau County court facilities. Financing is provided by a court service charge.

- **Law Library Trust**—to account for the costs associated with furnishing and maintaining Nassau County's law library. Funding is provided from a surcharge on civil court filings.

- **Criminal Justice Trust**—to account for the reimbursement of expenditures incurred by the County in providing for the services of the State Attorney and Public Defender. Funding is provided by a surcharge on felony, misdemeanor, and criminal traffic cases.

- **Special Drug/Alcohol Rehabilitation**—to account for expenditures associated with Nassau County's drug and alcohol rehabilitative programs. Funding is provided by a fine imposed for alcohol/drug-related offenses.

- **Legal Aid Trust**—to account for expenditures incurred in providing legal aid to Nassau County residents. Funding is provided for by a service charge on the filing of circuit and county civil court proceedings.

- **Drivers Ed Safety Trust**—to account for driver education programs in public and nonpublic schools. Funding is provided by a surcharge on civil traffic penalties.

- **911 Operations and Maintenance**—to account for the expenditures associated with providing a uniform addressing system for 911 equipment. Funding is principally provided from telephone user charges.

- **EMS County Awards HRS**—to account for expenditures associated with EMS prehospital care. Funding is provided by Florida State grants.

- **Grants**—to account for expenditures financed primarily by federal and/or state grants.

- **Amelia Island Tourist Development**—to account for revenues and expenditures relating to development of tourism in the County through the assessment of a tourist tax.

- **Local Affordable Housing Trust (SHIP)**—to account for funds received from the State to be used to assist eligible low income individuals to buy or construct new housing or rehabilitate older homes.

- **South Amelia Island Shore Stabilization MSBU**—is used to account for revenues and expenditures relating to the Amelia Island Beach Restoration, local improvement, and maintenance cost.

NONMAJOR GOVERNMENTAL FUNDS
(Concluded)

Special Revenue Funds
(Concluded)

- **Building Department**—to account for funds received for various fees charged to be used to fund the building, zoning, and planning department.

- **Amelia Concourse MSBU**—to account for funds received from the Amelia Concourse assessment allocated to the administrative charges associated with the levy of the special assessments.

- **Firefighter Education Trust**—to account for surcharges on civil penalties for noncriminal, nonmoving traffic violations of Section 316.1945(1)(b)(2) or (5), Florida Statutes.

- **F. S. Special Revenues Fund**—to account for State/other restricted revenues from general revenues.

Debt Service Funds

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

- **Optional Gas Tax 2000**—to account for debt service requirements to retire the local option gas tax revenue bonds, Series 2000, dated September 12, 2000. The bonds are payable solely from and secured by a lien upon and a pledge of the County's local option gas tax. The bonds mature on March 1, 2025.

- **1998/2009 Gas Tax Bonds**—is used to account for the accumulation of resources for and the payment of interest, principal and related cost on the Gas Tax Revenue Bonds, Series 1998 and the Gas Tax Revenue Bonds, Series 2009. Funding is provided from the County's Constitutional Two-Cent Gas Tax, the One-Cent Motor, and Other Fuel Taxes imposed pursuant to Section 206.60, Florida Statutes, and the One-Cent Optional Gas Tax imposed pursuant to Section 336.021, Florida Statutes.

- **County Complex**—to account for debt service requirements to retire the public improvement revenue bonds, Series 2001, of Nassau County, Florida, dated May 1, 2001 and Series 2007, of Nassau County, Florida, dated June 1, 2007. The bonds are payable solely from non-ad valorem budgeted revenues. The bonds mature on May 2031.

Capital Projects Funds

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

- **Grants**—to account for capital expenditures financed primarily by federal and/or state grants.

- **County Complex**—to account for the development of County building projects at the County Complex. Financing for the completed Courthouse Annex and Detention Center was primarily provided by the 2001 Public Improvement Revenue Bonds.

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

- **Capital Projects - South Amelia Island Shore Stabilization**—is used to account for revenues and expenditures relating to the beach restoration capital projects within the geographical boundaries of the South Amelia Island Shore Stabilization MSBU.

- **Capital Projects**—to account for various capital projects. Some projects may have their own fund.

NASSAU COUNTY BOARD OF COUNTY COMMISISONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds		
	Law Enforcement Training	**Special Law Enforcement**	**Sheriff Donations**
Assets			
Cash and Cash Equivalents	$ 132,071	$ 0	$ 2,620
Equity in Pooled Investments	0	0	330
Loans Receivable			
(Net of Allowance for Uncollectibles)	0	0	0
Due from Constitutional Officers	0	0	0
Due from Other Governments	0	0	0
Prepaid Expenditures	0	0	0
Total Assets	132,071	0	2,950
Math Check	0	0	0
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	1,157	0	0
Retainage Payable	0	0	0
Due to Other Funds	0	0	0
Due to Constitutional Officers	0	0	0
Due to Other Governments	0	0	0
Unearned Revenues	0	0	0
Deposits	0	0	0
Total Liabilities	1,157	0	0
Math Check	0	0	0
Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable	0	0	0
Restricted	130,914	0	2,950
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	130,914	0	2,950
Math Check	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$ 132,071	$ 0	$ 2,950

Special Revenue Funds

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(Continued)

	Special Revenue Funds		
	Legal Aid Trust	**Drivers Ed Safety Trust**	**911 Operations and Maintenance**
Assets			
Cash and Cash Equivalents	$ 7,535	$ 41,519	$ 5,179
Equity in Pooled Investments	13,379	0	140,137
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0
Due from Constitutional Officers	0	0	112,329
Due from Other Governments	0	0	64,855
Prepaid Expenditures	0	0	0
Total Assets	20,914	41,519	322,500
Math Check	0	0	0
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	20,914	0	42,118
Retainage Payable	0	0	0
Due to Other Funds	0	0	0
Due to Constitutional Officers	0	0	0
Due to Other Governments	0	0	0
Unearned Revenues	0	0	0
Deposits	0	0	0
Total Liabilities	20,914	0	42,118
Math Check	0	0	0
Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable	0	0	0
Restricted	0	41,519	280,382
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	0	41,519	280,382
Math Check	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$ 20,914	$ 41,519	$ 322,500

Special Revenue Funds

EMS County Awards HRS	Grants	Amelia Island Tourist Development	Local Affordable Housing Trust (SHIP)	South Amelia Island Shore Stabilization MSBU	Building Department	Amelia Concourse MSBU
$ 117	$ 0	$ 2,353	$ 401,081	$ 1,952	$ 58,555	$ 31,930
0	0	4,793,957	0	361,217	3,438,266	901,908
0	0	0	48,000	0	0	0
0	0	0	0	0	0	449
0	0	0	0	0	0	0
0	0	0	0	0	10	0
117	0	4,796,310	449,081	363,169	3,496,831	934,287
0	0	0	0	0	0	0
0	0	177,648	0	13,173	9,911	40,354
0	0	0	0	0	0	0
0	0	0	0	0	39,773	0
0	0	6,566	0	0	0	0
0	0	0	0	0	14,427	0
117	0	0	0	0	0	0
0	0	0	0	0	54,063	0
117	0	184,214	0	13,173	118,174	40,354
0	0	0	0	0	0	0
0	0	0	48,000	0	0	0
0	0	0	0	0	10	0
0	0	4,612,096	401,081	349,996	3,378,647	893,933
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	4,612,096	401,081	349,996	3,378,657	893,933
0	0	0	0	0	0	0
$ 117	$ 0	$ 4,796,310	$ 449,081	$ 363,169	$ 3,496,831	$ 934,287

NASSAU COUNTY BOARD OF COUNTY COMMISIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(Continued)

	Special Revenue Funds		
	Firefighter Education Trust	**F.S. Special Revenues Fund**	**Total Special Revenue Funds**
Assets			
Cash and Cash Equivalents	$ 3	$ 1,159,793	$ 1,987,846
Equity in Pooled Investments	0	0	10,629,549
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	48,000
Due from Constitutional Officers	0	8,711	121,489
Due from Other Governments	0	20	78,073
Prepaid Expenditures	0	0	109
Total Assets	3	1,168,524	12,865,066
Math Check	0	0	0
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	0	2,390	311,322
Retainage Payable	0	0	0
Due to Other Funds	0	0	39,773
Due to Constitutional Officers	0	0	6,566
Due to Other Governments	0	248	14,675
Unearned Revenues	0	0	12,724
Deposits	0	0	54,063
Total Liabilities	0	2,638	439,123
Math Check	0	0	0
Deferred Inflows of Resources	0	0	61,198
Fund Balances			
Nonspendable	0	0	109
Restricted	0	1,165,886	12,364,633
Committed	3	0	3
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	3	1,165,886	12,364,745
Math Check	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$ 3	$ 1,168,524	$ 12,865,066

Debt Service Funds				Capital Projects Funds			
Optional Gas Tax 2000	**1998/2009 Gas Tax Bonds**	**County Complex**	**Total Debt Service Funds**	**Grants**	**County Complex**	**NC Mobility Fee Fund**	**Capital Projects - South Amelia Island Shore Stabilization**
$ 77,894	$ 8,869	$ 0	$ 86,763	$ 3,112	$ 215,242	$ 617,099	$ 0
1,339,182	40,648	0	1,379,830	0	7,125,702	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
157,924	162,485	0	320,409	0	0	0	0
431	0	0	431	0	0	0	0
1,575,431	212,002	0	1,787,433	3,112	7,340,944	617,099	0
0	0	0	0	0	0		0
0	0	0	0	0	652,401	0	0
0	0	0	0	0	309,745	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	151	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	962,146	151	0
0	0	0	0	0	0		0
78,750	120,000	0	198,750	0	0	0	0
431	0	0	431	0	0	0	0
1,496,250	92,002	0	1,588,252	3,112	0	616,948	0
0	0	0	0	0	0	0	0
0	0	0	0	0	6,378,798	0	0
0	0	0	0	0	0	0	0
1,496,681	92,002	0	1,588,683	3,112	6,378,798	616,948	0
0	0	0	0	0	(6,378,798)		0
$ 1,575,431	$ 212,002	$ 0	$ 1,787,433	$ 3,112	$ 7,340,944	$ 617,099	$ 0

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015
(Concluded)

	Capital Projects Funds		
	Capital Projects	**Total Capital Project Funds**	**Total Nonmajor Governmental Funds**
Assets			
Cash and Cash Equivalents	$ 0	$ 835,453	$ 2,910,062
Equity in Pooled Investments	0	7,125,702	19,135,081
Loans Receivable			
(Net of Allowance for Uncollectibles)	0	0	48,000
Due from Constitutional Officers	0	0	121,489
Due from Other Governments	0	0	398,482
Prepaid Expenditures	0	0	540
Total Assets	0	7,961,155	22,613,654
Math Check	0	0	0
Liabilities and Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts Payable	0	652,401	963,723
Retainage Payable	0	309,745	309,745
Due to Other Funds	0	0	39,773
Due to Constitutional Officers	0	151	6,717
Due to Other Governments	0	0	14,675
Unearned Revenues	0	0	12,724
Deposits	0	0	54,063
Total Liabilities	0	962,297	1,401,420
Math Check	0	0	0
Deferred Inflows of Resources	0	0	259,948
Fund Balances			
Nonspendable	0	0	540
Restricted	0	620,060	14,572,945
Committed	0	0	3
Assigned	0	6,378,798	6,378,798
Unassigned	0	0	0
Total Fund Balances	0	6,998,858	20,952,286
Math Check	0	(6,378,798)	(6,378,798)
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$ 0	$ 7,961,155	$ 22,613,654

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	Law Enforcement Training	**Special Law Enforcement**	**Sheriff Donations**
Revenues			
Taxes	$ 0	$ 0	$ 0
Licenses and Permits	0	0	0
Intergovernmental Revenues	0	0	0
Charges for Services	9,947	0	0
Fines and Forfeitures	16,682	1,954	0
Investment Earnings (Loss)	396	381	19
Miscellaneous	0	0	3,069
Total Revenues	27,025	2,335	3,088
Expenditures			
Current:			
General Government Services	0	0	0
Public Safety	7,910	0	2,491
Physical Environment	0	0	0
Economic Environment	0	0	0
Human Services	0	0	0
Culture and Recreation	0	0	0
Court-related Expenditures	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
(Total Expenditures)	7,910	0	2,491
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,115	2,335	597
Other Financing Sources (Uses)			
Transfers from Constitutional Officers	0	0	0
Transfers to Constitutional Officers	0	(121,522)	(2,000)
Transfers in	0	0	0
Transfers (out)	0	0	0
Total Other Financing Sources (Uses)	0	(121,522)	(2,000)
Net Change in Fund Balances	19,115	(119,187)	(1,403)
Fund Balances at Beginning of Year	111,799	119,187	4,353
Fund Balances at End of Year	$ 130,914	$ 0	$ 2,950

Special Revenue Funds

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Continued)

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

Special Revenue Funds

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Continued)

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

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

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(Concluded)

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

OTHER INFORMATION

Purvis Gray & Company

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated May 13, 2016.

Internal Control Over Financial Reporting

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

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

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

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The Honorable Board of County Commissioners
Nassau County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

Purvis Gray & Company

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

The Honorable Board of County Commissioners
Nassau County, Florida

We have examined the Nassau County Board of County Commissioners' Nassau County, Florida, (the Board) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

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Purvis Gray & Company

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Nassau County, Florida

Report on the Financial Statements
We have audited the financial statements of the Nassau County Board of County Commissioners, Nassau County, Florida, (the Board) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 13, 2016.

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

Other Reports
We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes. Disclosures in these reports, which are dated May 13, 2016, should be considered in conjunction with this management letter.

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

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

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

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MANAGEMENT LETTER
(Concluded)

Other Matters

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

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

Purpose of this Letter

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

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

Purvis, Gray and Company, LLP

May 13, 2016
Gainesville, Florida

CLERK OF THE
CIRCUIT COURT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Nassau County as of September 30, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2016, on our consideration of the Clerk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Purvis, Gray and Company, LLP

April 28, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Funds					
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Teen Court	Total Governmental Funds
Assets						
Cash	$ 178,919	$ 210,453	$ 672,468	$ 278,811	$ 7,580	$ 1,348,231
Due from Board of County Commissioners	10,436	0	0	0	0	10,436
Due from Other Funds	105,775	111,325	23,039	0	0	240,139
Due from Other Governments	15,242	0	0	27,028	0	42,270
Prepaid Expenses	3,710	243	8,783	0	0	12,736
Total Assets	314,082	322,021	704,290	305,839	7,580	1,653,812
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	61,537	4,598	36,505	0	0	102,640
Due to Board of County Commissioners	53,500	0	0	0	0	53,500
Due to Other Funds	0	54,686	702	4,222	0	59,610
Due to Other Governments	3,385	262,737	3,249	0	0	269,371
Other Accrued Liabilities	195,660	0	0	0	0	195,660
Total Liabilities	314,082	322,021	40,456	4,222	0	680,781
Fund Balances						
Nonspendable:						
Prepaid Expenses	0	0	8,783	0	0	8,783
Restricted:						
Records Modernization	0	0	655,051	0	0	655,051
Child Support	0	0	0	301,617	0	301,617
Committed:						
Teen Court	0	0	0	0	7,580	7,580
Total Fund Balances	0	0	663,834	301,617	7,580	973,031
Total Liabilities and Fund Balances	$ 314,082	$ 322,021	$ 704,290	$ 305,839	$ 7,580	$ 1,653,812

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, 2015

	Major Funds					
	General Fund	Court Fund	Public Records Modernization Trust Fund	Child Support Fund	Teen Court	Total Government Funds
Revenues						
Intergovernmental Revenue	$ 0	$ 227,507	$ 0	$ 152,569	$ 0	$ 380,076
Charges for Services	552,078	911,388	207,108	0	0	1,670,574
Judgments and Fines	0	419,913	64,418	0	0	484,331
Miscellaneous	9,890	3,420	0	0	1,427	14,737
Total Revenues	561,968	1,562,228	271,526	152,569	1,427	2,549,718
Expenditures						
Current:						
General Government:						
Personal Services	1,797,965	0	0	0	0	1,797,965
Operating Expenditures	672,000	0	0	0	4,020	676,020
Economic Environment:						
Personal Services	49,820	0	0	0	0	49,820
Operating Expenditures	2,988	0	0	0	0	2,988
Court-related:						
Personal Services	0	1,413,056	3,779	86,498	0	1,503,333
Operating Expenditures	0	149,172	195,329	11,933	0	356,434
Capital Outlay	104,151	0	0	0	0	104,151
(Total Expenditures)	(2,626,924)	(1,562,228)	(199,108)	(98,431)	(4,020)	(4,490,711)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(2,064,956)	0	72,418	54,138	(2,593)	(1,940,993)
Other Financing Sources (Uses)						
Transfers in from Board of County Commissioners	2,091,476	0	479	0	0	2,091,955
Transfers (out) to Board of County Commissioners	(26,520)	0	0	0	0	(26,520)
Total Other Financing Sources (Uses)	2,064,956	0	479	0	0	2,065,435
Net Change in Fund Balances	0	0	72,897	54,138	(2,593)	124,442
Fund Balances, Beginning of Year	0	0	590,937	247,479	10,173	848,589
Fund Balances, End of Year	$ 0	$ 0	$ 663,834	$ 301,617	$ 7,580	$ 973,031

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, 2015

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Services	$ 466,159	$ 554,187	$ 552,078	$ (2,109)
Miscellaneous	8,000	8,000	9,890	1,890
Total Revenues	474,159	562,187	561,968	(219)
Expenditures				
Current:				
General Government:				
Personal Services	1,839,287	1,797,965	1,797,965	0
Operating Expenditures	663,772	672,001	672,000	1
Economic Environment:				
Personal Services	48,203	49,820	49,820	0
Operating Expenditures	4,250	2,988	2,988	0
Capital Outlay	0	104,151	104,151	0
(Total Expenditures)	(2,555,512)	(2,626,925)	(2,626,924)	1
(Deficiency) of Revenues (Under) Expenditures	(2,081,353)	(2,064,738)	(2,064,956)	(218)
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	2,081,353	2,091,258	2,091,476	218
Transfers (out) to Board of County Commissioners	0	(26,520)	(26,520)	0
Total Other Financing Sources (Uses)	2,081,353	2,064,738	2,064,956	218
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	0	0	0	0
Fund Balances, End of Year	$ 0	$ 0	$ 0	$ 0

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, 2015
(Continued)

	Court Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental Revenue	$ 310,063	$ 227,507	$ 227,507	$ 0
Charges for Services	866,745	866,291	911,388	45,097
Judgments and Fines	468,430	468,430	419,913	(48,517)
Miscellaneous	0	0	3,420	3,420
Total Revenues	1,645,238	1,562,228	1,562,228	0
Expenditures				
Current:				
Court-related:				
Personal Services	1,520,255	1,413,056	1,413,056	0
Operating Expenditures	124,983	149,172	149,172	0
(Total Expenditures)	(1,645,238)	(1,562,228)	(1,562,228)	0
Net Change in Fund Balances	0	0	0	0
Fund Balances, Beginning of Year	0	0	0	0
Fund Balances, End of Year	$ 0	$ 0	$ 0	$ 0

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, 2015
(Continued)

	Public Records Modernization Trust Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Services	$ 173,000	$ 173,000	$ 207,108	$ 34,108
Judgments and Fines	62,000	62,000	64,418	2,418
Total Revenues	235,000	235,000	271,526	36,526
Expenditures				
Current:				
General Government:				
Operating Expenditures	149,536	149,536	0	149,536
Court-related:				
Personal Services	0	15,913	3,779	12,134
Operating Expenditures	676,400	660,487	195,329	465,158
(Total Expenditures)	(825,936)	(825,936)	(199,108)	626,828
Excess of Revenues Over Expenditures	(590,936)	(590,936)	72,418	663,354
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	0	0	479	479
Total Other Financing Sources (Uses)	0	0	479	479
Net Change in Fund Balances	(590,936)	(590,936)	72,897	663,833
Fund Balances, Beginning of Year	590,937	590,937	590,937	0
Fund Balances, End of Year	$ 1	$ 1	$ 663,834	$ 663,833

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, 2015
(Concluded)

	Child Support Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 135,000	$ 135,000	$ 152,569	$ 17,569
Total Revenues	135,000	135,000	152,569	17,569
Expenditures				
Current:				
Court-related:				
Personal Services	65,575	86,500	86,498	2
Operating Expenditures	316,903	295,978	11,933	284,045
(Total Expenditures)	(382,478)	(382,478)	(98,431)	284,047
Excess of Revenues Over Expenditures	(247,478)	(247,478)	54,138	301,616
Net Change in Fund Balances	(247,478)	(247,478)	54,138	301,616
Fund Balances, Beginning of Year	247,479	247,479	247,479	0
Fund Balances, End of Year	$ 1	$ 1	$ 301,617	$ 301,616

See accompanying notes to the financial statements.

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015

Assets	
Cash	$ 2,972,924
Due from Other Governments	448
Due from Individuals	998
Total Assets	2,974,370
Liabilities	
Due to Board of County Commissioners	52,446
Due to Other Funds	180,529
Due to Other Governments	301,529
Deposits	2,424,872
Other Liabilities	14,994
Total Liabilities	$ 2,974,370

See accompanying notes to financial statements.

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 noncourt 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. 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 accompanying financial statements include all the funds and accounts of the Clerk’s office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits.*

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.

- **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.

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

Basis of Presentation ***(Concluded)***

- **Governmental Funds** ***(Concluded)***
  - **Major Funds** ***(Concluded)***
    - **Court Fund—**The court fund was established to account for court-related revenues and expenditures and are 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, and additional clerk court related operational needs and program enhancements.
    - **Child Support Fund—**This fund accounts for proceeds of specific revenues that are restricted for expenditures of the child support program.
  - **Nonmajor Governmental Fund**
    - **Teen Court Fund—**This fund accounts for proceeds of specific revenues that are committed for expenditures of the teen court program.
- **Fiduciary Funds**
  - **Agency Funds—**The agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Basis of Accounting

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. 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 Clerk considers revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred. Charges for services and investment revenue are recorded as earned.

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. All governmental funds are 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. Governmental 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.

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

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, teen court, 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 37.5 hours of paid annual leave. Any unused vacation leave accrued over the 37.5 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 one day per month for a maximum of 400 hours as of December 31 of 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.

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:

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

Risk Management *(Concluded)*

- Workers' Compensation
- Automobile Liability
- Public Officials' Liability
- Personal Property Damage
- General 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 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 - nonspendable, restricted, committed, assigned, and unassigned:

- **Nonspendable—**This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any nonspendable 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 organization's governing authority.

- **Assigned—**This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. 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.

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

New Accounting Pronouncement

The Clerk participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Clerk implemented Governmental Accounting Standards Board (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. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash and Investments

At September 30, 2015, the carrying amount of the Clerk's deposits was $4,315,230 and the bank balance was $4,856,370. The Clerk also held $5,925 in change funds at September 30, 2015. 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 Statues 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, 2015.

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.

Note 3 - Employee Retirement Plan *(Continued)*

General Information about the Florida Retirement System (FRS) *(Concluded)*
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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Plan Description. *(Concluded)*
DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
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 atAage 68 or with 36 or more Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	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.

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

The Clerk's contributions (employer) to the FRS Plan totaled $247,805 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Clerk's proportionate share of the FRS net pension liability was $1,333,658. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportion was .010325357%, which was an increase of .000988452 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Clerk's pension expense related to the plan (full accrual basis) was $177,461 related to the Plan. The Clerk's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $58,702 and $62,638, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

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

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

Asset Class	Annual Target Allocation (1)	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed Inflation – Mean		2.6%		1.9%

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

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

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

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Clerk's Proportionate Share of the Net Pension Liability	$ 3,455,810	$ 1,333,658	$ (432,321)

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Concluded)*

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

HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statues. 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 $36,306 for the fiscal year ended September 30, 2015.

At September 30, 2015, the Clerk's proportionate share of the HIS net pension liability was $907,200. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportion was .0088957%, which was an increase of .0001675 from its proportion measured as of June 30, 2014.

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Continued)*

Contributions. *(Concluded)*
For the fiscal year ended September 30, 2015, the Clerk's pension expense related to the HIS plan (full accrual basis) was $65,003. The Clerk's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $10,922 and $8,621, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used determine the total pension liability.

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

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008 through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. 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 Clerk's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Concluded)*

Sensitivity of the Clerk's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. (Concluded)

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Clerk's Proportionate Share of the Net Pension Liability	$ 1,033,735	$ 907,220	$ 801,725

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

FRS - Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Elected County Officers	11.34%
FRS, Senior Management Service	7.67%

Note 3 - Employee Retirement Plan *(Concluded)*

FRS - Defined Contribution Pension Plan *(Concluded)*

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

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

The Clerk's Investment Plan pension expense totaled $22,069 for the fiscal year ended September 30, 2015.

Note 4 - Other Postemployment Benefits

The Other Postemployment Benefit Plan (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. GASB Statement No. 45 calls this the "implicit rate subsidy."

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" of $547.92

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

Note 4 - Other Postemployment Benefits *(Concluded)*

In the current report, the Clerk has 60 active employees and eight retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Clerk's portion of the OPEB obligation totaled $829,230 as of September 30, 2015. 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

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

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Liability for Compensated Absences	$ 0	$ 158,776	$ (91,719)	$ 67,057
Other Postemployment Benefits	894,421	0	(65,191)	829,230
Net Pension Liabilities	1,385,799	855,079	0	2,240,878
Total Long-term Debt	$ 2,280,220	$ 1,013,855	$ (156,910)	$ 3,137,165

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.

The long-term liabilities presented above are not reported in the financial statements of the Clerk since they are not payable from available resources at September 30, 2015. The Clerk's long term debt is recorded in the statement of net position as part of the basic financial statements of the County.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2015, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 105,775	$ 0
Special Revenue Funds		
Court Fund	111,325	54,686
Public Records Modernization Fund	23,039	702
Child Support Fund	0	4,222
Agency Funds		
Civil Trust Fund	0	41,468
Recording Trust Fund	0	62,045
Criminal Trust Fund	0	4,724
Special Trust Fund	0	69,592
Domestic Relations Fund	0	1,555
Bail Bond Fund	0	1,145
Total	$ 240,139	$ 240,139

OTHER FINANCIAL INFORMATION

NASSAU COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
TEEN COURT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Miscellaneous	$ 0	$ 0	$ 1,427	$ 1,427
Total Revenues	0	0	1,427	1,427
Expenditures				
Current:				
General Government:				
Operating Expenditures	10,173	10,173	4,020	6,153
(Total Expenditures)	(10,173)	(10,173)	(4,020)	6,153
Excess of Revenues Over Expenditures	(10,173)	(10,173)	(2,593)	7,580
Net Change in Fund Balances	(10,173)	(10,173)	(2,593)	7,580
Fund Balances, Beginning of Year	10,173	10,173	10,173	0
Fund Balances, End of Year	$ 0	$ 0	$ 7,580	$ 7,580

AGENCY 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.

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 Bond—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 ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2015

	Civil Trust	Recording Trust	Criminal Trust	Special Trust	Domestic Relations	Registry of the Court	Bail Bond	Total
Assets								
Cash	$ 1,333,565	$ 406,783	$ 22,680	$ 208,418	$ 1,935	$ 944,120	$ 55,423	$ 2,972,924
Due from Other Governments	0	240	0	0	208	0	0	448
Due from Individuals	0	0	0	998	0	0	0	998
Total Assets	1,333,565	407,023	22,680	209,416	2,143	944,120	55,423	2,974,370
Liabilities								
Due to Board of County Commissioners	0	14,436	2,615	35,395	0	0	0	52,446
Due to Other Funds	41,468	62,045	4,724	69,592	1,555	0	1,145	180,529
Due to Other Governments	41,635	178,259	9,918	71,117	588	0	12	301,529
Deposits	1,250,462	151,910	3,129	20,985	0	944,120	54,266	2,424,872
Other Liabilities	0	373	2,294	12,327	0	0	0	14,994
Total Liabilities	$ 1,333,565	$ 407,023	$ 22,680	$ 209,416	$ 2,143	$ 944,120	$ 55,423	$ 2,974,370

OTHER REPORTS

Purvis Gray & Company

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Clerk of the Circuit Court (the Clerk), as of and for the year ended September 30, 2015, and have issued our report thereon dated April 28, 2016, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk'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 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 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 AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Concluded)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis, Gray and Company, LLP

April 28, 2016
Gainesville, Florida

Purvis Gray & Company

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

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

We have examined Nassau County, Florida, Clerk's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2015, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the 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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 28, 2016
Gainesville, Florida

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Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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's (the Clerk) compliance with the requirements of Section 28.35 and 28.36, Florida Statutes, as of and for the year ended September 30, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 28, 2016
Gainesville, Florida

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Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, as of and for the year ended September 30, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 28, 2016
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, 2015, and have issued our report thereon dated April 28, 2016, which was modified to indicate that the financial statements are not intended to be a complete presentation of Nassau County, Florida.

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

Other Reports
We have issued our Independent Auditors' 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 Accountants' Reports on our examinations conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 28, 2016, 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
(Concluded)

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

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the 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 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.

Purvis, Gray and Company, LLP

April 28, 2016
Gainesville, Florida

SHERIFF

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY SHERIFF
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY SHERIFF
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2015, 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.

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The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Nassau County, 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, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' 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 Sheriff's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

April 25, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Funds				
	General Fund	**Inmate Commissary**	**Federal Inmate**	**Other Governmental Funds**	**Total Governmental Funds**
Assets					
Cash in Bank	$ 737,338	$ 410,038	$ 266,949	$ 237,154	$ 1,651,479
Cash on Hand	0	0	0	3,602	3,602
Accounts Receivable	35,804	0	0	0	35,804
Due from Other Funds	8,079	0	0	0	8,079
Due from Board of County Commissioners	11,002	0	0	0	11,002
Due from Other Governments	3,189	14,998	47,151	200	65,538
Total Assets	795,412	425,036	314,100	240,956	1,775,504
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	729,747	974	936	1,458	733,115
Due to Other Funds	0	0	6,093	0	6,093
Due to Board of County Commissioners	65,665	0	307,071	115,381	488,117
Total Liabilities	795,412	974	314,100	116,839	1,227,325
Fund Balances					
Restricted:					
Law Enforcement	0	0	0	8,792	8,792
Inmate Welfare	0	424,062	0	0	424,062
Committed:					
Investigative	0	0	0	115,325	115,325
Total Fund Balances	0	424,062	0	124,117	548,179
Total Liabilities and Fund Balances	$ 795,412	$ 425,036	$ 314,100	$ 240,956	$ 1,775,504

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, 2015

	Major Funds				
	General Fund	**Inmate Commissary**	**Federal Inmate**	**Other Governmental Funds**	**Total Governmental Funds**
Revenues					
Intergovernmental	$ 177,535	$ 0	$ 405,062	$ 0	$ 582,597
Miscellaneous	215,488	181,888	0	0	397,376
Total Revenues	393,023	181,888	405,062	0	979,973
Expenditures					
Current:					
Court-related:					
Personal Services	685,337	0	0	0	685,337
Operating Expenditures	17,189	0	0	0	17,189
Public Safety:					
Personal Services	11,278,325	0	3,607	116,940	11,398,872
Operating Expenditures	3,965,332	86,242	23,384	133,424	4,208,382
Capital Outlay	1,820,301	27,231	38,331	0	1,885,863
Debt Service:					
Principal	43,500	0	0	0	43,500
Interest	11,863	0	0	0	11,863
(Total Expenditures)	(17,821,847)	(113,473)	(65,322)	(250,364)	(18,251,006)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(17,428,824)	68,415	339,740	(250,364)	(17,271,033)
Other Financing Sources (Uses)					
Capital Lease Obligation	586,747	0	0	0	586,747
Transfers in from Board of County Commissioners	16,900,593	0	0	467,955	17,368,548
Transfers (out) to Board of County Commissioners	(58,516)	0	(339,740)	(115,381)	(513,637)
Total Other Financing Sources (Uses)	17,428,824	0	(339,740)	352,574	17,441,658
Net Change in Fund Balance	0	68,415	0	102,210	170,625
Fund Balance, Beginning of Year	0	355,647	0	21,907	377,554
Fund Balance, End of Year	$ 0	$ 424,062	$ 0	$ 124,117	$ 548,179

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, 2015

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 136,713	$ 177,535	$ 177,535	$ 0
Miscellaneous	0	215,579	215,488	(91)
Total Revenues	136,713	393,114	393,023	(91)
Expenditures				
Current:				
Court-related:				
Personal Services	728,780	685,337	685,337	0
Operating Expenditures	15,373	17,189	17,189	0
Public Safety:				
Personal Services	11,382,307	11,278,326	11,278,325	1
Operating Expenditures	3,868,216	3,967,119	3,965,332	1,787
Capital Outlay	753,500	1,820,300	1,820,301	(1)
Debt Service:				
Principal	127,938	55,363	43,500	11,863
Interest	0	0	11,863	(11,863)
(Total Expenditures)	(16,876,114)	(17,823,634)	(17,821,847)	1,787
(Deficiency) of Revenues (Under) Expenditures	(16,739,401)	(17,430,520)	(17,428,824)	1,696
Other Financing Sources (Uses)				
Capital Lease Obligation	0	586,747	586,747	0
Transfers in from Board of County Commissioners	16,739,401	16,900,593	16,900,593	0
Transfers (out) to Board of County Commissioners	0	(56,820)	(58,516)	(1,696)
Total Other Financing Sources (Uses)	16,739,401	17,430,520	17,428,824	(1,696)
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	$ 0	$ 0	$ 0	$ 0

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, 2015

	Inmate Commissary Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Miscellaneous	$ 137,052	$ 181,888	$ 181,888	$ 0
Total Revenues	137,052	181,888	181,888	0
Expenditures				
Current:				
Public Safety:				
Operating Expenditures	57,389	86,242	86,242	0
Capital Outlay	20,590	27,231	27,231	0
(Total Expenditures)	(77,979)	(113,473)	(113,473)	0
Net Change in Fund Balance	59,073	68,415	68,415	0
Fund Balance, Beginning of Year	355,647	355,647	355,647	0
Fund Balance, End of Year	$ 414,720	$ 424,062	$ 424,062	$ 0

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, 2015

	Federal Inmate Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	$ 0	$ 405,062	$ 405,062	$ 0
Total Revenues	0	405,062	405,062	0
Expenditures				
Current:				
Public Safety:				
Personal Services	0	3,607	3,607	0
Operating Expenditures	0	23,384	23,384	0
Capital Outlay	0	38,331	38,331	0
(Total Expenditures)	0	(65,322)	(65,322)	0
Excess of Revenues Over Expenditures	0	339,740	339,740	0
Other Financing Sources (Uses)				
Transfers (out) to Board of County Commissioners	0	(339,740)	(339,740)	0
Total Other Financing Sources (Uses)	0	(339,740)	(339,740)	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	$ 0	$ 0	$ 0	$ 0

See accompanying notes to financial statements.

NASSAU COUNTY SHERIFF
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2015

Assets	
Cash	$ 49,653
Total Assets	49,653
Liabilities	
Accounts Payable	29,322
Deposits	5,170
Due to Other Funds	1,986
Due to Other Governments	13,175
Total Liabilities	$ 49,653

See accompanying notes to financial statements.

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 Nassau County, Florida, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff is a part of the primary government of Nassau County, Florida. 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 Nassau County, Florida.

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 accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits.*

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. During the fiscal year, the Sheriff took over operations of the County Emergency Operations Center, which is accounted for in the general fund.
    - **Inmate Commissary Fund—**This fund accounts for commissions received from pay telephones and commissary profits used for the benefit of inmates.
    - **911 Operations Fund—**This fund accounts for the proceeds of telephone charges collected for the operation of the 911 emergency response system.

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

Basis of Presentation ***(Concluded)***

- **Governmental Funds** ***(Concluded)***
  - **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 special revenue funds in the financial statements under the titles, Sheriff's Investigative Fund, Federal Inmate, and the Equitable Sharing Fund. The Sheriff's Investigative Fund accounts for monies used in accordance with Section 925.055, Florida Statutes. The Federal Inmate Fund accounts for funds received for housing federal inmates at the Nassau County Detention Facility. The Equitable Sharing Fund accounts for monies received from forfeiture of assets.

- **Fiduciary Funds**
  - **Agency Funds—**The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Basis of Accounting

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. For this purpose, the Sheriff 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. All governmental funds are 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. Governmental 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

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. The Inmate Commissary fund and the 911 Operations fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board.

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

Budgetary Requirement *(Concluded)*
All budget amounts presented for the general fund in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting. The Sheriff's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets
Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under capital leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets at fair value at the time received. Capital assets are depreciated using the straight-line method over three to ten years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

Accrued Compensated Absences
The Sheriff maintains a policy of granting employees annual leave at the rate of eight hours per month. An employee can receive payment for such accumulated annual leave upon termination of employment.

In addition, the Sheriff maintains the following policy for sick leave. Sick leave is accumulated at the rate of eight hours per month. An employee will not be paid out any sick time upon termination of employment.

The Sheriff also allows employees to accumulate compensatory time earned. An employee can receive payment for unused compensatory time upon termination of employment or at the discretion of the Sheriff.

Workers' Compensation and Group Health Insurance
The Board provided the Sheriff and his employees with workers' compensation and group health insurance coverage. Accidental death coverage for Law Enforcement Officers was also provided by the Board. The premiums for such coverage were paid by the Board and recorded on its records and, consequently, are not recorded on the Sheriff's records.

Risk Management
The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and the public; or damage to property of others.

The Sheriff participates in two Florida Sheriffs Self-insurance funds for risk related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is $10,000,000 for professional liability and $10,000,000 for public officials' coverage. Coverage limits for automobile risks are $200,000 per accident for bodily injury and $100,000 per accident for property damage.

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

Risk Management *(Concluded)*
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 – nonspendable, restricted, committed, assigned and unassigned.

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

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

New Accounting Pronouncement
The Sheriff participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the Sheriff implemented Governmental Accounting Standards Board (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. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash

Cash Deposits
At September 30, 2015, the carrying amount of the Sheriff's deposits was $1,701,132 and the bank balance was $1,909,402. Cash on hand was $3,602. 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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

Note 3 - Employee Retirement Plan *(Continued)*

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 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:

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Benefits Provided. (Concluded)

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
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 2014-2015 fiscal year were as follows:

	Year Ended June 30, 2015 Percent of Gross Salary		Year Ended June 30, 2016 Percent of Gross Salary	
Class	**Employee**	**Employer**	**Employee**	**Employer**
FRS, Regular	3.00	6.07	3.00	5.56
FRS, Elected County Officers	3.00	41.94	3.00	40.57
FRS, Senior Management Service	3.00	19.84	3.00	19.73
FRS, Special Risk Regular	3.00	18.52	3.00	20.34
DROP – Applicable to Members from All of the Above Classes	0.00	11.02	0.00	11.22
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Contributions. (Concluded)
The Sheriff contributions (employer), to the FRS Plan totaled $1,353,154 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Sheriff's proportionate share of the FRS net pension liability was $6,969,341. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Sheriff's proportion was .053957548%, which was an increase of .001129184 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Sheriff's pension expense related to the plan (full accrual basis) was $336,177. The Sheriff's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $354,671 and $317,048, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

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

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

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

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

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Concluded)*

Actuarial Assumptions. (Concluded)

Asset Class	Annual Target Allocation [1]	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed Inflation – Mean		2.6%		1.9%

[1] As Outlined in the FRS Pension Plan's Investment Policy.

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

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

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Sheriff's Proportionate Share of the Net Pension Liability	$ 18,059,139	$ 6,969,341	$ (2,259,192)

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

HIS Pension Plan

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

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Continued)*

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statues. 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 $132,526 for the fiscal year ended September 30, 2015 (modified accrual basis).

Pension Liabilities and Pension Expense. At September 30, 2015, the Sheriff's proportionate share of the HIS net pension liability was $3,261,981. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Sheriff's proportionate share of the net pension liability was based on the Sheriff's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Sheriff's proportion was .0319851%, which was an increase of .0004913 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Sheriff's pension expense related to the HIS plan (full accrual basis) was $265,042. The Sheriff's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $40,214 and $29,955, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Concluded)*

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability.

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

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on the results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. 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 Sheriff's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Sheriff's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Sheriff's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	**Current Discount Rate (3.80%)**	**1% Increase (4.80%)**
Sheriff's Proportionate Share of the Net Pension Liability	$ 3,716,875	$ 3,261,981	$ 2,882,667

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

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

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

Note 3 - Employee Retirement Plan *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*
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 Sheriff's Investment Plan pension expense totaled $127,950 for the fiscal year ended September 30, 2015.

Note 4 - Other Postemployment Benefits (OPEB)

The County offers certain postemployment health care benefits that are considered part of an Other Postemployment Benefit (OPEB) plan for financial accounting purposes. The OPEB is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. GASB Statement No. 45 calls this the "implicit rate subsidy."

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 190 active employees and 15 retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Sheriff's portion of the OPEB obligation for the year totaled $2,499,885. 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:

Note 5 - Capital Assets *(Concluded)*

	Balance October 1, 2014	Increase	Decrease	Balance September 30, 2015
Capital Assets				
Machinery and Equipment	$ 7,727,829	$ 4,037,728	$ (235,051)	$ 11,530,506
Accumulated Depreciation	(5,701,776)	(1,011,026)	232,143	(6,480,659)
Machinery and Equipment, Net	$ 2,026,053	$ 3,026,702	$ (2,908)	$ 5,049,847

Depreciation expense was recorded in the government-wide financial statements in the amount of $1,011,026.

Note 6 - Operating Leases

The Sheriff leased various copiers during fiscal year 2014-2015. The monthly lease payments for these copiers ranged from $135 to $540 per month. The expiration dates of the leases range from November 2014 to October 2019. Lease expense for the year under these leases was $50,721. Future minimum lease payments for the leases are as follows:

Year Ending September 30	Annual Lease Payments
2016	$ 45,701
2017	11,538
2018	2,758
2019	2,758
2020	230
Total	$ 62,985

Note 7 - Changes in Long-term Debt

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

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Capital Lease	$ 0	$ 586,747	$ (43,500)	$ 543,247
Accrued Compensated Absences	764,412	1,053,361	(988,443)	829,330
Other Postemployment Benefits	2,327,944	171,941	0	2,499,885
Net Pension Liability	6,168,055	4,063,267	0	10,231,322
Totals	$ 9,260,411	$ 5,875,316	$ (1,031,943)	$ 14,103,784

See Note 3 for more information on the Net Pension Liabilities related to the FRS and HIS Pension Plans.

Note 7 - Changes in Long-term Debt *(Concluded)*

Compensated Absences

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. The Sheriff's long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net assets as part of the basic financial statements of the County.

Capital Lease

During the year, the Sheriff entered into a capital lease agreement with Presidio Technology Capital, LLC to lease server equipment. The lease is to be paid monthly at an imputed interest rate of 5.0% and matures May 1, 2020. Future minimum lease payments under this capital lease are as follows:

Year Ending September 30	Future Lease Payments
2016	$ 132,872
2017	132,872
2018	132,872
2019	132,872
2020	79,808
Total Future Minimum Lease Payments	611,296
(Less Amount Representing Interest)	(68,049)
Present Value of Future Minimum Lease Payments	$ 543,247

Note 8 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2015, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 8,079	$ 0
Special Revenue Funds		
Inmate Welfare	0	6,093
Agency Funds		
Inmate Commissary	0	1,986
Totals	$ 8,079	$ 8,079

OTHER FINANCIAL INFORMATION

NASSAU COUNTY SHERIFF
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Sheriff Investigative	911 Operations	Equitable Sharing	Total Other Governmental Funds
Assets				
Cash in Bank	$ 111,523	$ 116,839	$ 8,792	$ 237,154
Cash on Hand	3,602	0	0	3,602
Due from Other Governments	200	0	0	200
Total Assets	115,325	116,839	8,792	240,956
Liabilities and Fund Balances				
Accounts Payable	0	1,458	0	1,458
Due to Board of County Commissioners	0	115,381	0	115,381
Total Liabilities	0	116,839	0	116,839
Fund Balances				
Restricted:				
Law Enforcement	0	0	8,792	8,792
Committed:				
Investigative	115,325	0	0	115,325
Total Fund Balances	115,325	0	8,792	124,117
Total Liabilities and Fund Balances	$ 115,325	$ 116,839	$ 8,792	$ 240,956

NASSAU COUNTY SHERIFF
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Sheriff Investigative	911 Operations	Equitable Sharing	Total Other Governmental Funds
Revenues	$ 0	$ 0	$ 0	$ 0
Expenditures				
Current:				
Public Safety:				
Personal Services	0	116,940	0	116,940
Operating Expenditures	18,765	110,562	4,097	133,424
(Total Expenditures)	(18,765)	(227,502)	(4,097)	(250,364)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(18,765)	(227,502)	(4,097)	(250,364)
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	121,723	342,883	3,349	467,955
Transfers (out) to Board of County Commissioners	0	(115,381)	0	(115,381)
Total Other Financing Sources (Uses)	121,723	227,502	3,349	352,574
Net Change in Fund Balance	102,958	0	(748)	102,210
Fund Balance, Beginning of Year	12,367	0	9,540	21,907
Fund Balance, End of Year	$ 115,325	$ 0	$ 8,792	$ 124,117

AGENCY FUNDS

Individual Depositors/Suspense—Accounts for fees charged for the service of process in civil cases. These nonrefundable fees are set by Section 30.231 of the Florida Statutes. On a monthly basis, these fees are deposited to the general fund of the Board. 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.

Abandoned Property—Accounts for funds received from the conversion of abandoned property to cash. These funds are required to be submitted to the Nassau County School Board.

NASSAU COUNTY SHERIFF
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2015

	Individual Depositors/ Suspense	Inmate Trust	Abandoned Property	Total
Assets				
Cash	$ 13,175	$ 22,372	$ 14,106	$ 49,653
Total Assets	13,175	22,372	14,106	49,653
Liabilities				
Accounts Payable	0	15,216	14,106	29,322
Deposits	0	5,170	0	5,170
Due to Other Funds	0	1,986	0	1,986
Due to Other Governments	13,175	0	0	13,175
Total Liabilities	$ 13,175	$ 22,372	$ 14,106	$ 49,653

OTHER REPORTS

Purvis Gray & Company

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

The Honorable Bill Leeper
Nassau County Sheriff
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Nassau County, Florida, Sheriff (the Sheriff), as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2016, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis, Gray and Company, LLP

April 25, 2016
Gainesville, Florida

Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide 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, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 25, 2016
Gainesville, Florida

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Purvis Gray & Company

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, 2015, and have issued our report thereon dated April 25, 2016, which was modified to indicate that financials statements are not intended to be a complete presentation of Nassau County, Florida.

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

Other Reports
We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on our examination conducted in accordance with AICPA *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 25, 2016, 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
(Concluded)

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

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 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.

Purvis, Gray and Company, LLP

April 25, 2016
Gainesville, Florida

TAX COLLECTOR

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY TAX COLLECTOR
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY TAX COLLECTOR
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida, Tax Collector (the Tax Collector), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State Florida. In conformity with the *Rules*, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida, as of September 30, 2015, and the changes in its financial position, budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 and Company, LLP

April 26, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015

Assets		
Cash	$	339,410
Due from Individual		11,958
Due from Agency Fund		55,990
Total Assets		407,358
Liabilities and Fund Balance		
Liabilities		
Accounts Payable		21,152
Deferred Revenue		27,660
Due to Board of County Commissioners		347,693
Due to Other Governments		10,853
Total Liabilities		407,358
Fund Balance		0
Total Liabilities and Fund Balance	$	407,358

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, 2015

Revenues	
Charges for Services	$ 925,394
Miscellaneous	13,871
Total Revenues	939,265
Expenditures	
Current:	
General Government:	
Salaries and Benefits	1,936,831
Operating Expenditures	621,087
Capital Outlay	39,330
(Total Expenditures)	(2,597,248)
(Deficiency) of Revenues (Under) Expenditures	(1,657,983)
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	2,000,863
Transfers (out) to Board of County Commissioners	(342,880)
Total Other Financing Sources (Uses)	1,657,983
Net Change in Fund Balance	0
Fund Balance, Beginning of Year	0
Fund Balance, End of Year	$ 0

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, 2015

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Services	$ 829,784	$ 947,171	$ 925,394	$ (21,777)
Interest	500	500	0	(500)
Miscellaneous	25,150	25,150	13,871	(11,279)
Total Revenues	855,434	972,821	939,265	(33,556)
Expenditures				
Current:				
General Government:				
Salaries and Benefits	1,996,567	1,936,831	1,936,831	0
Operating Expenditures	730,941	621,086	621,087	(1)
Capital Outlay	54,285	39,330	39,330	0
(Total Expenditures)	(2,781,793)	(2,597,247)	(2,597,248)	(1)
(Deficiency) of Revenues (Under) Expenditures	(1,926,359)	(1,624,426)	(1,657,983)	(33,557)
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	1,967,306	1,967,306	2,000,863	33,557
Transfers (out) to Board of County Commissioners	(40,947)	(342,880)	(342,880)	0
Total Other Financing Sources (Uses)	1,926,359	1,624,426	1,657,983	33,557
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	$ 0	$ 0	$ 0	$ 0

See accompanying notes to financial statements.

NASSAU COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2015

Assets		
Cash	$	2,284,129
Due from Others		49,162
Total Assets		2,333,291
Liabilities		
Due to General Fund		55,990
Due to Board of County Commissioners		8,711
Due to Other Governments		257,736
Undistributed Collections		2,010,854
Total Liabilities	$	2,333,291

See accompanying notes to financial statements.

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 Tax Collector (the Tax Collector) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector. The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes and special assessments for the various Nassau County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation
The accompanying financial statements include all funds and accounts of the Tax Collector's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

- **Governmental Fund**
  - **Major Fund**
    - **General Fund—**The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in another fund.

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

Basis of Presentation *(Concluded)*

- **Fiduciary Fund**
  - **Agency Fund—**The agency fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. The agency fund is custodial in nature and does not involve measurement of changes in financial position.

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. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Tax Collector considers revenues to be available if they are collected within thirty days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

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. All governmental funds are 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. Governmental 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

The revenues and expenditures accounted for in the budgetary fund are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

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

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. An employee can receive payment for such accumulated annual leave upon termination of employment.

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.

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.

New Accounting Standard
The Tax Collector participates in the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Tax Collector implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015, which requires employers participating in cost-sharing multiple-employer defined benefit plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - Cash

At September 30, 2015, the carrying amount of the Tax Collector's cash on hand and on deposit was $2,623,539 and the bank balances were $2,684,142. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Tax Collector are placed with qualified financial institutions and are considered to be fully insured.

The Tax Collector's investment practices are governed by Sections 219.075 and 218.415, Florida Statutes. The Tax Collector was authorized to invest in certificates of deposit, obligations of the U.S. Treasury, money market funds, and repurchase agreements.

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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan

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

- *Regular Class*—Members of the Plan who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class*—Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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:

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Benefits Provided. (Concluded)

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
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

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 2014-2015 fiscal year were as follows:

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

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Contributions. (Concluded)
The Tax Collector contributions (employer) to the FRS Plan totaled $162,104 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Tax Collector's proportionate share of the FRS net pension liability was $879,714. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector's proportion was .006810862%, which was an increase of .000837223 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Tax Collector expense related to the FRS plan (full accrual basis) was $129,023. The Tax Collector's pension expense, proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $44,499 and $48,450, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

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

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

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

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

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Concluded)*

Actuarial Assumptions. (Concluded)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Annual Geometric Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed Inflation – Mean		2.6%		1.9%

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

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

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

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Tax Collector's Proportionate Share of the Net Pension Liability	$ 2,279,538	$ 879,714	$ (285,170)

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

HIS Pension Plan

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

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Continued)*

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statues. 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 $18,453 for the fiscal year ended September 30, 2015.

Pension Liabilities and Pension Expense. At September 30, 2015, the Tax Collector's proportionate share of the HIS net pension liability was $462,491. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector's proportion was .0045349%, which was an increase of .0000012 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Tax Collector's pension expense related to the HIS plan (full accrual basis) was $33,451. The Tax Collector's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $6,310 and $5,192 respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Concluded)*

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability:

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

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. 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 Tax Collector's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Tax Collector's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Tax Collector's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Tax Collector's Proportionate Share of the Net Pension Liability	$ 526,987	$ 462,491	$ 408,711

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

FRS – Defined Contribution Pension Plan

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

Note 3 - Employee Retirement Plan *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*

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

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the 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 Investment Plan pension expense totaled $8,408 for the fiscal year ended September 30, 2015.

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, 2015:

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Accrued Compensated Absences	$ 41,741	$ 57,939	$ (45,210)	$ 54,470
Net Pension Liabilities	776,988	565,217	0	1,342,205
Other Postemployment Benefits	477,841	9,941	0	487,782
Total Long-term Debt	$ 1,296,570	$ 633,097	$ (45,210)	$ 1,884,457

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 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. Governmental Accounting Standard Board Statement No. 45 calls this the "implicit rate subsidy."

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.

Percent of Direct Subsidy up to "Subsidy Base Maximum" of $547.92

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%

Note 5 - Other Postemployment Benefits *(Concluded)*

Currently, the Tax Collector has 36 active employees and three retired employees 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, 2015, totaled $487,782. 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, 2015, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 55,990	$ 0
Fiduciary:		
Agency Fund	0	55,990
Totals	$ 55,990	$ 55,990

Note 7 - Lease Agreements

Effective July 2012, a lease agreement was entered into with Pitney Bowes for a mailing system. The lease period is 60 months from July 2012 through June 2017. Lease payments are $448 per month.

In addition, a lease agreement was entered into with Canon Business Solutions for copiers and a check scanner. The lease periods range from 36 months to 48 months. Lease payments range from $92 to $250 per month.

The amount of lease payments made under these agreements during the fiscal year ended September 30, 2015, was $10,961. The future minimum lease payments are as follows:

Year Ending September 30	Amount
2016	$ 11,445
2017	10,102
2018	6,070
2019	4,762
Total	$ 32,379

The Tax Collector entered into a sublease agreement with the Florida Department of Highway Safety and Motor Vehicles for the establishment and operation of a drivers license office and an administration office. The lease period is for 35 years commencing on March 24, 2008 and ending March 23, 2043. Lease payments are $25 per month. Upon termination or expiration of this sublease, the premises and improvements are to be surrendered to the Tax Collector of Nassau County.

Note 7 - **Lease Agreements** ***(Concluded)***

The Tax Collector entered into an agreement to lease office space for a branch location in Callahan, Florida. The lease term is from March 15, 2011 through March 14, 2016. The lease agreement has an option to extend the lease for two consecutive lease years. A total of $34,109 was expended in fiscal year 2015 under this lease agreement.

Future minimum lease payments under this agreement are as follows:

Year Ending September 30	Amount
2016	$ 17,420

The Tax Collector entered into an agreement to lease office space for a branch location in Hilliard, Florida. The lease agreement requires monthly lease payments of $500 and the lease can be terminated upon sixty days' written notice by either party.

OTHER REPORTS

Purvis Gray & Company

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Nassau County, Florida, Tax Collector (the Tax Collector), as of and for the year ended September 30, 2015, and the related notes to the financial statements have issued our report thereon dated April 26, 2016, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

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

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

Purvis Gray & Company

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

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

We have examined 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, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

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Purvis Gray & Company

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, 2015, and have issued our report thereon dated April 26, 2016.

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

Other Reports
We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2016, 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
(Concluded)

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

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with the 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 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, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

PROPERTY APPRAISER

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY PROPERTY APPRAISER
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

NASSAU COUNTY PROPERTY APPRAISER
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the general fund of the Nassau County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the *Rules*, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund and the aggregate remaining fund information, where applicable, only for that portion of the major funds and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2015, and the changes in its financial position, budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015

Assets	
Cash	$ 122,288
Cash Held in Escrow	197,201
Total Assets	319,489
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	119,253
Due to Other Governments	3,035
Total Liabilities	122,288
Fund Balance	
Assigned	197,201
Total Liabilities and Fund Balance	$ 319,489

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, 2015

Revenues	
Charges for Services	$ 84,025
Interest	469
Miscellaneous	19,940
Total Revenues	104,434
Expenditures	
Current:	
General Government:	
Personal Services	1,446,792
Operating Expenditures	333,031
Public Safety:	
Personal Services	53,842
Operating Expenditures	29,773
Capital Outlay	15,800
(Total Expenditures)	(1,879,238)
(Deficiency) of Revenues (Under) Expenditures	(1,774,804)
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	2,031,557
Transfers in from Constitutional Officers	18,000
Transfers (out) to Board of County Commissioners	(119,253)
Transfers (out) to Constitutional Officers	(58,000)
Total Other Financing Sources (Uses)	1,872,304
Net Change in Fund Balance	97,500
Fund Balance, Beginning of Year	99,701
Fund Balance, End of Year	$ 197,201

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Services	$ 53,398	$ 53,398	$ 84,025	$ 30,627
Interest	0	0	469	469
Miscellaneous	0	0	19,940	19,940
Total Revenues	53,398	53,398	104,434	51,036
Expenditures				
Current:				
General Government:				
Personal Services	1,490,952	1,491,773	1,446,792	44,981
Operating Expenditures	214,166	388,366	333,031	55,335
Public Safety:				
Personal Services	59,699	59,699	53,842	5,857
Operating Expenditures	34,587	34,587	29,773	4,814
Capital Outlay	0	15,800	15,800	0
Reserves	200,000	10,000	0	10,000
(Total Expenditures)	(1,999,404)	(2,000,225)	(1,879,238)	120,987
(Deficiency) of Revenues (Under) Expenditures	(1,946,006)	(1,946,827)	(1,774,804)	172,023
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	2,004,006	2,004,827	2,031,557	26,730
Transfers in from Constitutional Officers	0	0	18,000	18,000
Transfers (out) to Board of County Commissioners	0	0	(119,253)	(119,253)
Transfers (out) to Constitutional Officers	(58,000)	(58,000)	(58,000)	0
Total Other Financing Sources (Uses)	1,946,006	1,946,827	1,872,304	(74,523)
Net Change in Fund Balance	0	0	97,500	97,500
Fund Balance, Beginning of Year	0	0	99,701	99,701
Fund Balance, End of Year	$ 0	$ 0	$ 197,201	$ 197,201

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NASSAU COUNTY PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity
Nassau County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board).

The Nassau County, Florida, Property Appraiser (the Property Appraiser), is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser. The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Nassau County, Florida.

The operations of the Property Appraiser are funded by the Board of County Commissioners, the St. Johns River Water Management District, the Amelia Island Mosquito Control District, and the Florida Inland Navigation District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation
The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports the following fund type:

- **Governmental Fund**
  - **Major Fund**
    - **General Fund—**The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

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

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.

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

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.

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: nonspendable, restricted, committed, assigned, and unassigned.

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

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

Fund Balance Reporting ***(Concluded)***
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.

New Accounting Standard
The Property Appraiser participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Property Appraiser implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 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. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - **Cash**

At September 30, 2015, the carrying amount of the Property Appraiser's deposits was $122,188 and the bank balance was $352,890. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Property Appraiser are placed with qualified financial institutions, which means they are insured or collateralized.

In addition, cash in the amount of $197,201 was held in escrow at September 30, 2015. These monies were held pursuant to a contract to purchase a new software appraisal system from a software company. The monies held in escrow will, in the future, be paid to the software company for services received or will be returned to the Property Appraiser.

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 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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Plan Description. (Concluded)
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
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

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.

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

The Property Appraiser contributions (employer) to the FRS Plan totaled $144,746 for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2015, the Property Appraiser's proportionate share of the FRS net pension liability was $777,298. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser's proportion was .006017943%, which was an increase of .000899643 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Property Appraiser expense related to the FRS plan (full accrual basis) was $121,720. The Property Appraiser's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $36,045 and $38,022, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

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

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

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

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Annual Geometric Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed Inflation – Mean		2.6%		1.9%

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

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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Concluded)*

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

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Property Appraiser's Proportionate Share of the Net Pension Liability	$ 2,014,155	$ 777,298	$ (251,970)

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

HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statues. 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 $14,510 for the fiscal year ended September 30, 2015.

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Continued)*

Pension Liabilities and Pension Expense. At September 30, 2015, the Property Appraiser's proportionate share of the HIS net pension liability was $360,797. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser's proportion was .0035378%, which was an increase of .0000010 from its proportion measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Property Appraiser's pension expense related to the HIS plan (full accrual basis) was $26,375. The Property Appraiser's pension expense, proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are recognized at the County-wide level.

Deferred Outflows of Resources Related to Pensions. Employer contributions for the quarters ended September 30, 2015 and 2014, were $4,510 and $3,524, respectively. These amounts will be included in deferred outflows as contributions subsequent to the measurement date on the County-wide statements.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2014, and recalculated as of June 30, 2015, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability:

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

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2015, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80%. 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.

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Concluded)*

Sensitivity of the Property Appraiser's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Property Appraiser's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Property Appraiser's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Property Appraiser's Proportionate Share of the Net Pension Liability	$ 411,111	$ 360,797	$ 318,842

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

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

Note 3 - Employee Retirement Plan *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*

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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

The Property Appraiser's Investment Plan pension expense totaled $3,542 for the fiscal year ended September 30, 2015.

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, 2015:

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Accrued Compensated Absences	$ 102,118	$ 109,091	$ (96,271)	$ 114,938
Net Pension Liabilities	633,345	504,750	0	1,138,095
Other Postemployment Benefits	330,813	10,635	0	341,448
Total Long-term Debt	$ 1,066,276	$ 624,476	$ (96,271)	$ 1,594,481

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.

Note 4 - Changes in Long-term Debt *(Concluded)*

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 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. GASB Statement No. 45 calls this the "implicit rate subsidy."

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" of $547.92

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 Property appraiser has 20 active employees and eight 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, 2015, totaled $341,448. 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

Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCCORDANCE 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, 2015, and the related notes to the financial statements and have issued our report thereon dated April 26, 2016, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

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

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

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

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

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

Purvis Gray & Company

INDEPENDENT ACCOUNTANTS' 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, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide 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, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

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Purvis Gray & Company

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 year ended September 30, 2015, and have issued our report thereon dated April 26, 2016.

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

Other Reports
We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards,* Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2016, 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.

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

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

MANAGEMENT LETTER
(Concluded)

Other Matters *(Concluded)*
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with the 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 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, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

SUPERVISOR OF
ELECTIONS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY SUPERVISOR OF ELECTIONS
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

NASSAU COUNTY SUPERVISOR OF ELECTIONS
NASSAU COUNTY, FLORIDA

SEPTEMBER 30, 2015

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the general fund of the Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections financial statements as listed in the table of contents.

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

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

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

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

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The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the major funds, and the aggregate remaining fund information of Nassau County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position as a whole of Nassau County, Florida as of September 30, 2015, and the changes in its financial position, budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

FINANCIAL STATEMENTS

NASSAU COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015

Assets	
Cash in Bank	$ 253,498
Accounts Receivable	27
Total Assets	253,525
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	98,359
Due to the Board of County Commissioners	152,227
Unearned Revenue	2,939
Total Liabilities	253,525
Fund Balance	0
Total Liabilities and Fund Balance	$ 253,525

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, 2015

Revenues	
Intergovernmental	$ 35,045
Miscellaneous	1,323
Total Revenues	36,368
Expenditures	
Current:	
General Government:	
Personal Services	693,462
Operating Expenditures	363,099
Capital Outlay	204,700
(Total Expenditures)	(1,261,261)
(Deficiency) of Revenues (Under) Expenditures	(1,224,893)
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	1,315,772
Transfers in from Constitutional Officers	58,000
Transfers (out) to Board of County Commissioners	(130,879)
Transfers (out) to Constitutional Officers	(18,000)
Total Other Financing Sources (Uses)	1,224,893
Net Change in Fund Balance	0
Fund Balance, Beginning of Year	0
Fund Balance, End of Year	$ 0

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental Revenue	$ 16,704	$ 37,986	$ 35,045	$ (2,941)
Miscellaneous	0	0	1,323	1,323
Total Revenues	16,704	37,986	36,368	(1,618)
Expenditures				
Current:				
General Government:				
Personal Services	826,222	693,465	693,462	3
Operating Expenditures	391,554	376,704	363,099	13,605
Capital Outlay	299,700	429,771	204,700	225,071
(Total Expenditures)	(1,517,476)	(1,499,940)	(1,261,261)	238,679
(Deficiency) of Revenues (Under) Expenditures	(1,500,772)	(1,461,954)	(1,224,893)	237,061
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	1,505,772	1,595,772	1,315,772	(280,000)
Transfers in from Constitutional Officers	18,000	18,000	58,000	40,000
Transfers (out) to Board of County Commissioners	(5,000)	(133,818)	(130,879)	2,939
Transfers (out) to Constitutional Officers	(18,000)	(18,000)	(18,000)	0
Total Other Financing Sources (Uses)	1,500,772	1,461,954	1,224,893	(237,061)
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	0
Fund Balance, End of Year	$ 0	$ 0	$ 0	$ 0

See accompanying notes to financial statements.

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, 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 Nassau County, Florida, 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 Nassau County, Florida. 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 Nassau County, Florida.

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.

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

Basis of Accounting
Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Supervisor of Elections considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

Measurement Focus
The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement
General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Capital Assets
Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the office.

Unearned Revenue
Unearned revenue represents monies received for voter education and/or poll worker grants which had not been expended at fiscal year-end. Revenue will be recognized in subsequent years when all eligibility requirements have been met.

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

Compensated Absences
The Supervisor of Elections' policy for granting employees vacation leave is based upon the number of years of employment. An employee is entitled to receive payment for such accumulated leave upon separation in good standing.

In addition, the Supervisor of Elections' policy provides that employees earn sick leave at the rate of four hours every two weeks up to a maximum of ninety days, seven hundred twenty (720) hours. Any employee who has accumulated the maximum of unused sick leave in one year shall be paid for any unused sick leave above the ninety days, seven hundred twenty (720) hours. Said payment shall be made on the first (1st) pay day of December each year.

Workers' Compensation and Group Health Insurance
The Board provided the Supervisor of Elections and her employees with workers' compensation and group health insurance coverages. The premiums for such coverages were paid by the Board and recorded on its records and, consequently, are not recorded on the Supervisor of Elections' records.

New Accounting Standard
The Supervisor of Elections participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the Supervisor of Elections implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), as required in 2015. GASB 68 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. However, these liabilities would be recorded in government-wide financial statements, which are not required in this special-purpose presentation. As such, only the applicable disclosures required by GASB 68 have been presented herein. In addition, the cost-sharing multiple-employer plans mentioned above operate on a fiscal year ended June 30 (see Note 3 for additional disclosures regarding the plan).

Note 2 - **Cash**

At September 30, 2015, the carrying amount of the Supervisor of Elections' cash balance, as recorded on the Board's records, was $253,498. Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits are placed with qualified financial institutions, which means they are insured or collateralized.

Note 3 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The 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 nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The Supervisor of Elections' contributions to the plan for the years ended September 30, 2015, 2014, and 2013, were $84,422, $81,231, and $45,029, respectively, equal to the required contributions for each year. The net pension liability for the Supervisor of Elections is not calculated separately but is reported as part of the County's total net pension liability and shown in the countywide statement of net position for Nassau County, Florida.

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 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.

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Continued)*

Plan Description. (Concluded)
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
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

Note 3 - Employee Retirement Plan *(Continued)*

FRS Pension Plan *(Concluded)*

Benefits Provided. (Concluded)
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 2014-2015 fiscal year were as follows:

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

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

HIS Pension Plan

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

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

Note 3 - Employee Retirement Plan *(Continued)*

HIS Pension Plan *(Concluded)*

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, 2016 and 2015, the contribution rates were 1.66% and 1.26% of payroll respectively, pursuant to Section 112.363, Florida Statues. The Supervisor of Elections contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. 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 contributions rates that are based on salary and membership class (Regular Class, Elected County Officer, 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.

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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

Note 3 - Employee Retirement Plan *(Concluded)*

FRS – Defined Contribution Pension Plan *(Concluded)*

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.

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, 2015:

	Balance October 1, 2014	Additions	(Deletions)	Balance September 30, 2015
Accrued Compensated Absences	$ 35,302	$ 30,171	$ (43,287)	$ 22,186
Other Postemployment Benefits	110,271	11,675	0	121,946
Total Long-term Debt	$ 145,573	$ 41,846	$ (43,287)	$ 144,132

Accrued compensated absences represent the vested portion of accrued vacation leave. See Note 1 for a summary of the Supervisor of Elections' compensated absences policy.

The Supervisor of Elections' long-term debt is not recorded in the accompanying financial statements but is recorded in the statement of net assets as part of the basic financial statements of the County.

Other Postemployment Benefits (OPEB) represents the portion of the liability based upon current and retired employees of the Supervisor of Elections. See Note 5 for a description of OPEB.

Note 5 - Other Postemployment Benefits

The 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. Governmental Accounting Standard Board Statement No. 45 calls this the "implicit rate subsidy."

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.

Note 5 - Other Postemployment Benefits *(Concluded)*

Percent of Direct Subsidy up to "Subsidy Base Maximum" of $547.92

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 Supervisor of Elections has eight active employees and two retired employees who are considered participants in the plan for purposes of computing the OPEB obligation. The Supervisor of Elections' portion of the OPEB obligation at September 30, 2015, totaled $121,946. This liability will be included in long-term liabilities in the County-wide financial statements. Details of the annual cost, the accrued obligation, and the other required disclosures can be found in the County-wide annual financial report.

Note 6 - Operating Lease

The Supervisor of Elections' office entered into an operating lease agreement with Pitney Bowes in September 2012 for the lease of a mailing system. The lease provides for 20 quarterly payments of $1,128. The lease is for 60 months and total lease payments of $4,512 were made during the fiscal year ended September 30, 2015.

The future minimum lease payments for the mailing system are as follows:

Year Ending September 30	Amount
2016	$ 4,512
2017	4,512
2018	2,256
Total	$ 11,280

OTHER REPORTS

Purvis Gray & Company

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

The Honorable Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Nassau County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2015, and the related notes to the financial statements and have issued our report thereon dated April 26, 2016, which was modified to state that the financial statements are not intended to be a complete presentation of Nassau County, Florida, as a whole.

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 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 Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

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

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

Purvis Gray & Company

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

The Honorable Vicki P. Cannon
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, 2015, 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 and, accordingly, included examining, on a test basis, evidence about the Supervision of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervision 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, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida

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Purvis Gray & Company

MANAGEMENT LETTER

The Honorable Vicki P. Cannon
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, 2015, and have issued our report thereon dated April 26, 2016.

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

Other Reports
We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 26, 2016, 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 Vicki P. Cannon
Nassau County Supervisor of Elections
Nassau County, Florida

MANAGEMENT LETTER
(Concluded)

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

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with the 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 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, 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.

Purvis, Gray and Company, LLP

April 26, 2016
Gainesville, Florida