

BOND PURCHASE AGREEMENT

September 21, 1992

Board of County Commissioners
Nassau County, Florida
Fernandina Beach, Florida

Re: \$9,985,000 Nassau County, Florida
Optional Gas Tax Revenue Refunding Bonds,
Series 1992

Gentlemen:

Raymond James & Associates, Inc. (the "Underwriter"), hereby furnishes you (the "County") a disclosure statement, as required by Section 218.385, Florida Statutes, and attached as Exhibit A; and hereby offers to purchase all of the above-captioned Bonds from the County and to make a public offering of the Bonds, subject to the acceptance of this proposal by the County on or before 12:00 o'clock midnight local time then prevailing in Nassau County, Florida, on September 21, 1992, and the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Bond Purchase Agreement unless another meaning is plainly intended:

(a) "Accountant" means Farmand, Farmand & Farmand, P.A., independent certified public accountants.

(b) "Board" means the Board of County Commissioners of Nassau County, Florida.

(c) "Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

(d) "Bond Insurance Policy" means, collectively, the policy of municipal bond insurance and Reserve Account surety policy issued by Financial Guaranty Insurance Company, New York, New York, with respect to the Bonds.

(e) "Bonds" means \$9,985,000 Nassau County, Florida, Optional Gas Tax Revenue Refunding Bonds, Series 1992. The Bonds shall be issued under and secured as provided in the Resolution and shall have the maturities and interest rates and be subject to redemption as set forth in Exhibit B.

(f) "Closing" refers to the transaction at which the Bonds are delivered by the County to the Underwriter, and paid for by the Underwriter, pursuant to this Bond Purchase Agreement.

(g) "Closing Documents" means the documents described in Section 10 hereof and required to be delivered to the Underwriter at the Closing.

(h) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(i) "Comfort and Consent Letters" means the letters from the Accountant to the Board and the Underwriter, in substantially the form attached hereto as Exhibit C.

(j) "County" means Nassau County, Florida, a political subdivision of the State of Florida.

(k) "County's Counsel" means the County Attorney, presently Michael S. Mullin.

(l) "DTC" means The Depository Trust Company.

(m) "Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated as of September 1, 1992, between the County and Barnett Banks Trust Company, N.A., Jacksonville, Florida.

(n) "Final Official Statement" means the Official Statement of the County, relating to the Bonds, in substantially the form attached hereto as Exhibit D, with such changes as shall be approved by the Underwriter, to be delivered pursuant to Section 6 hereof.

(o) "Official Statement" means, collectively, the Preliminary Official Statement and the Final Official Statement.

(p) "Ordinance" means Ordinances Nos. 86-8 and 87-29, as amended, authorizing the County's Local Option Gas Tax (as described in the Official Statement).

(q) "Preliminary Official Statement" means the Preliminary Official Statement of the County, dated September 15, 1992, including the cover page and appendices thereto, related to the Bonds.

(r) "Reserve Agreement" means the Debt Service Reserve Fund Policy Agreement, dated as of September 1, 1992, between the County and Financial Guaranty Insurance Company.

(s) "Resolution" means the resolution of the Board, adopted by the Board on January 12, 1988, as amended and supplemented, and particularly as amended and supplemented by Resolution No. 92-132, adopted by the Board on September 14, 1992, authorizing the issuance of the Bonds.

(t) "Underwriter" means Raymond James & Associates, Inc., and such other securities dealers, if any, as may from time to time be designated by the Underwriter.

(u) "Underwriter's Counsel" means Squire, Sanders & Dempsey, Jacksonville, Florida.

Any capitalized term not defined herein shall be ascribed the meaning set forth by the Resolution and/or the Official Statement.

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements herein set forth, the Underwriter shall purchase and the County shall sell all, but not less than all, of the Bonds at an aggregate purchase price of \$9,797,866.45 plus accrued interest thereon from September 1, 1992, to the date of Closing. The discount of \$187,133.55 represents an underwriting discount of \$114,827.50 and an original issue discount of \$72,306.05.

Section 3. Public Offering. The Underwriter shall make a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in the Final Official Statement, plus accrued interest on the Bonds. The Underwriter represents that, based on prevailing market conditions, it has no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown on the cover of the Final Official Statement, plus accrued interest. The Underwriter shall sell at least 10% of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Final Official Statement, or in the case of discount obligations sold on a yield basis, at yields no lower than the yields shown on such cover, plus accrued interest on the Bonds. The Underwriter reserves the right to change such public offering prices as the Underwriter deems necessary in connection with the marketing of the Bonds.

Section 4. Good Faith Check. Delivered to the County herewith is a corporate check (the "Good Faith Check") payable to the order of the County in the amount of \$100,000 as security for the performance by the Underwriter of its obligations to accept and pay for the Bonds on the date of the Closing referenced in Section 8 hereof (the "Closing Date"), in accordance with the provisions hereof. The County shall hold such check uncashed until the Closing Date. In the event of the Underwriter's compliance with its obligations hereunder, the Good Faith Check shall be returned to the Underwriter on the Closing Date upon payment to the County, as provided in Section 8 hereof, of the purchase price of the Bonds. In the event of the County's failure to deliver the Bonds on the Closing Date, or if the County shall be unable on the Closing Date to satisfy the conditions to the obligations of the Underwriter contained herein, or if the

obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, the Good Faith Check shall be immediately returned to the Underwriter. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the County on the Closing Date as herein provided, the Good Faith Check shall be retained by the County as and for full liquidated damages to the County for such failure, and not as a penalty.

Section 5. Representations, Warranties, Covenants and Agreements of County. The County represents, warrants, covenants and agrees with the Underwriter that: (a) Between the date of this Bond Purchase Agreement and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Bonds and private activity bonds for which no funds of the County are pledged for the payment thereof; (b) between the date of this Bond Purchase Agreement and the time of Closing, the County will not amend, modify, supplement or repeal either the Ordinance or the Resolution without the prior consent of the Underwriter; (c) the County is a political subdivision of the State of Florida, duly organized and validly existing under the constitution and laws of the State of Florida; (d) the County has full legal right, power and authority to: (i) enter into this Bond Purchase Agreement, the Reserve Agreement and the Escrow Deposit Agreement, (ii) adopt the Ordinance and the Resolution, (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein, (iv) use the proceeds of the Bonds for the purposes specified by the Ordinance and the Resolution, (v) provide for the repayment of the Bonds in the manner specified by the Ordinance and the Resolution, and (vi) carry out and consummate the transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Resolution and the Official Statement; and the County has complied, and at the Closing will be in compliance, in all respects with the terms of the Act and with the obligations on its part in connection with the issuance of the Bonds contained in the Ordinance, the Resolution, the Bonds and this Bond Purchase Agreement; (e) at the time of Closing, the County will be in compliance in all respects with the covenants and agreements contained in the Resolution, and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute a default or an event of default under the Ordinance and the Resolution will have occurred or be continuing; (f) all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder or under the Ordinance and the Resolution have been obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the "blue sky" or securities law or legal investments law of any state in connection with the offering and sale of the Bonds, or in connection with the registration of the Bonds under the federal securities laws; (g) distributions of the Local Option Gas Tax between the County and the municipalities within Nassau County, Florida, are made in

accordance with Section 336.025(4), Florida Statutes, and as described in the Official Statement; (h) the Pledged Funds are lawfully pledged for payment of the principal of, redemption premium, if any, and interest on the Bonds; (i) since December 31, 1975, the County has not been in default on any bonds or other debt obligations of the County; (j) on the date hereof, the statements and information contained in the Final Official Statement are, and on the Closing Date the statements and information contained in the Final Official Statement will be, true and complete in all material respects, and the Final Official Statement did not as of its date, and will not on the Closing Date, omit any statement or information which is necessary to make the statements and information therein, in light of the circumstances under which they are made, not misleading; (k) the Preliminary Official Statement did not as of its date, and the Final Official Statement will not as of the Closing Date, omit any information with respect to the County or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions described by the Final Official Statement; (l) the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as of its date, except for omission of not more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date and other terms depending on such matters; (m) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special obligations of the County of the character referred to in the Final Official Statement, in conformity with, and entitled to the benefit and security of, the Ordinance and the Resolution; (n) the execution and delivery of this Bond Purchase Agreement, the Escrow Deposit Agreement and the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party, or any existing law, administrative regulation, court order or consent decree to which the County is subject; (o) subsequent to the date of the last audited financial statements of the County contained in the Final Official Statement, there have been no material adverse changes in the assets, liabilities or condition of the County, financial or otherwise, except as disclosed in or contemplated by the Final Official Statement, and neither the business, nor the properties, nor the affairs of the County have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of any public enemy; (p) the County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certificates may not be relied upon; (q) there is no litigation pending or, to the County's knowledge, threatened to restrain or

enjoin the issuance or delivery of the Bonds or in any way contesting or affecting the Pledged Funds or any authority for the issuance of the Bonds, or the validity of the Bonds, the Ordinance, the Resolution, or this Bond Purchase Agreement, or in any way contesting the existence or the powers of the County; and (r) except as disclosed in the Final Official Statement, there is no litigation pending or, to the County's knowledge, threatened against or affecting the County or involving any of the businesses, properties or affairs of the County which concerns the possibility of any judgment or liability which may result in any material adverse change in the properties, businesses or assets or in the condition, financial or otherwise, of the County, other than routine litigation of the type which normally accompanies operations of the County.

Section 6. Final Official Statement; Public Offering.

The County shall prepare, and shall deliver, or cause to be delivered, to the Underwriter within 7 business days after the acceptance by the County of this Bond Purchase Agreement, and within time to accompany any sale confirmations of the Underwriter for the Bonds, a reasonable number of copies, not to exceed 500, of the Final Official Statement, in form and substance satisfactory to the Underwriter and the County, executed on behalf of the County by the Chairman and Clerk of its Board of County Commissioners. In determining whether the number of copies to be delivered by the County are reasonably necessary, at a minimum the number shall be sufficient to enable the Underwriter to comply with the requirements of Rule 15c2-12, all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and to fulfill its duties and responsibilities under Florida and federal securities laws, generally. The County agrees that the Preliminary Official Statement, the Final Official Statement and copies of the Ordinance, the Resolution and comparative financial statements prepared by or on behalf of the County may be used by the Underwriter in the public offering of the Bonds, and that it will cooperate with the Underwriter if the Underwriter decides to qualify the Bonds under the securities acts of any state; provided, however, the County shall not be required to register as a dealer or broker in any such state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state.

The Underwriter agrees to file the Final Official Statement with a Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which has been so designated by the Securities and Exchange Commission pursuant to Rule 15c2-12, and with the MSRB (accompanied by a completed form G-36), not later than 2 business days after the Closing, and will furnish the County the name and address of the NRMSIR receiving a copy. The filing of the Final Official Statement with a NRMSIR shall be in accordance with the terms and conditions applicable to such NRMSIR. The County hereby agrees and covenants, to the extent required by law, to file with each NRMSIR and the MSRB a copy of

the County's Board of County Commissioner's Audited General Purpose Financial Statements and its Comprehensive Annual Financial Report, if one is prepared, during the term of the Bonds.

Section 7. Comfort and Consent Letters. The County will cause the Comfort and Consent Letters to be dated and delivered to the Underwriter on the date of Closing.

Section 8. Closing, Delivery and Payment. The Bonds shall be printed or reproduced in definitive form as fully registered Bonds in the denominations of the aggregate par amount of each maturity and shall be made available to DTC, 55 Water Street, New York, New York, which shall act as securities depository for the Bonds, not less than one business day prior to the Closing. The Underwriter may inspect the Bonds at DTC prior to the Closing.

The Closing shall be held beginning at 9:00 a.m., September 29, 1992, at the offices of William R. Hough & Co., Jacksonville, Florida, or at such later time and other place as is mutually agreeable to the Underwriter and the County. At the Closing, the Underwriter shall accept the delivery of the Bonds from the County and shall make payment therefor in federal funds upon delivery by the County to the Underwriter of all the Closing Documents.

Section 9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the County herein contained, and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriter under this Bond Purchase Agreement are and shall be subject to the following conditions:

(a) The representations, warranties, covenants and agreements of the County contained herein shall be true and correct and complied with as of the date hereof and as of the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, the Ordinance and the Resolution shall be in full force and effect in accordance with their respective terms, and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, all official action of the County relating to this Bond Purchase Agreement, the Official Statement and the Bonds shall be in full force and effect in accordance with their respective terms, and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriter.

(d) At or prior to the date of the Closing, the Underwriter shall receive all of the documents described in Section 10 hereof.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Bond Purchase Agreement, and the Underwriter does not waive such inability in writing, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, then the Underwriter shall not be under any further obligation hereunder, except that the obligations of the Underwriter set forth in Section 14 hereof shall continue in full force and effect and the County shall return the Good Faith Check.

Section 10. Closing Documents. The Closing Documents shall consist of the following, each properly executed, certified or otherwise verified, dated as of the Closing Date, and in such form as may be satisfactory to Bond Counsel, the Underwriter and Underwriter's Counsel, including, but not limited to, the matters hereinafter set forth:

(a) Certified copies of the Resolution and the Ordinance.

(b) The Final Official Statement, as printed, and any supplements, amendments or modifications, if any, thereto, executed on behalf of the County by the Chairman of the Board and the ex officio Clerk of the Board.

(c) A copy of the Bond Insurance Policy.

(d) The County's closing certificate(s), signed by the Chairman of the Board and ex-officio Clerk of the Board, confirming (i) the representations made by the County herein; (ii) the application of the proceeds of the sale of the Bonds and certain other amounts as described in the Final Official Statement; (iii) the adoption and present effectiveness of all resolutions and ordinances considered necessary, in the opinion of Bond Counsel, in connection with the transactions described herein, together with certified copies of such resolutions and ordinances to the extent not furnished in accordance with Section 10(a) above; and (iv) that the Ordinance and the Resolution have not been amended since the date of this Bond Purchase Agreement, except as may have been consented to in writing by the Underwriter.

(e) The final approving opinion of Bond Counsel, dated the date of Closing, substantially in the form attached to the Final Official Statement as Appendix D thereto.

(f) A supplemental opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter to the effect that the Underwriter may rely on the opinion of Bond Counsel described in Section 10 (e) above as if such opinion was addressed to it.

(g) A supplemental opinion of Bond Counsel, dated the date of Closing, addressed to you and to the Underwriter, to the effect that, (i) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof by the Underwriter; (ii) this Bond Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the Underwriter) constitutes a legal, valid and binding agreement of the County in accordance with its terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and the exercise of judicial discretion; (iii) the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended; (iv) they have reviewed statements contained in the Official Statement under the captions "INTRODUCTION," "PURPOSE OF THE BONDS," "REFUNDING PROGRAM," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "FLOW OF FUNDS," "LEGALITY," "Appendix D - Form of Bond Counsel Opinion" and "APPENDIX C - Copy of Bond Resolution" (collectively, the "Document Summaries"), and on the cover page thereof relating to their opinion and therein under the heading "TAX EXEMPTION"; (v) the Document Summaries (insofar as such statements constitute a summary of certain provisions of the Ordinance, the Resolution, the Bonds and the Escrow Deposit Agreement) and the information on the cover page relating to their opinion and under the caption "TAX EXEMPTION" are true and correct in all material respects; (vi) in reliance upon the verification report referred to under subparagraph (q) of this Section, the lien upon the Pledged Funds in favor of the holders of the Refunded Bonds has been extinguished; (vii) all approvals, consents, authorization and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the Ordinance, the Resolution and the Bonds have been obtained and are in full force and effect; and (viii) the County is lawfully empowered to grant a pledge of and lien upon the Pledged Funds to pay debt service on the Bonds.

(h) An opinion of Bond Counsel, dated the date of Closing, addressed to you and to the Underwriter, in form and substance acceptable to the Underwriter, as to the federal tax effects of any original issue discount on the Bonds.

(i) An opinion of the County's Counsel, addressed to you and to the Underwriter, to the effect that (i) the County is a political subdivision of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Bond Purchase Agreement; (ii) this Bond Purchase Agreement, the Escrow Deposit Agreement, the Reserve Agreement and the Bonds have been duly authorized, executed and delivered by the County and constitute legal, valid and binding special obligations of the County enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally (but no opinion need be expressed as to the availability of any discretionary equitable remedy); (iii) the County has approved the Final Official Statement and the execution and delivery of the Final Official Statement to the purchasers of the Bonds; (iv) the execution and delivery of the Bonds, this Bond Purchase Agreement and, the adoption of the Ordinance and the Resolution and the issuance of the Bonds pursuant to the Ordinance and the Resolution and compliance with the provisions of the Ordinance and the Resolution under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any existing law, regulation, court order or consent decree to which the County is subject; (v) nothing has come to his attention which would lead him to believe that the Final Official Statement (with the exception of financial and statistical information therein, and information contained therein with respect to Financial Guaranty Insurance Company) contains an untrue statement of a material fact, or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (vi) no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, this Bond Purchase Agreement or the Escrow Deposit Agreement, or in any way contesting the corporate existence or the powers of the County; (vii) except as may be disclosed in the Final Official Statement, no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County or involving any of the business, property or affairs of the County which involves the possibility of any judgment or liability which may result in any material adverse change in the properties, business, assets or in the condition, financial or otherwise, of the County; (viii) the County has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transactions described herein; and (ix) the issuance and sale of the Bonds to the Underwriter will not be subject to any transfer, documentary stamp or other excise taxes of the State of Florida or any political subdivision thereof.

(j) The opinion of Underwriter's Counsel, dated the date of Closing, in substantially the form attached hereto as Exhibit E.

(k) A copy of all historical financial statements included in the Final Official Statement, together with the report issued in connection therewith, manually signed by the Accountant and the Accountant's consent to the use of its report in the Final Official Statement and to the references to it therein; and its Comfort and Consent Letters.

(l) Appropriate arbitrage certifications and tax covenants by the County in form and substance satisfactory to Bond Counsel.

(m) Appropriate evidence that the Bonds have been assigned ratings of "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Corporation and Fitch Investors Service, Inc.

(n) An executed copy of the Escrow Deposit Agreement and the Registrar and Paying Agent Agreement.

(o) An opinion of counsel to the Bond Insurer in form and substance satisfactory to the Underwriter.

(p) A certificate of the financial advisor to the County, to the effect that nothing has come to its attention which would lead it to believe that the Official Statement, as of the date thereof and hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to be included therein in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

(q) A verification report of a firm acceptable to the Underwriter showing the sufficiency of the escrow to pay the Refunded Bonds, as defined in the Resolution, and supporting the conclusion that the refunding aspects of the Bonds will not cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

(r) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the County with legal requirements; the truth and accuracy, as of the date of Closing, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by the County of all agreements to be performed by it and all conditions to be satisfied by it at or prior to the Closing.

Section 11. Termination by Underwriter. This Bond Purchase Agreement may be terminated prior to the Closing by the Underwriter, if any of the following shall occur subsequent to the execution hereof: (i) the signed Final Official Statement shall not have been provided within the time required by this Bond Purchase Agreement; (ii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriter, and the escrow securities shall not have been delivered to the escrow holder as required by the Escrow Deposit Agreement, by 12:00 noon, local time then prevailing in New York, New York, on the date of the Closing; (iii) (a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee or such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the United States Department of the Treasury, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or reasonably implies that interest on the Bonds may not be excludable from gross income for federal income tax purposes, or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (x) imposing federal income taxation upon interest to be received by any holders of the Bonds or (y) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933, or the Ordinance or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (iv) there shall exist any event or circumstance which, in the opinion of the Underwriter, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in a material respect; (v) there shall have occurred any outbreak of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as in the opinion of the Underwriter, would make it impracticable for the Underwriter to sell the Bonds; (vi) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (vii) in the judgment of the Underwriter the market price of the Bonds, or the market price generally of

obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or (viii) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force.

Section 12. Termination by County. In the absence of a termination of this Bond Purchase Agreement by the Underwriter as permitted by Section 11 hereof, this Bond Purchase Agreement may be terminated by the County in the event that the Underwriter shall fail to accept delivery and pay the purchase price of the Bonds at the Closing, upon tender thereof to the Underwriter by the County and delivery to the Underwriter of all of the Closing Documents.

Section 13. Changes Affecting the Final Official Statement After the Closing. After the Closing, and so long as the Underwriter or any participating dealer shall be offering Bonds which constitute the whole or a part of their unsold participations, but in no event later than 90 days after the Closing, the County will not adopt any amendment of or supplement to the Final Official Statement except with the written consent of the Underwriter, which consent shall not be unreasonably withheld; and during such period of time, if any event relating to or affecting the County shall occur, the result of which shall make it necessary, in the reasonable opinion of (i) the County and (ii) the Underwriter or Underwriter' Counsel, to amend or supplement the Final Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the County shall forthwith prepare and furnish to the Underwriter, at the County's expense, a reasonable number of copies, not to exceed 500, of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Underwriter (and file, or cause to be filed, the same with each NRMSIR having the Final Official Statement on file), so that it then will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading. The County will promptly notify the Underwriter of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Bonds are hereinafter included within the term "Official Statement."

Section 14. Expenses. The Underwriter shall pay its own out-of-pocket expenses, the fees and expenses of Underwriter's Counsel and the fees and expenses in connection with the preparation of any legal investment memorandum and/or blue sky survey, and the registration of the Bonds for "Blue Sky" purposes.

The County shall pay all of the other costs and expenses in connection with the financing contemplated by this Bond Purchase Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel and the County's Counsel, and the expenses of the County, if any; (ii) fees and expenses incurred for filing and the preparation of the Comfort and Consent Letters, and the fees and expenses of any other experts or consultants; (iii) the cost of preparation and printing of the Bonds; (iv) the cost of printing and duplication for the Preliminary Official Statement and Final Official Statement and any amendments or supplements thereto; (v) bond rating agency fees; and (vi) an amount equal to one day's accrued interest on the Bonds, payable to the Underwriter, for each day that the Closing is delayed from the agreed Closing date due to the failure of the financial advisor to the County to provide the escrow securities, as described in the Escrow Deposit Agreement, in sufficient time to accomplish the Closing by 12:00 noon on the agreed Closing date, provided however such amount shall not exceed the total underwriter's discount set forth in Section 2 herein.

Section 15. Notices. Any notice or other communication to be given to the County under this Bond Purchase Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter at 1405 N.W. 13th Street, Gainesville, Florida 32601, Attention: Stanley L. Livengood, V.P.-Public Finance.

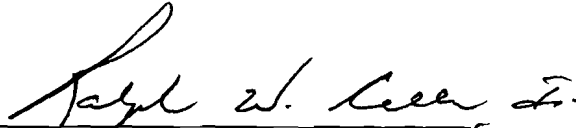
Section 16. Parties and Interests; County's Undertakings; Survival of Representations, Warranties, Covenants and Agreements. This Bond Purchase Agreement is made solely for the benefit of the County and the Underwriter, including the successors and assigns of the Underwriter, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 12 hereof. All representations, warranties, covenants and agreements by the County in this Bond Purchase Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds.

Section 17. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in its sole discretion, and the approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referenced herein shall be in writing, signed by an appropriate officer of the Underwriter and delivered to you.

Section 18. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which be regarded as an original and all of which shall constitute one and the same document.


Section 19. Governing Law. This Bond Purchase Agreement, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriter with respect to the purchase and sale of the Bonds, and shall be governed by and construed in accordance with the laws of the State of Florida.

RAYMOND JAMES & ASSOCIATES, INC.

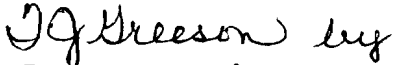
By: 
Vice President

Accepted by the Board of
County Commissioners of
Nassau County, Florida
on September 21, 1992

(SEAL)

By: 
Chairman of the Board of
County Commissioners of
Nassau County, Florida

ATTEST:

 by
Joanna Cason D.C.
Clerk of the Circuit Court,
ex officio Clerk of the
Board of County Commissioners
of Nassau County, Florida

Approved as to Form and
Correctness:

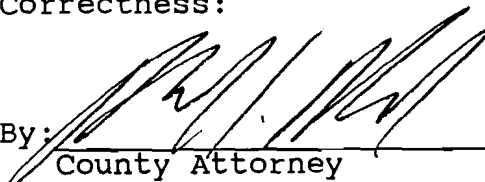
By: 
County Attorney

Exhibit A

September 21, 1992

Board of County Commissioners
of Nassau County, Florida

Re: Nassau County, Florida, Optional Gas Tax Revenue
Refunding Bonds, Series 1992

Gentlemen:

In connection with the proposed issue by Nassau County, Florida (the "County"), of \$9,985,000 original aggregate principal amount of its Optional Gas Tax Revenue Refunding Bonds, Series 1992, referred to above (the "1992 Bonds"), Raymond James & Associates, Inc. (the "Underwriter"), is underwriting a public offering of the 1992 Bonds. Arrangements for underwriting the 1992 Bonds will include a Bond Purchase Agreement (the "Purchase Contract") between the County and the Underwriter, which will embody the terms in respect thereof.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, the following information with respect to the 1992 Bonds:

1. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the purchase and reoffering of the 1992 Bonds are as set forth below:

Underwriter's Expenses

Per \$1,000

Breakdown of Underwriting Spread:

| | |
|----------------|-------------|
| Management Fee | \$1.50 |
| Risk | 1.00 |
| Takedown | 5.80 |
| Expenses | <u>3.20</u> |
| Total Spread | \$11.50 |

Expenses:

| | |
|-----------------------------------|------------|
| Federal funds, DTC and clearance | .35 |
| MSRB, PSA, CUSIP | .09 |
| Underwriter's Counsel | 1.50 |
| Travel, closing and miscellaneous | .50 |
| Advertising and DALNET | .26 |
| Structuring expense | <u>.50</u> |

| | |
|----------------|---------------|
| Total Expenses | <u>\$3.20</u> |
|----------------|---------------|

2. No person has entered into an understanding with the Underwriter, or to the knowledge of the Underwriter, with the County, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the 1992 Bonds.

3. The underwriting spread, the difference between the price at which the 1992 Bonds will be initially offered to the public by the Underwriter and the price to be paid to the County of the 1992 Bonds, exclusive of accrued interest in both cases, will be \$11.50 per \$1,000 of 1992 Bonds.

4. No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issue of the 1992 Bonds, to any person not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriter in Paragraph 1 above.

5. The name and address of the Underwriter is:

Raymond James & Associates, Inc.
1405 N.W. 13th Street
Gainesville, Florida 32601

6. Additionally, for purposes of Section 218.385(2) and (3), Florida Statutes, the Underwriter submits the following truth-in-bonding statement with respect to the 1992 Bonds:

(a) The County is proposing to issue \$9,985,000 of debt or obligation (herein, the "1992 Bonds") for the purpose of refunding certain outstanding obligations of the County. This debt or obligation is expected to be repaid over a period of 17.5 years. At the interest rates set forth in the Purchase Contract (5.8051% NIC rate), total interest paid over the life of the debt or obligation will be \$5,508,597.78.

(b) The source of repayment or security for the 1992 Bonds is the six cent local option gas tax of the County upon motor fuel and other fuel sold in the County, levied, collected and distributed in accordance with the provisions of Chapter 206 and Section 336.025, Florida Statutes, and certain funds and accounts established by the resolution, as amended and supplemented, authorizing the issuance of the 1992 Bonds. Authorizing this debt will not result in any adverse change in the amount of County money available to finance the other services of the County each year.

We understand that you do not require any further disclosure from the Underwriter pursuant to Section 218.385(6), Florida Statutes.

Very truly yours,

RAYMOND JAMES & ASSOCIATES,
INC.

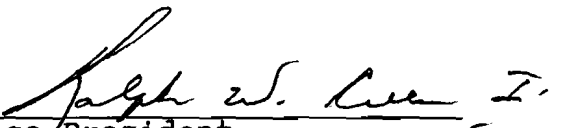
By: 
Vice President

Exhibit B

\$9,985,000 Nassau County, Florida, Optional Gas Tax Revenue Refunding Bonds, Series 1992, maturing on March 1 in the years and amounts, bearing interest and subject to redemption prior to their stated dates of maturity as follows:

| <u>Years</u> | <u>Amounts</u> | <u>Interest Rates</u> |
|--------------|----------------|-----------------------|
| 1993 | \$ 170,000 | 3.00% |
| 1994 | 425,000 | 3.50 |
| 1995 | 435,000 | 4.00 |
| 1996 | 455,000 | 4.40 |
| 1997 | 475,000 | 4.60 |
| 1998 | 495,000 | 4.80 |
| 1999 | 520,000 | 5.00 |
| 2000 | 550,000 | 5.10 |
| 2001 | 570,000 | 5.25 |
| 2002 | 605,000 | 5.35 |
| 2003 | 635,000 | 5.50 |
| 2004 | 670,000 | 5.60 |
| 2005 | 710,000 | 5.70 |
| 2006 | 750,000 | 5.80 |
| 2009 | 2,520,000 | 6.00 |

Optional Redemption

Bonds or portions thereof maturing in the years 1993 through 2002, inclusive, are not subject to optional redemption prior to their respective dates of maturity. The Bonds or portions thereof maturing in the year 2003 and thereafter are subject to redemption at the option of the County, on and after March 1, 2002, in whole at any time or in part on any interest payment date, in such manner as shall be determined by the County and by lot within a maturity, at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the date of redemption:

| <u>Redemption Period</u> <u>(Both Dates Inclusive)</u> | <u>Redemption Price</u> |
|-----------------------------------------------------------|-------------------------|
| March 1, 2002, through February 28, 2003 | 102% |
| March 1, 2003, through February 29, 2004 | 101 |
| March 1, 2004, and thereafter | 100 |

Mandatory Redemption

The Bonds maturing on March 1, 2009, are subject to mandatory redemption prior to maturity, in part by lot on March 1 in the years and amounts set forth below, at a redemption price of par plus accrued interest thereon to the date fixed for redemption:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|
| 2007 | \$790,000 |
| 2008 | 840,000 |
| 2009* | 890,000 |

*Maturity

Exhibit C

[on letterhead of Farmand, Farmand & Farmand, P.A.]

September 29, 1992

TO: Board of County Commissioners
of Nassau County, Florida

Raymond James & Associates, Inc.,
as Underwriter
Gainesville, Florida

Squire, Sanders & Dempsey
as Underwriter's Counsel
Jacksonville, Florida

Gentlemen:

We have audited the General Purpose Financial Statements of the Board of County Commissioners of Nassau County, Florida (the "County"), as of and for the fiscal year ended September 30, 1991, included in the Official Statement dated September 14, 1992 (the "Official Statement"), for the \$9,985,000 Nassau County, Florida, Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Bonds").

In connection with the Official Statement:

1. We are independent certified public accountants with respect to the the County within the meaning of Rule 101 of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

2. On March __, 1992, we issued our Report of Independent Certified Public Accountants, relating to our audit of the General Purpose Financial Statements of the County, as of September 30, 1991 (the "Report").

3. We have not audited any financial statements of the County as of any date or for any period subsequent to September 30, 1991. Although we have conducted an audit for the year ended September 30, 1991, the purpose (and, therefore, the scope) of the audit was to enable us to express our opinion on the financial statements as of September 30, 1991, and for the year then ended, but not on the financial statements of the County for any interim period subsequent to that fiscal year.

4. For purposes of this letter, we have read the 1991 and 1992 (both calendar years) minutes of meetings of the Board of County Commissioners of the County as set forth in the minutes books on September __, 1992. Officials of the County advised us that the minutes of all such meetings through that date were set forth therein, and we have carried out other procedures to September __, 1992 as follows:

With respect to the period from September 30, 1991, to September __, 1992, we have:

- a. Read the unaudited combined balance sheet of the Board of County Commissioners of the County as of September __, 1992, and related unaudited combined statement of revenues, expenditures, and changes in fund balances, and the unaudited combined statement of assets and liabilities; officials of the County having advised us that no such financial statements as of any date or for any period subsequent to September __, 1992, were available.
- b. Made inquiries of certain officials of the County who have responsibility for financial and accounting matters regarding whether the unaudited combined financial statements of the County described in (a) above were prepared in conformity with generally accepted governmental accounting principles, applied on a basis substantially consistent with that of the audited combined General Purpose Financial Statements included in the Official Statement.

The foregoing procedures do not constitute an audit conducted in accordance with generally accepted auditing standards. Also, they would not necessarily reveal matters of significance with respect to the comments in the following paragraph. Accordingly, we make no representations regarding the sufficiency of the foregoing procedures for your purposes.

5. Nothing came to our attention as a result of the foregoing procedures that caused us to believe that the unaudited combined financial statements of the County referred to in paragraph 3. above are not in conformity with generally accepted governmental accounting principles, applied on a basis substantially consistent with that of the audited combined financial statements.

6. County officials have advised us that no financial statements as of any date or for any period subsequent to September __, 1992, are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after September __, 1992, have, of necessity, been even more limited than those with respect to the periods described in paragraph 3. above. We have made inquiries of certain County

officials who have responsibility for financial and accounting matters regarding whether:

a. there was any change as of September __, 1992, in the long-term debt of the County or any decreases in the total current assets or net assets as compared with amounts shown on the September 30, 1991, General Purpose Financial Statements included in the Official Statement; or

b. for the period from September 30, 1991, to September __, 1992, there were any decreases as compared with the corresponding period in the preceding year, in the excess of revenues over expenditures.

On the basis of these inquiries and our reading of the minutes as described in paragraph 3., nothing came to our attention that caused us to believe that there was any such change or decrease, except in all instances for changes or decreases that the Official Statement discloses have occurred or may occur.

7. We hereby consent to the inclusion of the Report as Appendix B to the Official Statement, and the reference to us as the County's independent certified public accounting firm for its fiscal years ended September 30, 1991, and 1992.

8. This letter is solely for the information of the addressees and to assist the Underwriter and its counsel in conducting and documenting its investigation of the affairs of the County in connection with the offering of the Bonds covered by the Official Statement; and it is not to be used, circulated, quoted or otherwise referred to within or without the underwriting group for any other purpose, including, but not, limited to the purchase or sale of the Bonds; nor is it to be filed with or referred to in whole or in part in the Official Statement or any other document, except that reference may be made to it in the underwriting agreement or in any list of closing documents pertaining to the offering of the Bonds covered by the Official Statement.

Respectfully submitted,

Farmand, Farmand & Farmand, P.A.

Exhibit D
FINAL OFFICIAL STATEMENT

Exhibit E

[on SS&D letterhead]

September 29, 1992

Raymond James & Associates, Inc.
Gainesville, Florida

Re: \$9,985,000 Nassau County, Florida
Optional Gas Tax Revenue
Refunding Bonds, Series 1992

We have acted as counsel to you (the "Underwriter") in connection with your purchase of the above-referenced bonds (the "Bonds") from Nassau County, Florida (the "County"). As such counsel, we have reviewed (a) a copy of the Preliminary Official Statement, dated September 15, 1992; (b) a copy of the final Official Statement, dated September 21, 1992 (hereinafter, collectively, the "Official Statement"), both relating to the Bonds; (c) the Bond Purchase Agreement, dated September 21, 1992, by and between the Underwriter and the County (the "BPA"); and (d) the Resolution (as defined in the BPA). We have also reviewed the Securities Act of 1933, as amended, and the rules, regulations and interpretations thereunder, and the Securities Exchange Act of 1934, as amended, and the rules, regulations and interpretations thereunder, including, particularly, Rule 15c2-12 promulgated thereunder. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, records and instruments as we have considered necessary or appropriate for the purpose of rendering this opinion.

In accordance with our understanding with you, we have rendered legal advice and assistance to you in the course of preparation of the Official Statement. That assistance involved, among other things, making inquiries concerning various legal and related matters, a review of certain records, documents and proceedings, and participation in discussions and conferences with representatives of the County, William R. Hough & Co., as financial advisor to the County, Farmand, Farmand & Farmand, P.A., as the County's independent certified public accountants, and Nabors, Giblin & Nickerson, P.A., as bond counsel, concerning the contents of the Official Statement and other related matters.

In further accordance with our understanding with you, we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the contents of the Official Statement. However, we can advise, in our capacity as your counsel and on the basis of the information that has come to our attention, and in reliance on the certificates, opinions and

documents we have reviewed, that in the course of our performance of the services referred to above and without having undertaken to verify independently the accuracy, completeness or fairness thereof or of the contents of the Official Statement, nothing has come to our attention which leads us to believe that the Official Statement (excluding those portions noted in the following paragraph), at its date or as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Reference in this opinion to the Official Statement does not include (a) the general information regarding the County included as Appendix A to the Official Statement; (b) the County's General Purpose Audited Financial Statements for the Fiscal Year Ended September 30, 1991, included as Appendix B to the Official Statement; (c) the summary of certain provisions of the Resolution, included as Appendix C to the Official Statement; (d) the form of bond counsel opinion, included as Appendix D to the Official Statement; (e) the information concerning Financial Guaranty Insurance Company and its municipal bond insurance policy and reserve insurance account policy set forth in the Official Statement, or the specimen municipal bond insurance policy and reserve account insurance policy included as Appendices E and F, respectively, to the Official Statement; or (f) or any other graphic, engineering, financial, technical, demographic or statistical data included in the Official Statement and its appendices; as to all of which we express no opinion.

In accordance with our understanding with you, for purposes of this opinion we have relied on the opinion dated as of this date of Nabors, Giblin & Nickerson, P.A., as Bond Counsel, as to the validity of the Bonds and the exclusion from gross income for federal income tax purposes and other tax treatment of the interest on the Bonds.

This opinion is rendered to you solely for your benefit and may not be relied on by any other person or entity, except as expressly provided by us in writing. We have not been engaged by the County to undertake any continuing investigation or disclosure responsibilities after the date of issuance of the Bonds with respect to the matters set forth herein.

Respectfully submitted,

Squire, Sanders & Dempsey

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Such interest will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences described under the caption "TAX EXEMPTION" herein. In the opinion of Bond Counsel, the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

\$9,985,000
NASSAU COUNTY, FLORIDA
Optional Gas Tax Revenue Refunding Bonds
Series 1992

Dated: September 1, 1992

Due: March 1 in each year,
as shown below

Nassau County, Florida (the "County"), is issuing its Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Bonds"), in fully registered form without coupons, in denominations of \$5,000 each or integral multiples thereof. Interest (March 1 and September 1, commencing March 1, 1993) will be payable by check mailed (or, under certain circumstances, by wire transfer) on each interest payment date to the registered owners by Barnett Banks Trust Company, N.A., Jacksonville, Florida, as registrar and paying agent (collectively, the "Registrar"), to their addresses as they appear on the registration books at 5 p.m. on the 15th day (whether or not a business day) next preceding the applicable interest payment date. Principal of the Bonds is payable, when due, to the registered owners at the corporate trust office of the Registrar.

Certain of the Bonds are subject to redemption prior to maturity, as more fully described herein.

The Bonds and the interest thereon are payable solely from and secured by a prior lien upon and pledge of payments received by the County derived from the six cent local option gas tax upon motor fuel and other fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes (the "Gas Tax Revenues"); and, to the extent not required to be rebated to the United States Treasury, all money, securities and instruments held in the funds and accounts created by the Resolution, described herein (collectively, the "Pledged Funds"). For a more particular description of the security and sources of payment for the Bonds see "SECURITY FOR THE BONDS" herein.

The Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a prior lien upon and pledge of the Pledged Funds. No registered owner of any Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the County or taxation in any form of any real or personal property therein to pay the Bonds, or to compel the County to pay the Bonds from any funds of the County, except the Pledged Funds.

The Bonds are being issued for the purpose of providing funds (i) to advance refund certain outstanding obligations of the County, (ii) to finance the construction of certain transportation improvements within the County, (iii) to purchase a municipal bond debt service reserve fund policy, and (iv) to pay the costs of issuance of the Bonds.

Payment of the principal of and interest on the Bonds, when due, will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by Financial Guaranty Insurance Company.



**Financial Guaranty Insurance
Company**

Service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. government agency.

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS OR PRICES

\$7,465,000 Serial Bonds

| Maturity | Principal Amount | Interest Rate | Yield or Price | Maturity | Principal Amount | Interest Rate | Yield or Price |
|----------|------------------|---------------|----------------|----------|------------------|---------------|----------------|
| 1993 | \$170,000 | 3.00% | 100% | 2000 | \$550,000 | 5.10% | 5.20% |
| 1994 | 425,000 | 3.50 | 100 | 2001 | 570,000 | 5.25 | 5.35 |
| 1995 | 435,000 | 4.00 | 4.10 | 2002 | 605,000 | 5.35 | 5.45 |
| 1996 | 455,000 | 4.40 | 4.45 | 2003 | 635,000 | 5.50 | 5.60 |
| 1997 | 475,000 | 4.60 | 4.65 | 2004 | 670,000 | 5.60 | 5.70 |
| 1998 | 495,000 | 4.80 | 4.85 | 2005 | 710,000 | 5.70 | 5.80 |
| 1999 | 520,000 | 5.00 | 5.05 | 2006 | 750,000 | 5.80 | 5.90 |

\$2,520,000 6.00% Term Bonds, due March 1, 2009 - Yield or Price 98.75%

(Plus Accrued Interest)

The Bonds are offered when, as and if received by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel to the County. Certain legal matters will be passed upon for the County by Michael S. Mullin, County Attorney. Certain legal matters will be passed upon for the Underwriter by Squire, Sanders & Dempsey, Jacksonville, Florida. William R. Hough & Co., Jacksonville, Florida, is acting as Financial Advisor to the County in connection with the issuance of the Bonds. It is expected that the Bonds in definitive form will be available for delivery to the Underwriter on or about September 29, 1992.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to making an informed investment decision.

RAYMOND JAMES & ASSOCIATES, INC.

Dated: September 21, 1992

**NASSAU COUNTY, FLORIDA
OFFICIALS**

BOARD OF COUNTY COMMISSIONERS

Thomas D. Branan, Jr., Chairman
James E. Testone, Vice Chairman
James B. Higginbotham, Commissioner
John A. Crawford, Commissioner
Jimmy L. Higginbotham, Commissioner

CLERK OF CIRCUIT COURT

T.J. "Jerry" Greeson

CHIEF OPERATIONS OFFICER

Joanna Cason

COUNTY ATTORNEY

Michael S. Mullin

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

FINANCIAL ADVISOR

William R. Hough & Co.
Jacksonville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Farmand, Farmand & Farmand, P.A.
Fernandina Beach, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representation with respect to the Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, and other sources which are believed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Official Statement shall not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereon.

Upon issuance the Bonds will not be registered under the Securities Act of 1933, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the County, will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

| | <u>PAGE</u> |
|-------------------------------------------------------------------------------------------------------------|-------------|
| INTRODUCTION | 1 |
| Nassau County, Florida | 1 |
| Sources and Security of Payment for the Bonds | 1 |
| Gas Tax Revenues | 2 |
| Purpose of the Bonds | 2 |
| The Refunding Program | 2 |
| Description of the Bonds | 2 |
| Reserve Account | 3 |
| Municipal Bond Insurance | 3 |
| Tax Exemption | 3 |
| Professionals Involved in the Offering | 3 |
| Authority for Issuance | 4 |
| Offering and Delivery of the Bonds | 4 |
| Bondowners' Risks | 4 |
| Other Information | 4 |
| PURPOSE OF THE BONDS | 6 |
| REFUNDING PROGRAM | 6 |
| THE 1992 PROJECT | 7 |
| SOURCES AND USES OF FUNDS | 7 |
| DEBT SERVICE SCHEDULE | 8 |
| SECURITY FOR THE BONDS | 8 |
| General | 8 |
| Gas Tax Revenues | 9 |
| Eligibility for Distributions | 9 |
| Historical Gasoline Sales in the County | 10 |
| Gas Tax Receipts | 10 |
| Distribution of Local Option Gas Tax Between Nassau County and All Municipalities Within the County..... | 11 |
| Coverage of Maximum Annual Debt Service Requirement | 12 |
| Reserve Account | 12 |
| Additional Parity Bonds..... | 14 |
| Accounting Records | 15 |
| No Impairment of Contract | 15 |
| Remedies | 15 |
| DESCRIPTION OF THE BONDS | 16 |
| General | 16 |
| Optional Redemption | 16 |
| Mandatory Redemption | 16 |
| Notice and Effect of Redemption | 17 |
| Registration, Transfer and Exchange | 17 |
| MUNICIPAL BOND INSURANCE | 18 |
| FLOW OF FUNDS | 20 |
| NASSAU COUNTY, FLORIDA | 20 |
| Background | 20 |
| County Government | 21 |
| Budgetary Process | 21 |
| Description of Financial Practices | 22 |

TABLE OF CONTENTS - Continued

| | <u>PAGE</u> |
|---------------------------------------------------------------------------------------------------------------------|-------------|
| LITIGATION | 22 |
| DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS | 22 |
| SECONDARY MARKET DISCLOSURE | 22 |
| TAX EXEMPTION | 22 |
| OPINION OF BOND COUNSEL | 22 |
| INTERNAL REVENUE CODE OF 1986 | 23 |
| ALTERNATIVE MINIMUM TAX ON CORPORATIONS | 23 |
| ENVIRONMENTAL TAX | 23 |
| FINANCIAL INSTITUTIONS | 23 |
| COLLATERAL TAX CONSEQUENCES | 24 |
| FLORIDA TAXES | 24 |
| TREATMENT OF ORIGINAL ISSUE DISCOUNT | 24 |
| LEGALITY | 25 |
| BONDOWNERS' RISKS | 25 |
| GENERAL | 25 |
| ECONOMIC TRENDS | 25 |
| CERTAIN CLOSING CERTIFICATES | 26 |
| UNDERWRITING | 26 |
| FINANCIAL ADVISOR | 26 |
| VERIFICATION OF ARITHMETICAL COMPUTATIONS | 26 |
| BOND RATINGS | 27 |
| MISCELLANEOUS | 27 |
| AUTHORIZATION OF OFFICIAL STATEMENT | 28 |
| Appendix A: Information Concerning Nassau County, Florida | |
| Appendix B: Audited Financial Statements of Nassau County, Florida, for the Fiscal Year ended September 30, 1991 | |
| Appendix C: Copy of the Bond Resolution | |
| Appendix D: Form of Bond Counsel Opinion | |
| Appendix E: Specimen of Municipal Bond Insurance Policy | |
| Appendix F: Specimen of Reserve Account Policy | |

OFFICIAL STATEMENT
relating to the issuance of
\$9,985,000
NASSAU COUNTY, FLORIDA
OPTIONAL GAS TAX REVENUE REFUNDING BONDS, SERIES 1992

INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, is furnished with respect to the sale of \$9,985,000 aggregate principal amount of Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Bonds").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds is made only by means of this Official Statement and is subject in all respects to the information contained herein. For a complete description of the terms and conditions of the Bonds, reference is made to the form of resolution in Appendix C of this Official Statement.

Nassau County, Florida

Nassau County, Florida (the "County"), is located in northeast Florida. Fernandina Beach, the County seat, is approximately 30 miles north of the Jacksonville, Florida, metropolitan area. The County contains approximately 649 square miles and, according to the 1990 U.S. Census, had a population of 43,941. See "APPENDIX A - CERTAIN INFORMATION CONCERNING NASSAU COUNTY, FLORIDA" herein.

Sources and Security of Payment for the Bonds

The Bonds are limited and special obligations of the County payable solely from and secured by a prior lien upon and pledge of the Pledged Funds as further described herein. The term "Pledged Funds" means (i) the payments received by the County derived from the six cent optional gas tax upon motor fuel and other fuel sold in the County and distributed monthly to the County by the Florida Department of Revenue, and (ii) amounts on deposit from time to time in the funds and accounts created by the Resolution, defined below (except such amounts that are required to be rebated to the United States government under the Internal Revenue Code of 1986, as amended); all in the manner and to the extent provided in the Resolution, a copy of which is included herein as Appendix C. See "SECURITY FOR THE BONDS - Gas Tax Revenues" herein.

Gas Tax Revenues

Section 336.025, Florida Statutes, authorizes counties in Florida to impose, for a period not to exceed 30 years, a tax of not exceeding six cents (the "Local Option Gas Tax") on every gallon of motor fuel and special fuels sold in the County and taxed under Chapter 206, Florida Statutes. The Florida Department of Revenue collects and deposits the Local Option Gas Tax into the Local Option Gas Tax Trust Fund (the "Gas Tax Fund"). After deducting a 7.13% service charge, moneys in the Gas Tax Fund are distributed monthly to each county in which the tax was collected, and to eligible municipalities within each such county.

Purpose of the Bonds

The net proceeds to be received by the County from the sale of the Bonds will be used by the County pursuant to the Resolution to provide funds for the purpose of (i) advance refunding the Refunded Bonds (as defined herein); (ii) financing the cost of the construction or reconstruction of certain transportation improvements within the County (the "1992 Project"); (iii) funding the purchase of a Reserve Account insurance policy; and (iv) to pay the costs and expenses of issuing the Bonds. See "PURPOSE OF THE BONDS" and "SOURCES AND USES OF FUNDS" herein.

The Refunding Program

Simultaneously with the delivery of the Bonds, the County will, from the proceeds of the sale of the Bonds, and certain other legally available funds of the County, purchase direct obligations of the United States of America (the "Escrow Securities") and deposit those obligations in escrow with Barnett Banks Trust Company, N.A., Jacksonville, Florida, as escrow holder, pursuant to an escrow deposit agreement. Ernst & Young, Jacksonville, Florida (the "Escrow Verifier") will verify the accuracy of the arithmetical computations of the adequacy of the maturing principal amount of, and interest on the Escrow Securities, together with any uninvested amounts, to be held in the Escrow Fund to pay the principal, interest and redemption premium on the Refunded Bonds. See "REFUNDING PROGRAM" herein.

Description of the Bonds

Denominations. The Bonds are being issued in fully registered form in denominations of \$5,000 or integral multiples. Interest on the Bonds is payable by check or draft mailed to the registered owners thereof. Principal of and premium, if any, on the Bonds will be paid upon presentation and surrender, when due, at the principal corporate trust office of Barnett Banks Trust Company, N.A., Jacksonville, Florida, the Registrar.

Redemption. Certain of the Bonds are subject to redemption prior to their maturity. For more complete information, see "DESCRIPTION OF THE BONDS" herein.

Registration and Transfers. The Registrar shall be responsible for maintaining the books for the registration and transfer of the Bonds. The Bonds may be transferred upon the registration books of the County, upon delivery to the Registrar, together with a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the County or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

For a more complete description of the Bonds and the basic documentation pursuant to which Bonds are issued, see "DESCRIPTION OF THE BONDS" herein.

Reserve Account

The County will purchase for the Reserve Account, an insurance policy issued by Financial Guaranty Insurance Company in a principal amount equal to the maximum annual debt service requirement for the Bonds, See "SECURITY FOR THE BONDS - Reserve Account."

Municipal Bond Insurance

Payment of the principal of and interest on the Bonds, when due, will be insured by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by Financial Guaranty Insurance Company (the "Insurer"). For a discussion of the terms and provisions of the municipal bond insurance policy, including the limitations thereof, see "MUNICIPAL BOND INSURANCE" herein.

Tax Exemption

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences described under the caption "TAX EXEMPTION" herein. In the opinion of Bond Counsel, the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Professionals Involved in the Offering

Barnett Banks Trust Company, N.A., Jacksonville, Florida, will act as registrar and paying agent (herein, the "Registrar"), and William R. Hough & Co., Jacksonville, Florida, will act as the County's financial advisor with respect to the Bonds. All proceedings in connection with the issuance of the Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Bond Counsel. Certain legal matters will be passed on for the Underwriter by Squire, Sanders & Dempsey, Jacksonville, Florida, and for the County by

Michael S. Mullin, the County Attorney. The County's financial statements included in Appendix B hereto have been audited by Farmand, Farmand & Farmand, P.A., independent certified public accountants.

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the Bonds, see "MISCELLANEOUS" herein. See "FINANCIAL ADVISOR" herein for a summary of the County's contractual relationship with William R. Hough & Co.

Authority for Issuance

The Bonds are being executed and delivered pursuant to Section 336.025(1)(e), Florida Statutes, and other applicable provisions of law, including Ordinance Nos. 86-8 and 87-29, as amended (collectively, the "Ordinance"), and pursuant to Resolution No. 88-28, duly adopted by the Board of County Commissioners (the "Board") of the County on January 12, 1988, as amended and supplemented, and particularly as amended and supplemented by Resolution No. 92-132, duly adopted by the Board on September 14, 1992 (collectively, the "Resolution").

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to the opinion on certain legal matters relating to their issuance by Bond Counsel, and the satisfaction of certain other conditions. It is anticipated that the Bonds in definitive form will be available for delivery in New York, New York, on or about September 29, 1992.

Bondowners' Risks

Investment in any municipal security involves some degree of risk. Political, economic and regulatory factors may affect the issuers of Florida municipal securities, including the County. The ability of the County to repay the Bonds will depend upon the continued receipt of the Pledged Funds in substantially the amounts projected by the County. The continued strength of these revenues is dependent upon the national, state and local economies and the overall fiscal strength of the County. See "BONDOWNERS' RISKS" herein.

Other Information

This Official Statement and any continuing disclosure documents of the County are intended to be made available through the Clerk of the Circuit Court. The County has not, however, entered into any contractual commitment to provide information on a continuing basis to investors or any other party, except to the extent such information is required to be provided pursuant to the County's contracts with nationally-recognized statistical rating organizations.

Copies of the Resolution and other documents and information are available, upon request and upon payment to the County of a charge for copying, mailing and handling, from the Office of the Clerk of the Circuit Court, 416 Centre Street, Fernandina Beach, Florida 32034, telephone number (904) 261-6127.

End of Introduction

[Remainder of page intentionally left blank]

PURPOSE OF THE BONDS

The Bonds are being issued to provide funds for the purpose of (i) financing the cost of advance refunding the Refunded Bonds (as defined herein); (ii) financing the construction of certain transportation improvements within the County (the "1992 Project"); (iii) purchasing a Reserve Account insurance policy; and (iv) paying certain costs associated with the issuance and delivery of the Bonds.

For a complete description of the terms and conditions of the Bonds, reference is made to the form of Resolution included in Appendix C to this Official Statement. The description of the Resolution and the Bonds and information from reports contained herein do not purport to be comprehensive or definitive.

REFUNDING PROGRAM

The County has determined that it is desirable to provide for the advance refunding of its Optional Gas Tax Revenue Bonds, Series 1988, in the outstanding principal amount of \$9,015,000 (the "Refunded Bonds"). To provide the funds necessary to effect such refunding, certain of the proceeds of the Bonds will be deposited with Barnett Banks Trust Company, N.A., Jacksonville, Florida, the Escrow Agent, pursuant to the Escrow Deposit Agreement to be entered into between the County and the Escrow Agent on the date the Bonds are delivered to their initial purchasers (the "Escrow Agreement"). Such amount, together with an amount to be transferred from the debt service and reserve funds for the Refunded Bonds, will be applied pursuant to the Escrow Agreement to purchase obligations of the United States of America (the "Escrow Securities"), as described therein. See "SOURCES AND USES OF FUNDS" herein. The Escrow Securities and the income therefrom will be held by the Escrow Agent pursuant to the Escrow Agreement, and such amounts are calculated to be sufficient to make all payments of principal and interest on the Refunded Bonds when due, whether at maturity or earlier redemption, but will not be available to pay debt service on the Bonds. In the opinion of Bond Counsel, in reliance upon the verification report described below, upon the purchase of such Escrow Securities pursuant to the Escrow Agreement, the Refunded Bonds will no longer be outstanding under the provisions of the Resolution and the lien of the holders of the Refunded Bonds on the Pledged Funds will be extinguished.

The accuracy of (a) the mathematical computation of the adequacy of the maturing principal amounts and interest earnings thereon of the Escrow Securities to pay, when due, the principal of, premium, if any, and interest on the Refunded Bonds, and (b) the mathematical computation supporting the conclusion that the Bonds are not "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended (collectively, the "Code"), will be verified for the County by the Escrow Verifier.

The Escrow Securities will be purchased from William R. Hough & Co., financial advisor to the County, at interest rates and prices which will cause the yield thereon, computed in accordance with the provisions of Section 148 of the Code, not to exceed the applicable yield permitted by such provisions.

THE 1992 PROJECT

The amount of Bond proceeds deposited into the Construction Fund will be used by the County for the resurfacing of County roads in accordance with a continuing maintenance program. Those roads that will be resurfaced have not been selected by the County at the present time, although the County Engineer has provided the Board a list of roads in need of such repair.

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds shall be applied as follows:

SOURCES OF FUNDS

| | |
|-----------------------------------------------------------|------------------------|
| Par Amount of Bonds | \$9,985,000.00 |
| Accrued Interest | 40,985.97 |
| Original Issue Discount | (72,306.05) |
| Sinking Fund and Reserve Account for Refunded Bonds | <u>1,173,529.38</u> |
| TOTAL SOURCES | <u>\$11,127,209.30</u> |

USES OF FUNDS

| | |
|-------------------------------------|------------------------|
| Deposit to Escrow Fund | \$9,947,965.37 |
| Construction Fund Deposit | 807,044.45 |
| Accrued Interest to Sinking Fund | 40,985.97 |
| Underwriter's Discount | 114,827.50 |
| Costs of Issuance(1) | <u>216,386.01</u> |
| TOTAL USES | <u>\$11,127,209.30</u> |

(1) Includes bond insurance premium and Reserve Account surety bond premium, administrative expenses and other costs of issuance.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service payments on the Bonds.

| Maturity Date (March 1) | Principal | Amortization Installments | Interest | Total Debt Service |
|-------------------------------|-----------------------|------------------------------|-----------------------|------------------------|
| 1993 | \$170,000.00 | | \$263,481.25(1) | \$433,481.25 |
| 1994 | 425,000.00 | | 521,862.50 | 946,862.50 |
| 1995 | 435,000.00 | | 506,987.50 | 941,987.50 |
| 1996 | 455,000.00 | | 489,587.50 | 944,587.50 |
| 1997 | 475,000.00 | | 469,567.50 | 944,567.50 |
| 1998 | 495,000.00 | | 447,717.50 | 942,717.50 |
| 1999 | 520,000.00 | | 423,957.50 | 943,957.50 |
| 2000 | 550,000.00 | | 397,957.50 | 947,957.50 |
| 2001 | 570,000.00 | | 369,907.50 | 939,907.50 |
| 2002 | 605,000.00 | | 339,982.50 | 944,982.50 |
| 2003 | 635,000.00 | | 307,615.00 | 942,615.00 |
| 2004 | 670,000.00 | | 272,690.00 | 942,690.00 |
| 2005 | 710,000.00 | | 235,170.00 | 945,170.00 |
| 2006 | 750,000.00 | | 194,700.00 | 944,700.00 |
| 2007 | | \$ 790,000.00 | 151,200.00 | 941,200.00 |
| 2008 | | 840,000.00 | 103,800.00 | 943,800.00 |
| 2009 | | 890,000.00 | 53,400.00 | 943,400.00 |
| Totals | <u>\$7,465,000.00</u> | <u>\$2,520,000.00</u> | <u>\$5,549,583.75</u> | <u>\$15,534,583.75</u> |

(1) Includes accrued interest

SECURITY FOR THE BONDS

General

The principal of and interest on the Bonds are payable from and secured by a prior lien upon and a pledge of payments received by the County derived from the six cent optional gas tax upon motor fuel and other fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes; and until applied in accordance with the provisions of the Resolution and to the extent not required to be rebated to the United States Treasury, all monies, including investment earnings thereon, in the funds and accounts established under the Resolution (collectively, the "Pledged Funds").

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO REGISTERED OWNER OF ANY BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM OF ANY REAL OR PERSONAL PROPERTY THEREIN TO PAY THE BONDS, OR TO COMPEL THE COUNTY TO PAY THE BONDS FROM ANY OTHER FUNDS OF THE COUNTY, EXCEPT THE PLEDGED FUNDS.

Gas Tax Revenues

Section 336.025, Florida Statutes, authorizes counties to impose, for a period not to exceed 30 years, the Local Option Gas Tax upon every gallon of motor fuel and special fuel sold in each such county and taxed under Chapter 206, Florida Statutes. "Motor fuel" is statutorily defined as gasoline and fuels containing a mixture of gasoline and other products. "Special fuel" is statutorily defined as any liquid product or gas product used in an internal combustion engine to propel any form of vehicle, including diesel fuel but excluding kerosene. The Local Option Gas Tax is remitted by gasoline and special fuels dealers to the Florida Department of Revenue (the "Department") each month. In the next month, the Department deposits the tax into the Local Option Gas Tax Trust Fund (the "Gas Tax Fund") and the following month the Department, after subtracting a service charge of 7.13% distributes moneys in the Gas Tax Fund to the counties that impose the tax and to eligible municipalities within such counties. The amount distributed by the Department for a given month is based on preliminary computations by the Department and may be increased or decreased based upon the Department's later final computations. Any such increase or decrease is added to or subtracted from the amount otherwise distributable in the month within which such final computations are made.

Disbursements from the Gas Tax Fund may be used only for the following programs: (1) public transportation operations and maintenance; (2) roadway and right-of-way maintenance and equipment; (3) roadway and right-of-way drainage; (4) street lighting; (5) traffic signs, traffic engineering, signalization and pavement markings; (6) bridge maintenance and operation; and (7) debt service and current expenditures for transportation capital projects in the foregoing areas, including construction and reconstruction of roads.

The Board by Ordinance Nos. 86-8 and 87-29, as amended (herein collectively, the "Ordinance"), levied a Local Option Gas Tax totalling six cents; two cents from September 1, 1986, and four cents from September 1, 1987, ending on March 1, 2009. In the Resolution the County pledged its entire portion of the Local Option Gas Tax Revenues received from the Department as security for the Bonds.

Eligibility for Distributions

Chapter 336.025, Florida Statutes, provides that only those municipalities and counties eligible for participation in the distribution of moneys under Chapter 218, Part II, Florida Statutes (the "State Revenue Sharing Act"), are eligible to receive Local Option Gas Tax Revenues.

The State Revenue Sharing Act provides, in effect, that local governments shall be eligible to receive distributions thereunder only if they comply with certain statutory requirements concerning financial reporting, auditing, levying of taxes and raising of revenues, as well as certifying compliance with statutes governing the employment of law enforcement officers and firefighters.

The County represents that it has had no difficulty in complying with the statutory eligibility requirements under the State Revenue Sharing Act in the past, and that it anticipates no difficulty doing so in the future.

Historical Gasoline Sales in the County

The volume of gasoline, gasohol, and special fuel sold in the County is set forth below for the years indicated:

Number of Gallons(1)

| State Fiscal Year Ended June 30 | Gasoline | Special Fuel | Gasohol | Total |
|---------------------------------------|---------------|--------------|-----------|------------|
| 1981 | 18,973,469 | 5,760,032 | 70,618 | 24,804,119 |
| 1982 | 18,790,947 | 7,385,046 | 454,022 | 26,630,015 |
| 1983 | 18,774,810 | 6,479,564 | 838,028 | 26,092,402 |
| 1984 | 20,175,412 | 9,011,882 | 1,332,951 | 30,520,245 |
| 1985 | 20,798,804 | 9,116,565 | 1,663,031 | 31,578,400 |
| 1986 | 21,455,800 | 9,642,836 | 2,019,235 | 33,117,871 |
| 1987 | 22,146,341(2) | 9,834,561 | - | 31,980,902 |
| 1988 | 25,936,369(2) | 8,622,069 | - | 34,558,438 |
| 1989 | 26,945,448(2) | 9,578,403 | - | 36,523,851 |
| 1990 | 27,824,316(2) | 9,970,039 | - | 37,794,355 |
| 1991 | 26,594,609(2) | 10,474,358 | - | 37,068,967 |
| 1992 | 27,030,877(2) | 9,591,514 | - | 36,622,391 |

Source: State of Florida, Department of Revenue, Office of Tax Research

(1) Rounded

(2) Represents amount of Gasoline and Gasohol combined.

Gas Tax Receipts

| State Fiscal Year Ending June 30(1) | Total Gallons | Gas Tax Pledged at \$.06 Per Gallon | Less Service Charge to State of Florida(2) | Less 1.3% Dealer Florida(3) | Total Available for Distribution to Nassau County and Eligible Municipalities | Distribution to Nassau County |
|----------------------------------------------|------------------|----------------------------------------------|-----------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------|----------------------------------|
| 1987 | 31,980,902 | \$ 639,618(4) | \$115,131 | \$24,945 | \$ 499,542 | \$ 433,931(4) |
| 1988 | 34,558,438 | 2,073,506(4) | 124,410 | 26,955 | 1,922,141 | 1,224,996(4) |
| 1989 | 36,523,851 | 2,191,431 | 131,486 | 28,488 | 2,031,457 | 1,639,613 |
| 1990 | 37,794,355 | 2,267,661 | 136,693 | 29,617 | 2,101,351 | 1,674,824 |
| 1991 | 37,068,967 | 2,224,138 | 162,362 | 28,914 | 2,032,862 | 1,685,968 |
| 1992 | 36,622,391 | 2,197,343 | 160,406 | 24,420 | 2,012,517 | 1,625,832 |

Source: State of Florida Department of Revenue, Tax Research

(1) Records of fuel consumption are maintained on a State of Florida fiscal year basis.

(2) Pursuant to Sections 215.20 and 215.22, Florida Statutes.

(3) Average discounts permitted under Section 206.43, Florida Statutes.

(4) 2-cent portion levied from 9/1/86; 4-cent portion from 9/1/87

Distribution of Local Option Gas Tax Between Nassau County and All Municipalities Within the County

The Local Option Gas Tax is distributed among the County and its underlying municipalities in accordance with Section 336.025(4), Florida Statutes, which states in part:

"If the tax is imposed under the circumstances of subparagraph (3)(a)2, or paragraph (3)(b), the proceeds of the tax shall be distributed among the county government and eligible municipalities based on the transportation expenditures of each for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. After the initial imposition of the tax ... the proportions shall be recalculated every 10 years based upon the transportation expenditures of the immediately preceding 5 years. However, ... the amounts distributed to the county government and each municipality shall not be reduced below the amount necessary for the payment of principal and interest and reserves ... as required under the covenants of any bond resolution outstanding on the date of recalculation."

Pursuant to the Ordinance, the County levied the two cents portion of the Local Option Gas Tax on September 1, 1986, and the four cents portion of the Local Option Gas Tax on September 1, 1987. Transportation expenditures for the 5 fiscal years preceding the years in which the respective portions of the Local Option Gas Tax were authorized is as follows:

| <u>Fiscal Year</u> | <u>City of Fernandina Beach</u> | <u>Town of Callahan</u> | <u>Town of Hilliard</u> | <u>County of Nassau</u> | <u>Total</u> |
|--------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------|
| 1981 | \$401,634 | \$34,125 | \$342,179 | \$3,051,016 | \$3,828,954 |
| 1982 | 425,249 | 23,677 | 71,536 | 2,893,351 | 3,413,813 |
| 1983 | 382,235 | 37,170 | 203,383 | 2,523,433 | 3,146,221 |
| 1984 | 281,305 | 83,042 | 497,225 | 2,330,329 | 3,191,901 |
| 1985 | 290,933 | 18,092 | 60,492 | 2,181,186 | 2,550,703 |
| 1986 | 354,389 | 36,288 | 115,958 | 3,249,715 | 3,756,350 |

Based on the above transportation expenditures, the percentage of the Local Option Gas Tax allocated to the County and each of the eligible municipalities for the first 10 years of each respective levy is as follows:

| | |
|--------------------------|-------------------------|
| City of Fernandina Beach | 10.7748% |
| Town of Callahan | 1.2293 |
| Town of Hilliard | 7.1548 |
| County of Nassau | <u>80.8375</u> |
| TOTAL | <u>100.0000%</u> |

Coverage of Maximum Annual Debt Service Requirement

State Fiscal Year Ended June 30,

| | <u>1988</u> | <u>1989</u> | <u>1990</u> | <u>1991</u> |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| Local Option Pledged Gas Tax Revenues | \$1,224,996 | \$1,639,613 | \$1,674,824 | \$1,685,961 |
| Maximum Annual Debt Service Requirement on the Series 1992 Bonds | \$ 947,958 | \$ 947,958 | \$ 947,958 | \$ 947,958 |
| Debt Service Coverage Ratio | 1.29 | 1.73 | 1.77 | 1.78 |

Reserve Account

Concurrently with the issuance of the Bonds, Financial Guaranty Insurance Company (herein "Financial Guaranty" or the "Insurer") will issue its Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy"). The Reserve Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the County, provided that the aggregate amount paid under the Reserve Policy may not exceed the maximum amount set forth in the Reserve Policy, which maximum amount represents maximum annual debt service on the Bonds. Financial Guaranty will make such payments to the paying agent (the "Paying Agent") for the Bonds on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice subsequently confirmed in writing or written notice by registered or certified mail from the Paying Agent of the nonpayment of such amount by the County. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final nonappealable order of a court having competent jurisdiction.

The Reserve Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Bonds. The Reserve Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The Reserve Policy shall terminate on the earlier of the final maturity date of Bonds and the date on which Bonds are no longer outstanding under the Resolution.

Generally, in connection with its issuance of a Reserve Policy, Financial Guaranty requires, among other things, (i) that, so long as it has not failed to comply with its payment obligations under the Reserve Policy, it be granted the power to exercise any remedies available at law or under the Resolution other than (A) acceleration of the Bonds or (B) remedies which would adversely affect holders in the event that the County fails to reimburse Financial Guaranty for any draws on the Reserve Policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its issuance of the Reserve Policy are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the County is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the Bonds. Reference should be made to the description of the County for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a wholly-owned subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of June 30, 1992, the total capital and surplus of Financial Guaranty was approximately \$579,000,000. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: (212) 607-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number: (212) 602-0389).

A copy of the form of the Reserve Policy is included herein as Appendix F.

For a summary of certain provisions of the Resolution relating to the Reserve Account and the application of amounts on deposit therein, see "FLOW OF FUNDS" herein.

Additional Parity Bonds

Pursuant to the Resolution, the County may issue Additional Parity Bonds, payable on a parity from the Pledged Funds with the Bonds, upon the following terms and conditions:

1. There shall have been obtained and filed with the County statement of an independent certified public accountant of reasonable experience and responsibility: (a) stating that the books and records of the County relating to the collection and receipt of the Gas Tax Revenues have been examined by him; (b) setting forth the amount of the Gas Tax Revenues received by the County for 24 consecutive months out of the 30 month period immediately preceding the proposed date of delivery of such Additional Parity Bonds; and (c) stating that the Gas Tax Revenues received for each of 2 consecutive 12-month periods of such 24 consecutive months are at least equal to 1.50 times the Maximum Debt Service Requirement to become due in any ensuing Bond Year on the Bonds then outstanding, and the Additional Parity Bonds proposed to be issued, and at least 1.00 times all amounts then due and owing to the issuer of a Reserve Account insurance policy or letter of credit.

2. The resolution authorizing the Additional Parity Bonds will recite that all applicable covenants contained in the Resolution apply to the Additional Parity Bonds.

3. The Ordinance shall be amended, as necessary, to impose the Local Option Gas Tax until final maturity of the Additional Parity Bonds proposed to be issued.

4. The County shall not be in breach of the covenants and obligations assumed under the Resolution, and all payments required to have been made into funds and accounts created under the Resolution shall be made to the full extent required.

5. If the issuance of the proposed Additional Parity Bonds is for the purpose of partial refunding, and does not increase the debt service in the current or any subsequent fiscal year that would otherwise be payable on the bonds to be refunded, then the conditions stated in paragraph 1 above shall not apply.

6. No Additional Parity Bonds may be issued without the consent of the issuer of any Reserve Account insurance policy or letter of credit, if amounts are past due and owing under such instruments.

7. Upon the issuance of Additional Parity Bonds, the County shall deposit an amount of cash or authorized investments or, upon compliance with the provisions of the Resolution, a Reserve Account insurance policy or letter of credit, equal to the Reserve Account requirement for such Bonds. Under certain circumstances such amount may be accumulated within 3 years after the issuance of such Bonds.

Accounting Records

The County shall maintain separately identifiable accounting records for receipt of the Pledged Funds, by the use of a fund established in accordance with generally accepted accounting practices, and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the County relating thereto. Within 180 days of the close of each fiscal year, the County shall have its books and records related to the Pledged Funds audited by an independent certified public accountant.

No Impairment of Contract

The County has full power and authority to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds. The pledge of such Pledged Funds, in the manner provided in the Resolution, shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance or other proceedings of the County or by any subsequent act of the Legislature of the State of Florida, unless the County shall have provided, or such Legislature shall have made immediately available to the County, such additional or supplemental funds which shall be sufficient to retire the Bonds and the interest thereon in accordance with their terms. The County shall take all actions necessary and pursue such legal remedies which may be available to it either in law or in equity to prevent or cure any impairment. Furthermore, the County agrees that if it enters into any subsequent agreement with respect to the distribution of Gas Tax Revenues, such agreement shall not diminish or reduce in any way the County's current share of the Gas Tax Revenues.

Remedies

Any trustee or any registered owner of Bonds acting for the registered owners of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution or by any applicable statutes to be performed by the County or by any officer thereof. Nothing in the Resolution, however, shall be construed to grant to any registered owner of such Bonds any lien on any property of or within the corporate boundaries of the County, except as provided in the Resolution. No registered owner of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of the Resolution or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all registered owners of Bonds.

If any payments of debt service requirements are made by a municipal bond insurer with respect to bonds which have not been defeased in accordance with the provisions of the Resolution, the lien upon and pledge of the Pledged Funds and all covenants and other obligations of the County to the registered owners shall continue to exist and the insurer shall be subrogated to the rights of the registered owners of such bonds with respect to the debt service requirements paid or insured by such municipal bond insurer.

DESCRIPTION OF THE BONDS

General

The Bonds shall be dated September 1, 1992, shall be issued in fully registered form, without coupons, in the denominations of \$5,000 each or integral multiples thereof, and shall bear interest at the rates and mature on the dates set forth on the cover page of this Official Statement. Interest on the Bonds (first payment due March 1, 1993, and semiannually thereafter on September 1 and March 1 in each year) will be payable by check (or, under certain circumstances, by wire transfer) of Barnett Banks Trust Company, N.A., Jacksonville, Florida, registrar and paying agent (herein, the "Registrar"), made payable to and mailed to the registered owners, as shown on the bond registration books of the County on the 15th day (whether or not a business day) of the month next preceding each interest payment date. Principal of the Bonds is payable, when due, to the registered owners upon presentation at the principal corporate trust office of the Registrar.

Optional Redemption

Bonds or portions thereof maturing in the years 1993 through 2002, inclusive, are not subject to optional redemption prior to their respective dates of maturity. The Bonds or portions thereof maturing in the year 2003 and thereafter are subject to redemption at the option of the County, on and after March 1, 2002, in whole at any time or in part on any interest payment date, in such manner as shall be determined by the County and by lot within a maturity, at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the date of redemption:

| <u>Redemption Period</u> <u>(Both Dates Inclusive)</u> | <u>Redemption Price</u> |
|-----------------------------------------------------------|-------------------------|
| March 1, 2002, through February 28, 2003 | 102% |
| March 1, 2003, through February 29, 2004 | 101 |
| March 1, 2004, and thereafter | 100 |

Mandatory Redemption

The Bonds maturing on March 1, 2009, are subject to mandatory redemption prior to maturity, in part by lot on March 1 in the years and amounts set forth below, at a redemption price of par plus accrued interest thereon to the date fixed for redemption:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2007 | \$790,000 |
| 2008 | 840,000 |
| 2009* | 890,000 |

*Maturity

Notice and Effect of Redemption

Notice of such redemption shall, at least 30 days prior to the redemption date, be given by the Registrar, be filed with the paying agent for the Bonds and be mailed first class, postage prepaid, by the Registrar to all registered owners of Bonds to be redeemed at their addresses as they appear of record on the books of the Registrar; and shall be mailed or telecopied at least 35 days prior to the redemption date to the registered securities depositories and 2 or more nationally recognized municipal bond information services; provided, however, that failure to mail such notice of redemption to a registered owner, or any defect in such notice, shall not affect the validity of the redemption proceedings regarding such Bonds as to which no such failure or defect has occurred. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided. No notice of redemption, other than mandatory Sinking Fund redemption, will be circulated unless sufficient funds have been deposited with the paying agent for the Bonds to pay the redemption price of the Bonds to be redeemed.

Each notice of redemption shall state the date such notice was mailed; the date of issue of the Bonds; the redemption date; the redemption price; the place or places of redemption (including the name and appropriate address or addresses of the paying agent); the dates of maturity and interest rates borne by the Bonds to be redeemed; the CUSIP number (if any) of the maturity or maturities to be redeemed; and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on such date there will become due and payable on each of such Bonds, the redemption price thereof, or of such specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date; and that from and after such redemption date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the paying agent specified in the redemption notice.

Registration, Transfer and Exchange

The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, subject to the provisions for registration, exchange and transfer contained in the Resolution and in the Bonds. So long as any of the Bonds shall remain outstanding, the County shall maintain and keep, at the office of the Registrar, books for the registration of the Bonds.

The Bonds will be issued in fully registered form and will be transferable only upon the bond registration books kept for such purpose at the corporate trust office of the Registrar.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the County or the Registrar) shall be accompanied by written instrument or instruments of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the County or the Registrar, duly executed by the registered owner or by his or her duly authorized attorney.

The Registrar or the County may require payment from the registered owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any exchange or transfer of the Bonds. Such charges and expenses shall be paid before any new Bond shall be delivered.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the County, evidencing the same debt as the Bonds surrendered, shall be secured by the Resolution and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The County and the Registrar may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

MUNICIPAL BOND INSURANCE

The following information has been furnished by Financial Guaranty Insurance Company (herein "Financial Guaranty" or the "Insurer") for use in this Official Statement. Reference is made to Appendix E for a specimen of the Insurer's insurance policy.

Concurrently with the issuance of the Bonds, Financial Guaranty will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the County. Financial Guaranty will make such payments to Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of Bonds or the Paying Agent of the nonpayment of such amount by the County. The Fiscal Agent will disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal and interest due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Bonds. The Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, Financial Guaranty requires, among other things, (i) that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without Financial Guaranty's consent, in each case so long as Financial Guaranty has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Bonds are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the County is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the Bonds. Reference should be made to the description of the County for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

This policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

The insurance provided by the Municipal Bond Insurance Policy is not covered by the Florida Insurance Guaranty Association.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a wholly-owned subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of June 30, 1992, the total capital and surplus of Financial Guaranty was approximately \$579,000,000. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles, and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: (212) 607-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number: (212) 602-0389).

FLOW OF FUNDS

Pursuant to the Resolution, the County has covenanted that the Tax Revenues shall be deposited, as received, to the credit of the Revenue Fund. The moneys in the Revenue Fund will be disposed of on or before the 25th day of each month as follows:

(a) First to the Sinking Fund, such amount as will be sufficient to pay one-sixth of all interest becoming due on the Bonds on the next annual interest payment date and one-twelfth of all principal maturing on serial Bonds on the next maturity date. If the first interest payment or the first principal maturity date occurs either more or less than 6 months or 12 months, as the case may be, after delivery of the Bonds to the original purchaser, then the foregoing payments shall be adjusted accordingly to provide for such interest or first principal payment.

(b) On a parity with the Sinking Fund payments, Gas Tax Revenues shall simultaneously be applied and allocated to the Bond Amortization Account, to the extent required, in such sums as will be equal to one-twelfth of the Amortization Installment, as defined in the Resolution, required to be made on the next annual payment date for term Bonds, plus the amount of any prior deficiencies.

(c) Next to the Reserve Account, an amount sufficient to (i) reinstate any Reserve Account insurance policy or letter of credit claims and (ii) to replenish any cash withdrawals and (iii) reimburse the issue of any Reserve Account insurance policy or letter of credit for its fees and expenses.

(d) The balance of the Gas Tax Revenues remaining after the above required payments (including any deficiencies in prior payments) and interest owed on any amounts advanced under a Reserve Account insurance policy or letter of credit have been made, may be used for any lawful purpose.

NASSAU COUNTY, FLORIDA

Background

The County is one of 4 counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is 34 miles north of Jacksonville. It is bordered on the north by the State of Georgia, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Marys River and the Atlantic Ocean.

Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

County Government

The Board of County Commissioners of Nassau County, Florida (the "Board"), is the principal legislative and governing body of the County, as provided by the Florida Constitution and Chapter 125, Florida Statutes. The Board consists of 5 commissioners elected by the voters for staggered terms of 4 years. The Chairman and Vice-Chairman are elected by the Board. The present commissioners and their terms of office are as follows:

| <u>Member</u> | <u>Term Began</u> | <u>Term Ends</u> |
|-----------------------|-------------------|------------------|
| James B. Higginbotham | November 1988 | November 1992 |
| James E. Testone | November 1990 | November 1994 |
| John A. Crawford | November 1990 | November 1994 |
| Thomas D. Branan, Jr. | November 1988 | November 1992 |
| Jimmy L. Higginbotham | November 1988 | November 1992 |

Budgetary Process

Chapter 129, Florida Statutes, requires that the County's annual fiscal year budget be legally adopted at the fund level, and that any expenditures or contract for the expenditures of the fiscal year for more than the amount budgeted in each fund's budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution of the Board, subject to public hearing. Such resolution sets the budget appropriations on a fund-by-fund basis for the governmental and proprietary fund types. Budgets for the capital improvements program and the debt service fund are legally required. Budgets for agency and fiduciary funds are not legally required or adopted. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended. Outstanding encumbrances also lapse, but may be re-established in the succeeding fiscal year budget.

The Clerk of the Circuit Court prepares and submits the annual budget for the succeeding fiscal year, beginning October 1, to the Board. Prior to presentation to the Board, the various departments submit budget requests and prepare recommendations for the Clerk's consideration. A summary of the tentative budget is advertised, publicly reviewed and revised prior to approval and adoption by the Board before the end of the prior fiscal year. The total appropriation for a fund may only be changed by resolution of the Board. Only the Board may approve an increase to a fund's budget and may transfer funds from an appropriated reserve to an expenditure appropriation, or change the amounts budgeted for a Constitutional Officer (Clerk of the Circuit Court, Supervisor of Elections and Sheriff).

If a budget is not enacted by October 1, Florida law provides for continued operation under the previous year's budget, subject to any amendments.

For additional information regarding the County, see Appendix A hereto.

Description of Financial Practices

The financial statements of the County are prepared in conformity with generally accepted accounting principles as applied to government units. The County uses funds and account groups to report on its financial position and the results of its operations. A summary of the more significant accounting policies of the County is included in the notes to the County financial statements included in Appendix B hereto.

LITIGATION

The County is a defendant from time to time in various lawsuits including, in particular, litigation related to zoning and other land use regulation matters. It is the opinion of the County Attorney that none of the actions presently pending will have a material effect upon the financial position of the County or its right to receive the Pledged Funds in the full amount provided by law. There is no pending or, to the knowledge of the County, threatened litigation against the County which in any way questions the validity of the Bonds, or any proceedings or transactions relating to their issuance, sale, delivery or payment.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder, require that the County make full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as conduit issuer). The County is not and has not since December 31, 1975, been in default as to payment of principal and interest on its bonds or other debt obligations.

SECONDARY MARKET DISCLOSURE

The County will provide financial statements and other pertinent credit information, including the comprehensive annual financial report, if one is prepared, upon request and payment of postage and photocopying charges by the party requesting the same. Copies of all periodic reports may also be made available by any other means maintained by the County to provide information to persons wishing to receive them.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel (See Appendix D), the interest on the Bonds is excludable from gross income and is not a specific item of tax preference for purposes of federal income taxation under existing law. Interest on the Bonds received by certain corporations will, however, be

includable in the computation of the alternative minimum tax and environmental tax imposed on corporations by the Internal Revenue Code of 1986, as amended (the "Code") (as hereinafter discussed). Failure by the County to comply subsequent to the issuance of the Bonds with certain requirements of the Code regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States may cause interest on the Bonds to become includable in gross income for Federal income tax purposes retroactive to their date of issue. The County has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Bonds for purposes of Federal income taxation. In rendering its opinion, Bond Counsel has assumed compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Alternative Minimum Tax on Corporations

A corporation's alternative minimum taxable income will include 75% of the amount by which "adjusted current earnings" of such corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts and REMIC's) exceeds its alternative minimum taxable income (before such adjustment item and the alternative tax net operating loss deduction). Interest on the Bonds would be includable in the "adjusted net current earnings" of a corporation for purposes of such alternative minimum tax.

Environmental Tax

The Code imposes an environmental tax on a corporation's "modified alternative minimum taxable income." The tax is imposed for taxable years before January 1, 1996, and is imposed even if a corporation pays no alternative minimum tax. Interest on the Bonds would be includable in the "modified alternative minimum taxable income" of a corporation for purposes of such environmental tax.

Financial Institutions

Banks and thrift institutions are generally unable to deduct any portion of the interest expense allocable to purchasing or carrying tax exempt obligations (except "qualified tax-exempt obligations") if such interest costs are incurred in taxable years ending after December 31, 1986, with respect to bonds acquired after August 7, 1986. An exception is provided for "qualified tax-exempt obligations" specifically designated as such by the issuer. The Bonds do not qualify for the exception.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. In addition, certain foreign corporations doing business in the United States may be subject to the new "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of these consequences.

Florida Taxes

In the opinion of Bond Counsel, the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in Chapter 220.

Treatment of Original Issue Discount

The initial offering price of the Bonds maturing in years other than 1993 and 1994 (the "Discounted Bonds") is less than the stated principal amount thereof. Accordingly, the difference between the initial public offering price, as set forth on the cover page of this Official Statement, for the Discounted Bonds (assuming it is the first price at which a substantial amount of that maturity is sold) and the stated principal amount thereof will be treated as "original issue discount" and will constitute "tax-exempt" interest to the extent accrued as described below.

The original issue discount on each Discount Bond is treated as accruing over the term of such Discounted Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on March 1 and September 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discounted Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discounted Bonds. Such adjusted basis will be used to determine gain or loss upon disposition of the Discounted Bonds (including sale, redemption or payment at maturity).

Owners who do not purchase Discounted Bonds in the initial offering at the initial offering price at which a substantial amount of such Discounted Bonds were sold should consult their own tax advisors with respect to the tax consequences of the subsequent ownership of the Discounted Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discounted Bonds. Subsequent purchasers of Discounted Bonds should consult their own tax advisors with respect to the tax consequences of the ownership of the Discounted Bonds.

Owners of the Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds. It is possible that under the applicable provisions governing determination of state and local income taxes, accrued interest on the Discounted Bonds may be deemed to be received in the years of accrual even though there will not be a corresponding cash payment.

LEGALITY

All legal matters incident to the validity of the Bonds, including their authorization, issuance and sale by the County are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose approving opinion (in substantially the form attached hereto as Appendix D) will be furnished to the purchasers of the Bonds at the time of their delivery.

Certain matters will be passed upon for the Underwriter by its counsel, Squire, Sanders & Dempsey, Jacksonville, Florida, and for the County by the County Attorney, Michael S. Mullin.

BONDOWNERS' RISKS

General

Investment in any municipal security involves some degree of risk. Political, economic and regulatory factors may affect the issuers of Florida municipal securities, including the County. The following information constitutes only a brief summary of a number of complex factors affecting the financial situation in Florida generally and the County in particular.

Economic Trends

Florida state and local government obligations may be adversely affected by political and economic conditions and developments within Florida and the nation as a whole. While the Florida economy is experiencing strong population growth, there is no assurance this trend will continue. In addition, various limitations on the state, its governmental agencies and local governments, including municipalities, may inhibit the ability of these issuers to repay existing indebtedness and issue additional indebtedness.

The ability of the County to repay the Bonds will depend upon the continued receipt of the Pledged Funds in an amount sufficient to meet debt service requirements on the Bonds. The continued strength of these revenues is dependent upon economic factors which affect the sales of motor fuel in the County.

CERTAIN CLOSING CERTIFICATES

At the time of delivery of the Bonds to the Underwriter, the County will provide to the Underwriter a certificate (which may be included in a consolidated closing certificate of the County), signed by those County officials who signed this Official Statement, relating to the accuracy and completeness of this Official Statement and to its being a "final official statement" in the judgement of the County for the purposes of SEC Rule 15c2-12(b)(3).

UNDERWRITING

The Underwriter, as shown on the cover page hereof, has agreed, subject to the proceedings authorizing the issuance of the Bonds and its bond purchase agreement with the County, to purchase the Bonds from the County, at a price of \$9,797,866.45 (representing the par amount of the Bonds, less an original issue discount of \$72,306.05 and an underwriter's discount of \$114,827.50) plus accrued interest from their date, for the purpose of resale. The Underwriter has furnished the information in this Official Statement pertaining to the public offering price of and redemption provisions for the Bonds. The public offering price of the Bonds may be changed from time to time by the Underwriter, and the Underwriter may allow a concession from the public offering price to certain dealers. None of the Bonds will be delivered by the County to the Underwriter unless all of the Bonds are so delivered.

FINANCIAL ADVISOR

The County has retained William R. Hough & Co., Jacksonville, Florida, as financial advisor (the "Financial Advisor") with respect to the authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Although William R. Hough & Co. is also engaged in the business of underwriting, marketing, and trading of municipal securities and other negotiable instruments, it acted solely in its capacity of financial advisor to the County with respect to the issuance and sale of the Bonds, and provided the Escrow Securities.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of (i) the arithmetical computation of the adequacy of the maturing principal amounts and interest earnings thereon of the Escrow Securities deposited under the Escrow Agreement to pay when due all principal of, applicable redemption premium, and interest on the Refunded Bonds and (ii) the arithmetical computation supporting the conclusion that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code will be verified for the Board by Ernst & Young, Jacksonville, Florida (herein,

the "Escrow Verifier"). Such verification will be based on certain information supplied to the Escrow Verifier by the Financial Advisor and the Board.

BOND RATINGS

Fitch Investors Service, Inc., Moody's Investors Service and Standard & Poor's Corporation assigned the Bonds the ratings of "AAA", "Aaa" and "AAA," respectively, on the understanding that the standard policy of municipal bond insurance insuring the timely payment of the principal of and interest on such Bonds will be issued by Financial Guaranty Insurance Company. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or either of them, if in their judgment circumstances so warrant. A downward change in or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds. An explanation of the significance of the ratings can be received from the rating agencies.

MISCELLANEOUS

The references, excerpts and summaries of all documents, resolutions and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to the Bonds, the security for and the repayment of the Bonds and the rights and obligations of the holders thereof.

The information contained in this Official Statement has been compiled from official and other sources believed by the County to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The Appendices hereof are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement by the Chairman of the Board of County Commissioners of Nassau County, Florida; the ex officio Clerk of the Board have been duly authorized by the Board

NASSAU COUNTY, FLORIDA

By: /s/ Thomas D. Branan, Jr.
Chairman, Board of County
Commissioners

By: /s/ T. J. "Jerry" Greeson
ex officio Clerk, Board of
County Commissioners

Information Concerning Nassau County, Florida

Location

The County is one of 4 counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is 34 miles north of Jacksonville. It is bordered on the north by the State of Georgia, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Marys River and the Atlantic Ocean.

Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

Population

Nassau County's population has shown a steady growth in recent years, increasing from 32,894 according to the 1980 U.S. Census, to 43,941, 1990 U.S. Census (representing a 33.58% increase during the last 10 years). The table below shows the population for the County and the steady growth it has had through the years.

| | |
|-------------------|--------|
| 1940 U.S. Census: | 10,826 |
| 1950 U.S. Census: | 12,811 |
| 1960 U.S. Census: | 17,189 |
| 1970 U.S. Census: | 20,626 |
| 1980 U.S. Census: | 32,894 |
| 1990 U.S. Census: | 43,941 |

- (1) University of Florida Bureau of Economic and
Business Research; U.S. Department of Commerce
1990 Census of Population and Housing for
Florida

Industry

Timber and forest products constitute the most important aspect of the economy. Commercial fishing, seafood processing, production of fish meal and oil, farming, egg and poultry production, and cattle and milk processing are also significant and provide additional employment on a large scale.

The Fleet Ballistic Missile Submarine Support Base development at King's Bay, directly north of Nassau County, is contributing to the economic activity in the County.

Employment

The following table shows employment by major categories for the year 1990 and the fourth quarter of 1991.

| <u>Distribution(1)</u> | <u>1990 Number of Employees</u> | <u>1990 Percentage of All Industries</u> | <u>1991 Number of Employees</u> | <u>1991 Percentage of All Industries</u> |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------|-----------------------------------------|------------------------------------------------------|
| Manufacturing | 1,760 | 14.56% | 1,829 | 14.60% |
| Construction | 795 | 6.58 | 1,062 | 8.48 |
| Transportation, Communications & Utilities | 502 | 4.15 | 399 | 3.19 |
| Wholesale Trade | 316 | 2.61 | 234 | 1.87 |
| Retail Trade | 2,852 | 23.60 | 2,905 | 23.20 |
| Finance, Insurance and Real Estate Services | 380 | 3.14 | 365 | 2.91 |
| Government(2) | 2,489 | 20.59 | 2,250 | 17.97 |
| Agriculture (Except - Domestic, Self Employed, Unpaid Family Workers and Seasonal Workers) | 1,415 | 11.71 | 1,366 | 10.91 |
| | 570 | 4.71 | 588 | 4.70 |

(1) Major categories only

(2) Public Administration only categorized by Florida Abstract

Source: State of Florida, Department of Labor and Employment
Security; Florida Statistical Abstract, 1991

Major Employers

The following table shows the major employers in Nassau County and their approximate current level of employment:

| <u>Establishment</u> | <u>Product</u> | <u>Approximate Employment</u> |
|-------------------------------------|------------------------------------|-----------------------------------|
| Nassau County School Board | School System | 1,055 |
| Amelia Island Plantation | Resort | 900 |
| Container Corporation of America | Paper Products | 639 |
| Ritz Carlton/Amelia Island | Resort Hotel/ Convention Center | 600 |
| Federal Aviation Administration | Air Traffic Controllers | 435 |
| ITT Rayonier, Inc. | Chemical Cellulose | 415 |
| Board of County Commissioners | Government | 193 |
| Nassau General Hospital | Hospital | 170 |
| City of Fernandina Beach | Government | 165 |
| Stone Container Corporation | Kraft Paper Bags | 155 |
| Publix Supermarkets | Retail Grocer | 125 |
| Wal-Mart | Retail Sales | 125 |

| <u>Establishment</u> | <u>Product</u> | <u>Approximate Employment</u> |
|------------------------------------------|--------------------------|-----------------------------------|
| Amelia Island Care Center | Health Care | 120 |
| American Body Armor & Equipment, Inc. | Bullet Proof Products | 105 |
| Shoney's Inn | Motel & Restaurant | 100 |
| Gold Kist Farms | Egg Packaging | 100 |

Source: Amelia Island - Fernandina Beach Chamber of Commerce; Florida County Profile 1991 (Nassau County) by Florida Department of Commerce

Tourism and Recreation

A combination of favorable climate and available recreational activities make Nassau County a popular place to visit. The County has approximately 15 miles of attractive beaches along which numerous resort homes stand. Swimming, sailing, shell collecting and camping are popular in this area. Amelia Island Plantation is a nationally-known resort area, developed in the southern part of the County between the Atlantic Ocean and the Intracoastal Waterway. Amelia Island has a continuing expansion program. Fernandina Beach hosts an annual Shrimp Festival which draws over 100,000 visitors.

Transportation

Transportation facilities in the County include rail service for industry and motor freight transportation. Greyhound Bus Lines provide passenger and baggage service to intrastate and interstate customers. The County is served by State Road A1A, U.S. Highway 17, and Interstate 95. Air travel is available from the Jacksonville International Airport.

Health Care Facilities

Medical care is provided by Nassau General Hospital, which has 54 beds, and Nassau County Health Department with clinics in Fernandina Beach, Yulee, Callahan and Hilliard. There are approximately 40 physicians and dentists in the area. There are 5 licensed nursing homes in the County.

Education

The public school system in Nassau County is directed by an elected 5-member School Board, and is administered by an elected Superintendent of Schools. The system consists of 9 elementary schools, 3 middle schools, 3 senior high schools, one middle/senior high school and community education centers. The 1991-1992 school year had approximately 8,808 students enrolled with approximately 500 teachers. There are, in addition, several private schools in the County. Higher education facilities are available in the Jacksonville area.

Labor Force

The retail trade industry, services and the manufacturing industry employ the largest number of people in the County.

Nassau County, Florida
Civilian Labor Force
1980-1991
(Unadjusted)

| <u>Year</u> | <u>Civilian Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Unemployment Rate</u> | <u>State Unemployment Rate</u> |
|-------------|-------------------------------------|-------------------|---------------------|------------------------------|----------------------------------------|
| 1980 | 14,289 | 13,519 | 770 | 5.4% | 5.9% |
| 1981 | 14,958 | 14,126 | 832 | 5.6 | 6.8 |
| 1982 | 16,631 | 15,241 | 1,390 | 8.4 | 8.2 |
| 1983 | 17,570 | 15,788 | 1,782 | 10.1 | 8.6 |
| 1984 | 17,941 | 16,813 | 1,128 | 6.3 | 6.3 |
| 1985 | 18,951 | 17,810 | 1,141 | 6.0 | 6.0 |
| 1986 | 20,658 | 19,036 | 1,622 | 7.9 | 5.7 |
| 1987 | 21,605 | 20,298 | 1,307 | 6.0 | 5.3 |
| 1988 | 22,556 | 21,066 | 1,490 | 6.6 | 5.0 |
| 1989 | 22,147 | 20,892 | 1,255 | 5.7 | 5.6 |
| 1990 | 22,624 | 21,304 | 1,320 | 5.8 | 5.9 |
| 1991 | 23,119 | 21,539 | 1,580 | 6.8 | 7.3 |

Source: Florida Department of Labor and Employment Security,
Bureau of Research and Information

Government

Nassau County is governed by a 5-member Board of County Commissioners, one from each of 5 districts, elected at large for staggered terms of 4 years. The Chairman and Vice-Chairman are elected by the Board. The Board apportions and levies County taxes and controls the expenditures of all County funds, except for schools, which are controlled by the School Board. The budget year of the County runs from October 1 to the following September 30. Operating revenue is raised mainly from ad valorem real and personal property taxes, with supplements from state and federal sources for county roads, welfare and health. The Board operates a county road system and has power to establish, build, maintain, repair, protect and preserve these public facilities. The County may issue bonds for all lawful purposes. The Board correlates and is responsible for various types of elections in the County. Other elected officials are the Clerk of the Circuit Court, who also serves as exofficio Clerk of the Board of County Commissioners, the Sheriff, the Property Appraiser, the Tax Collector and the Supervisor of Elections. The Board of County Commissioners retains a County Attorney for legal advice and services.

Nassau County, Florida
Taxable Assessed Property Valuations

| <u>Year</u> | <u>Non-Exempt Real Property Valuations</u> | <u>Non-Exempt Personal Valuations</u> | <u>Non-Exempt Utilities Railroad</u> | <u>Total Taxable Assessed Property Valuations</u> |
|-------------|----------------------------------------------------|-----------------------------------------------|----------------------------------------------|---------------------------------------------------------------|
| 1985 | \$ 624,334,882 | \$166,759,882 | \$10,738,921 | \$ 801,833,685 |
| 1986 | 704,399,762 | 179,098,127 | 12,545,182 | 896,043,071 |
| 1987 | 795,340,989 | 187,920,417 | 13,396,457 | 996,657,863 |
| 1988 | 874,729,105 | 191,029,832 | 14,103,084 | 1,079,862,021 |
| 1989 | 1,111,740,706 | 207,040,589 | 13,104,242 | 1,331,885,537 |
| 1990 | 1,197,268,151 | 211,653,902 | 12,721,343 | 1,421,643,396 |
| 1991 | 1,240,696,624 | 213,818,912 | 12,488,970 | 1,467,004,506 |

Nassau County, Florida
Gross Assessed Valuations

| <u>Year</u> | <u>Real Property Valuations</u> | <u>Personal Valuations</u> | <u>Utilities Railroad</u> | <u>Total Assessed Property Valuations</u> |
|-------------|-------------------------------------|--------------------------------|-------------------------------|-------------------------------------------------------|
| 1985 | \$ 993,206,551 | \$288,307,685 | \$10,738,921 | \$1,292,253,157 |
| 1986 | 1,084,507,826 | 300,649,133 | 12,545,182 | 1,397,702,141 |
| 1987 | 1,200,189,292 | 309,458,999 | 13,396,457 | 1,523,044,748 |
| 1988 | 1,299,797,634 | 312,582,530 | 14,103,084 | 1,626,483,248 |
| 1989 | 1,632,414,258 | 328,620,087 | 13,104,242 | 1,974,138,587 |
| 1990 | 1,752,367,121 | 334,826,281 | 12,721,343 | 2,099,914,745 |
| 1991 | 1,812,378,905 | 337,186,203 | 12,488,970 | 2,162,054,078 |

Nassau County, Florida
Ad Valorem Tax Levies and Collections

| <u>Year</u> | <u>Property Taxes Levied</u> | <u>Total Tax Collections</u> | <u>% of Levy Collected</u> | <u>Delinquent Tax Uncollected</u> |
|-------------|----------------------------------|----------------------------------|--------------------------------|---------------------------------------|
| 1985 | \$15,118,769 | \$15,090,313 | 99.81% | \$ 28,456 |
| 1986 | 16,979,858 | 16,828,487 | 99.11 | 151,371 |
| 1987 | 18,473,760 | 18,197,545 | 98.50 | 276,215 |
| 1988 | 20,154,364 | 19,747,083 | 97.97 | 407,282 |
| 1989 | 25,349,377 | 24,661,219 | 97.28 | 688,158 |
| 1990 | 29,019,953 | 28,550,908 | 98.38 | 469,045 |
| 1991 | 29,864,945 | 29,705,383 | 99.46 | 79,966 |

Source: State of Florida, Department of Revenue, Division of Ad Valorem Revenue; Nassau County Tax Collector

NASSAU COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS
FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

APPENDIX B
AUDITED FINANCIAL STATEMENTS OF NASSAU COUNTY,
FLORIDA, FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 1991

NASSAU COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

TABLE OF CONTENTS

September 30, 1991

| | <u>Page</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| PERSONNEL | 5 |
| INDEPENDENT AUDITORS' REPORT | 6 |
| GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW) | |
| Combined Balance Sheet - All Fund Types and Account Groups | 8 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental and Fiduciary Fund Types | 10 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental and Fiduciary Fund Types | 11 |
| Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types | 13 |
| Combined Statement of Cash Flows - All Proprietary Fund Types | 14 |
| Notes to Financial Statements | 15 |
| COMBINING FINANCIAL STATEMENTS | |
| Combining Balance Sheet - All Special Revenue Funds | 40 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds | 43 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Special Revenue Funds | 46 |

NASSAU COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

TABLE OF CONTENTS

September 30, 1991
(Continued)

| | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| COMBINING FINANCIAL STATEMENTS (Continued) | |
| Combining Balance Sheets - All Debt Service Funds | 55 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Debt Service Funds | 56 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Debt Service Funds | 57 |
| Combining Balance Sheets - All Capital Projects Funds | 58 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Capital Projects Funds | 59 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Capital Projects Funds | 60 |
| Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual - All Proprietary Fund Types | 61 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Fiduciary Fund Types | 62 |
| Combining Balance Sheet - All Agency Funds | 63 |
| Combining Statement of Changes in Assets and Liabilities - All Agency Funds | 64 |

NASSAU COUNTY, FLORIDA

PERSONNEL

September 30, 1991

BOARD OF COUNTY COMMISSIONERS

Thomas D. Branan - Chairman

James E. Testone - Vice Chairman

James B. Higginbotham

Jimmy L. Higginbotham

John A. Crawford

CLERK OF THE BOARD OF COUNTY COMMISSIONERS EX OFFICIO

Thomas J. Greeson

SUPERVISOR OF ELECTIONS

Shirley N. King

FARMAND, FARMAND & FARMAND, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

A. B. FARMAND, C.P.A.
ERRY B. FARMAND, C.P.A.
MIKE B. FARMAND, C.P.A.

4237 ATLANTIC BOULEVARD
JACKSONVILLE, FLORIDA 32207
TELEPHONE 904/396-6838
FAX 904/346-0400

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

303 CENTRE STREET
SUITE 201
FERNANDINA BEACH, FLORIDA 32034
TELEPHONE 904/261-0114
FAX 904/359-0020

INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Nassau County, Florida

We have audited the accompanying general purpose financial statements of the Board of County Commissioners, Nassau County, Florida, as of and for the year ended September 30, 1991, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Board of County Commissioners, Nassau County, Florida. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Board of County Commissioners, Nassau County, Florida as of September 30, 1991, and the results of its operations, and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Board of County Commissioners, Nassau County, Florida, taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Board of County Commissioners, Nassau County, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Farmand, Farmand & Farmand, P.A.
FARMAND, FARMAND & FARMAND, P.A.
Certified Public Accountants

January 22, 1992
Fernandina Beach, Florida

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 1 of 2

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1991

| | Governmental Fund Types | | | | Proprietary Fund Types | | Fiduciary Fund Types | | Account Groups | | Totals (Memorandum Only) | |
|-----------------------------------------------------------------------|-------------------------|--------------------|--------------------|---------------------|------------------------|---------------------|-----------------------------|------------------|----------------------------|----------------------------------|-----------------------------|-----------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service | Non- expendable Trust | Agency | General Fixed Assets | General Long- Term Debt | Year Ended | |
| | | | | | | | | | | | September 30, 1991 | September 30, 1990 |
| ASSETS | | | | | | | | | | | | |
| Cash on hand | \$ 50 | \$ 195 | \$ - | \$ - | \$ 175 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 420 | \$ 295 |
| Cash in Banks | 257,870 | 452,212 | 71,946 | 21,694 | 30,996 | 18,620 | 583 | - | - | - | 853,921 | 690,679 |
| Cash - certificates of deposit | 170,327 | - | - | - | - | - | - | - | - | - | 170,327 | 149,636 |
| Investments by State Board of Administration | 1,359,386 | 7,343,264 | 1,367,091 | 8,940,618 | 1,233,782 | 301,712 | 206,561 | 234,015 | - | - | 20,986,429 | 17,932,327 |
| Cash with deferred compensation plan program administrator | - | - | - | - | - | - | - | 100,585 | - | - | 100,585 | 54,312 |
| Accrued interest receivable | - | - | - | - | - | - | 15,331 | - | - | - | 15,331 | 16,132 |
| Accounts receivable (net of allowances for uncollectibles) | 78,783 | - | - | 34 | 267,313 | - | - | - | - | - | 346,130 | 299,327 |
| Assessments receivable (net of allowances for uncollectibles) | - | - | - | - | 212,252 | - | - | - | - | - | 212,252 | 201,142 |
| Advance on Property Appraiser's subsequent budget | 30,373 | - | - | - | - | - | - | - | - | - | 30,373 | 8,863 |
| Due from constitutional officers | 394,940 | 152,198 | - | - | 153,174 | - | - | - | - | - | 700,312 | 678,955 |
| Due from other funds | 38,122 | 13,217 | - | - | 289 | - | - | - | - | - | 51,628 | 114,605 |
| Due from other governments | 13,268 | 20,478 | - | 12,142 | 75,632 | - | - | - | - | - | 121,520 | - |
| Note receivable | - | - | - | - | - | - | 628,056 | - | - | - | 628,056 | 660,841 |
| Inventories | - | 150,127 | - | - | - | - | - | - | - | - | 150,127 | 139,624 |
| Deposits | - | - | - | - | - | - | - | - | - | - | - | 3,000 |
| Prepaid expenses | 9,750 | 1,155 | - | - | - | - | - | - | - | - | 10,905 | 1,242 |
| Land | - | - | - | - | 526,464 | - | - | - | 2,335,775 | - | 2,862,239 | 2,663,076 |
| Buildings and other improvements | - | - | - | - | - | - | - | - | 5,134,985 | - | 5,134,985 | 5,055,424 |
| Equipment, motor vehicles, and furniture | - | - | - | - | 55,699 | - | - | - | 4,896,265 | - | 4,951,964 | 4,776,185 |
| Less allowance for depreciation | - | - | - | - | (5,860) | - | - | - | - | - | (5,860) | (251) |
| Amount available in debt service fund | - | - | - | - | - | - | - | - | - | 1,439,037 | 1,439,037 | 1,419,526 |
| Amount to be provided for retirement of general long- term debt | - | - | - | - | - | - | - | - | - | 8,879,767 | 8,879,767 | 9,074,638 |
| Total Assets | \$2,352,869 | \$8,132,846 | \$1,439,037 | \$8,974,488 | \$2,549,916 | \$320,332 | \$850,531 | \$334,600 | \$12,367,025 | \$10,318,804 | \$47,640,448 | \$43,939,578 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1991
(Continued)

Page 2 of 2

| | Governmental Fund Types | | | | Proprietary Fund Types | | Fiduciary Fund Types | | Account Groups | | Totals (Memorandum Only) | |
|--------------------------------------------|-------------------------|-----------------|--------------|------------------|------------------------|------------------|----------------------|---------|----------------------|------------------------|--------------------------|--------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service | Non-expendable Trust | Agency | General Fixed Assets | General Long-Term Debt | Year Ended | |
| | | | | | | | | | | | September 30, 1991 | September 30, 1990 |
| LIABILITIES AND FUND BALANCE | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Accounts payable | \$ 61,692 | \$ 485,252 | \$ - | \$ 722,253 | \$ 351,421 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,620,618 | \$ 493,440 |
| Accrued liabilities | 95,407 | 68,701 | - | - | 1,849 | - | - | - | - | - | 165,957 | 221,389 |
| Accrued compensated absences | - | - | - | - | 5,108 | - | - | - | - | 337,760 | 342,868 | 312,181 |
| Deferred compensation | - | - | - | - | - | - | - | - | - | - | - | 54,312 |
| Unearned revenue | - | 9,867 | - | - | - | - | - | - | - | - | 9,867 | 41,668 |
| Due to constitutional officers | 909 | 51,229 | - | 11 | 706 | - | - | - | - | - | 52,855 | 11,413 |
| Due to other funds | 396 | 37,438 | - | - | 13,793 | - | - | - | - | - | 51,627 | 114,605 |
| Due to other governments | 18,873 | 14,234 | - | 35,404 | 13,721 | 3,635 | - | 234,015 | - | - | 319,882 | 78,051 |
| Notes payable | - | - | - | - | - | - | - | - | - | 153,504 | 153,504 | 62,040 |
| Contracts payable | - | 67,809 | - | 168,024 | 60,578 | - | - | - | - | - | 296,411 | 325,571 |
| Other long-term liabilities | - | - | - | - | - | 155,310 | - | 100,585 | - | - | 255,895 | - |
| Long-term obligations under capital leases | - | - | - | - | - | - | - | - | - | 34,540 | 34,540 | 65,983 |
| Bonds payable | - | - | - | - | - | - | - | - | - | 9,793,000 | 9,793,000 | 10,116,000 |
| Total Liabilities | 177,277 | 734,530 | - | 925,692 | 447,176 | 158,945 | - | 334,600 | - | 10,318,804 | 13,097,024 | 11,896,653 |
| Fund Equity: | | | | | | | | | | | | |
| Investments in general fixed assets | - | - | - | - | - | - | - | - | 12,367,025 | - | 12,367,025 | 11,995,702 |
| Retained earnings | - | - | - | - | 2,102,740 | 161,387 | - | - | - | - | 2,264,127 | 1,243,080 |
| Fund Balances: | | | | | | | | | | | | |
| Reserved for inventories | - | 150,127 | - | - | - | - | - | - | - | - | 139,624 | 139,624 |
| Unreserved: | | | | | | | | | | | | |
| Designated for debt service | - | - | 1,439,037 | - | - | - | - | - | - | - | 1,439,037 | 1,419,526 |
| Undesignated | 2,175,592 | 7,248,189 | - | 8,048,796 | - | - | 850,531 | - | - | - | 18,333,611 | 17,244,993 |
| Total Fund Equity | 2,175,592 | 7,398,316 | 1,439,037 | 8,048,796 | 2,102,740 | 161,387 | 850,531 | - | 12,367,025 | - | 34,543,424 | 32,042,925 |
| Total Liabilities and Fund Equity | 2,352,869 | 8,132,846 | 1,439,037 | 8,974,488 | 2,549,916 | 320,332 | 850,531 | 334,600 | 12,367,025 | 10,318,804 | 47,640,448 | 43,939,578 |

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

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES

For the Fiscal Year Ended September 30, 1991

| | Governmental | | Fund Types | | Fiduciary Fund Types | Totals (Memorandum Only) | |
|----------------------------------------------------------------------------------|--------------|--------------------|-----------------|---------------------|-------------------------|-----------------------------|-----------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Nonexpendable Trust | Year Ended | |
| | | | | | | September 30, 1991 | September 30, 1990 |
| Revenues: | | | | | | | |
| Taxes | \$4,302,305 | \$ 7,378,176 | \$ 859,582 | \$ 1,726 | \$ - | \$12,541,789 | \$10,157,798 |
| Licenses and Permits | - | 371,374 | - | - | - | 371,374 | 426,326 |
| Intergovernmental Revenue | 692,445 | 2,874,830 | 100,000 | 118,863 | - | 3,786,138 | 4,358,969 |
| Charges for Services | 178,683 | 960,267 | - | - | - | 1,138,950 | 932,399 |
| Fines and Forfeits | - | 458,260 | - | - | - | 458,260 | 440,424 |
| Miscellaneous Revenues | 193,301 | 1,046,753 | 108,673 | 623,217 | 32,647 | 2,004,591 | 2,631,994 |
| Total Revenues | 5,366,734 | 13,089,660 | 1,068,255 | 743,806 | 32,647 | 20,301,102 | 18,947,910 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General Government Services | 1,637,470 | 614,730 | 10,371 | 106,251 | - | 2,368,822 | 2,061,318 |
| Public Safety | 1,353,033 | 1,816,111 | - | - | - | 3,169,144 | 2,783,094 |
| Physical Environment | 133,913 | - | - | - | - | 133,913 | 112,973 |
| Transportation | - | 3,658,501 | - | 2,673,963 | - | 6,332,464 | 4,279,899 |
| Economic Environment | 19,225 | 436,275 | - | - | - | 455,500 | 384,463 |
| Human Services | 673,822 | 73,861 | - | - | - | 747,683 | 698,533 |
| Culture/Recreation | 209,273 | 261,083 | - | 22,592 | - | 492,948 | 303,730 |
| Capital Outlay | - | - | - | 7,448 | - | 7,448 | 444,450 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | 323,000 | - | - | 323,000 | 304,000 |
| Interest and Fiscal Charges | 14,426 | - | 715,373 | - | - | 729,799 | 735,225 |
| Total Expenditures | 4,041,162 | 6,860,561 | 1,048,744 | 2,810,254 | - | 14,760,721 | 12,107,685 |
| Excess of Revenues Over (Under) Expenditures | 1,325,572 | 6,229,099 | 19,511 | (2,066,448) | 32,647 | 5,540,381 | 6,840,225 |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In | 423,219 | 75,251 | - | 19,680 | - | 518,150 | 551,114 |
| Operating Transfers Out | (806,445) | (4,143,957) | - | - | - | (4,950,402) | (5,243,048) |
| Total Other Financing Sources (Uses) | (383,226) | (4,068,706) | - | 19,680 | - | (4,432,252) | (4,691,934) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 942,346 | 2,160,393 | 19,511 | (2,046,768) | 32,647 | 1,108,129 | 2,148,291 |
| Fund Balances - October 1 | 1,233,246 | 5,237,923 | 1,419,526 | 10,095,564 | 817,884 | 18,804,143 | 16,655,852 |
| Fund Balances - September 30 | \$2,175,592 | \$ 7,398,316 | \$1,439,037 | \$ 8,048,796 | \$850,531 | \$19,912,272 | \$18,804,143 |

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

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 1 of 2

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES

For the Fiscal Year Ended September 30, 1991

| | General | | | Special Revenue Funds | | | Debt Service | | |
|---------------------------------------------------------------------------------------|-------------|-------------|----------------------------------------|-----------------------|--------------|----------------------------------------|--------------|-------------|----------------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | | | | |
| Taxes | \$4,179,527 | \$4,302,305 | \$ 122,778 | \$ 7,063,256 | \$ 7,378,176 | \$ 314,920 | \$ 947,786 | \$ 859,582 | \$ (88,204) |
| Licenses and Permits | - | - | - | 401,150 | 371,374 | (29,776) | - | - | - |
| Intergovernmental Revenue | 416,181 | 692,445 | 276,264 | 3,335,758 | 2,874,830 | (460,928) | 100,000 | 100,000 | - |
| Charges for Services | 157,900 | 178,683 | 20,783 | 561,329 | 960,267 | 398,938 | - | - | - |
| Fines and Forfeits | - | - | - | 395,670 | 458,260 | 62,590 | - | - | - |
| Miscellaneous Revenues | 58,235 | 193,301 | 135,066 | 727,418 | 1,046,753 | 319,335 | 98,817 | 108,673 | 9,856 |
| Total Revenues | 4,811,843 | 5,366,734 | 554,891 | 12,484,581 | 13,089,660 | 605,079 | 1,146,603 | 1,068,255 | (78,348) |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government Services | 1,730,920 | 1,637,470 | 93,450 | 837,110 | 614,730 | 222,380 | 10,371 | 10,371 | - |
| Public Safety | 1,430,126 | 1,353,033 | 77,093 | 2,141,143 | 1,816,111 | 325,032 | - | - | - |
| Physical Environment | 135,699 | 133,913 | 1,786 | - | - | - | - | - | - |
| Transportation | - | - | - | 6,493,595 | 3,658,501 | 2,835,094 | - | - | - |
| Economic Environment | 19,791 | 19,225 | 566 | 724,321 | 436,275 | 288,046 | - | - | - |
| Human Services | 673,828 | 673,822 | 6 | 86,799 | 73,861 | 12,938 | - | - | - |
| Culture/Recreation | 209,279 | 209,273 | 6 | 324,180 | 261,083 | 63,097 | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | | |
| Principal Retirement | - | - | - | - | - | - | 323,000 | 323,000 | - |
| Interest and Fiscal Charges | 15,750 | 14,426 | 1,324 | - | - | - | 717,248 | 715,373 | 1,875 |
| Total Expenditures | 4,215,393 | 4,041,162 | 174,231 | 10,607,148 | 6,860,561 | 3,746,587 | 1,050,619 | 1,048,744 | 1,875 |
| Excess of Revenues Over (Under) Expenditures | 596,450 | 1,325,572 | 729,122 | 1,877,433 | 6,229,099 | 4,351,666 | 95,984 | 19,511 | (76,473) |
| Other Financing Sources (Uses): | | | | | | | | | |
| Operating Transfers In | 99,750 | 423,219 | 323,469 | 74,997 | 75,251 | 254 | - | - | (1,450,000) |
| Operating Transfers Out | (823,993) | (806,445) | 19,548 | (4,147,747) | (4,143,957) | 3,790 | - | - | 1,545,984 |
| Total other financing Sources (Uses) | (726,243) | (383,226) | 343,017 | (4,072,750) | (4,068,706) | 4,044 | - | - | 95,984 |
| Excess of Revenues and Other Sources Over (Under) Expendi- tures and Other Uses | (129,793) | 942,346 | 1,072,139 | (2,195,317) | 2,160,393 | 4,355,710 | 95,984 | 19,511 | (76,473) |
| Fund Balances - October 1 | 129,793 | 1,233,246 | 1,103,453 | 2,195,317 | 5,237,923 | 3,042,606 | (95,984) | 1,419,526 | 1,515,510 |
| Fund Balances - September 30 | \$ - | \$2,175,592 | \$2,175,592 | \$ - | \$ 7,398,316 | \$7,398,316 | \$ - | \$1,439,037 | \$1,439,037 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 2 of 2

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES

For the Fiscal Year Ended September 30, 1991
(Continued)

| | Capital Projects | | | Nonexpendable Trust | | | Total (Memorandum Only) | | |
|-------------------------------------------------------------------------------|------------------|--------------|----------------------------------------|---------------------|------------|----------------------------------------|----------------------------|---------------|----------------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | | | | |
| Taxes | \$ 35 | \$ 1,726 | \$ 1,691 | \$ - | \$ - | \$ - | \$12,190,604 | \$12,541,789 | \$ 351,185 |
| Licenses and Permits | - | - | - | - | - | - | 401,150 | 371,374 | (29,776) |
| Intergovernmental Revenue | 59,057 | 118,863 | 59,806 | 33,428 | - | (33,428) | 3,944,424 | 3,786,138 | (158,286) |
| Charges for Services | - | - | - | - | - | - | 719,229 | 1,138,950 | 419,721 |
| Fines and Forfeits | - | - | - | - | - | - | 395,670 | 458,260 | 62,590 |
| Miscellaneous Revenues | 310,823 | 623,217 | 312,394 | 26,149 | 32,647 | 6,498 | 1,221,442 | 2,004,591 | 783,149 |
| Total Revenues | 369,915 | 743,806 | 373,891 | 59,577 | 32,647 | (26,930) | 18,872,519 | 20,301,102 | 1,428,583 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government Services | 110,708 | 106,251 | 4,457 | - | - | - | 2,689,109 | 2,368,822 | 320,287 |
| Public Safety | - | - | - | 51,428 | - | 51,428 | 3,622,697 | 3,169,144 | 453,553 |
| Physical Environment | - | - | - | - | - | - | 135,699 | 133,913 | 1,786 |
| Transportation | 9,982,209 | 2,673,963 | 7,308,246 | - | - | - | 16,475,804 | 6,332,464 | 10,143,340 |
| Economic Environment | - | - | - | 1,000 | - | 1,000 | 745,112 | 455,500 | 289,612 |
| Ruman Services | - | - | - | - | - | - | 760,627 | 747,683 | 12,944 |
| Culture/Recreation | 50,000 | 22,592 | 27,408 | - | - | - | 583,459 | 492,948 | 90,511 |
| Capital Outlay | 11,557 | 7,448 | 4,109 | - | - | - | 11,557 | 7,448 | 4,109 |
| Debt Service: | | | | | | | | | |
| Principal Retirement | - | - | - | - | - | - | 323,000 | 323,000 | - |
| Interest and Fiscal Charges | - | - | - | - | - | - | 732,998 | 729,799 | 3,199 |
| Total Expenditures | 10,154,474 | 2,810,254 | 7,344,220 | 52,428 | - | 52,428 | 26,080,062 | 14,760,721 | 11,319,341 |
| Excess of Revenues Over Under Expenditures | (9,784,559) | (2,066,448) | 7,718,111 | 7,149 | 32,647 | 25,498 | (7,207,543) | 5,540,381 | 12,747,924 |
| Other Financing Sources (Uses): | | | | | | | | | |
| Operating Transfers In | 19,681 | 19,680 | (1) | 18,000 | - | (18,000) | 212,428 | 518,150 | 305,722 |
| Operating Transfers Out | - | - | - | - | - | - | (4,973,740) | (4,950,402) | 23,338 |
| Total Other Financing Sources (Uses) | 19,681 | 19,680 | (1) | 18,000 | - | (18,000) | (4,761,312) | (4,432,252) | 329,060 |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (9,764,878) | (2,046,768) | 7,718,110 | 25,149 | 32,647 | 7,498 | (11,968,855) | 1,108,129 | 13,076,984 |
| Fund Balances - October 1 | 9,764,878 | 10,095,564 | 330,686 | (25,149) | 817,884 | 843,033 | 11,968,855 | 18,804,143 | 6,835,288 |
| Fund Balances - September 30 | \$ - | \$ 8,048,796 | \$ 8,048,796 | \$ - | \$ 850,531 | \$ 850,531 | \$ - | \$ 19,912,272 | \$ 19,912,272 |

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

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 1991

| | ENTERPRISE FUND | INTERNAL SERVICE FUND | Totals (Memorandum Only) | |
|----------------------------------------|--------------------|-----------------------------|-----------------------------|-----------------------|
| | | | Year Ended | |
| | | | September 30, 1991 | September 30, 1990 |
| Operating Revenues | | | | |
| State grants | \$ 181,341 | \$ - | \$ 181,341 | \$ 13,458 |
| Current use charges | 1,468,265 | - | 1,468,265 | 987,964 |
| Special assessments | 1,611,885 | - | 1,611,885 | 1,528,447 |
| Insurance premiums | - | 416,300 | 416,300 | 113,683 |
| Other income | 2,339 | 3,354 | 5,693 | 1,258 |
| Total Operating Revenues | <u>3,263,830</u> | <u>419,654</u> | <u>3,683,484</u> | <u>2,644,810</u> |
| Operating Expenses | | | | |
| Contractual services | 1,322,516 | - | 1,322,516 | 1,628,351 |
| Salaries and benefits | 132,631 | - | 132,631 | 117,043 |
| Depreciation | 5,609 | - | 5,609 | 251 |
| Bad debts | 73,687 | - | 73,687 | 72,742 |
| Workers' compensation claims | - | 234,561 | 234,561 | 114,265 |
| Workers' compensation premiums | - | 86,458 | 86,458 | 51,190 |
| Other expenses | 872,814 | 16,160 | 888,974 | 104,904 |
| Total Operating Expenses | <u>2,407,257</u> | <u>337,179</u> | <u>2,744,436</u> | <u>2,088,746</u> |
| Operating Income | <u>856,573</u> | <u>82,475</u> | <u>939,048</u> | <u>556,064</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest earnings | 69,662 | 12,974 | 82,636 | 42,253 |
| Interest expense | (637) | - | (637) | (2,465) |
| Total Nonoperating Revenues (Expenses) | <u>69,025</u> | <u>12,974</u> | <u>81,999</u> | <u>39,788</u> |
| Net Income | 925,598 | 95,449 | 1,021,047 | 595,852 |
| Retained Earnings - October 1 | <u>1,177,142</u> | <u>65,938</u> | <u>1,243,080</u> | <u>647,228</u> |
| Retained Earnings - September 30 | <u>\$2,102,740</u> | <u>\$161,387</u> | <u>\$2,264,127</u> | <u>\$1,243,080</u> |

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

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 1991

| | <u>Enterprise</u> | <u>Internal Service</u> | <u>Totals</u> <u>(Memorandum Only)</u> <u>Year Ended</u> | |
|--------------------------------------------------------------------------------------|--------------------|-------------------------|----------------------------------------------------------------|-----------------------|
| | | | September 30, 1991 | September 30, 1990 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income | \$ 925,598 | \$ 95,449 | \$1,021,047 | \$595,852 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 5,609 | - | 5,609 | 251 |
| Decrease (Increase) in prepaid expenses | 465 | - | 465 | (465) |
| Decrease (Increase) in deposits | 3,000 | - | 3,000 | (3,000) |
| (Increase) in assessments receivable | (11,110) | - | (11,110) | (70,192) |
| (Increase) in accounts receivable | (55,805) | - | (55,805) | (52,203) |
| Decrease in due from constitutional officers | 34,202 | - | 34,202 | - |
| (Increase) in due from other funds | (289) | - | (289) | - |
| (Increase) in due from other governments | (75,632) | - | (75,632) | (164,542) |
| Increase in accounts payable | 159,079 | - | 159,079 | 67,428 |
| (Decrease) Increase in accrued liabilities | (2,025) | - | (2,025) | 2,599 |
| (Decrease) in due to other funds | (27,501) | - | (27,501) | (22,652) |
| Increase in due to other governments | 13,068 | 1,699 | 14,767 | 1,048 |
| Increase in accrued compensated absences | 5,108 | - | 5,108 | - |
| Increase in due to constitutional officers | 706 | - | 706 | - |
| Increase in insurance claims payable | - | 155,310 | 155,310 | - |
| Adjustment to retained earnings | - | - | - | (22,834) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>974,473</u> | <u>252,458</u> | <u>1,226,931</u> | <u>331,290</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Proceeds from note payable | - | - | - | 496,320 |
| Repayment of long-term debt | (327,033) | - | (327,033) | (108,709) |
| NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | <u>(327,033)</u> | <u>-</u> | <u>(327,033)</u> | <u>387,611</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of land | (30,000) | - | (30,000) | (496,464) |
| Purchase of equipment | (53,180) | - | (53,180) | (2,519) |
| NET CASH USED BY INVESTING ACTIVITIES | <u>(83,180)</u> | <u>-</u> | <u>(83,180)</u> | <u>(498,983)</u> |
| NET INCREASE IN CASH | 564,260 | 252,458 | 816,718 | 219,918 |
| CASH AND CASH EQUIVALENTS - OCTOBER 1 | <u>700,693</u> | <u>67,874</u> | <u>768,567</u> | <u>548,649</u> |
| CASH AND CASH EQUIVALENTS - SEPTEMBER 30 | <u>\$1,264,953</u> | <u>\$320,332</u> | <u>\$1,585,285</u> | <u>\$768,567</u> |

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

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Nassau County Board of County Commissioners conform to generally accepted accounting principles as applied to governmental units. The significant accounting policies followed by the Board are described below to enhance the usefulness of the general purpose financial statements to the reader.

- A. Reporting Entity - Nassau County (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) which is governed by federal and state statutes, regulations, and county ordinances. The Nassau County Clerk of the Circuit Court is the Clerk and Accountant of the Nassau County Board of County Commissioners in accordance with the provisions of Section 125.17, Florida Statutes.

The Board maintains its accounts in accordance with the uniform classification of accounts as prescribed by the Florida Department of Banking and Finance, pursuant to Section 218.33, Florida Statutes.

The general purpose financial statements of the Board for the year ended September 30, 1991, were prepared in accordance with generally accepted accounting principals.

- B. Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Board, the financial records and accounts of the Board are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds and account groups that are in accordance with activities or objectives specified. Separate accounts

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Accounting - Continued

are maintained for each fund; however, in some of the accompanying financial statements, funds which have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund types and account groups. The fund types and account groups used are classified as follows:

Fund Types:

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.
- 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. Special Revenue Funds maintained during the year ended September 30, 1991, include the Fine and Forfeiture, County Transportation, Local Option Gas Tax, Law Library, Law Enforcement, Beach Driving Permits, Sheriff Investigations, Sheriff Donation, Fifth and Sixth Cents Fuel Tax, Court Facility Fees, Sheriff Confiscated Property, Special Alcohol Rehabilitation, Municipal Service, School Crossing, 911 Operation and Maintenance, EMS County Award - HRS, Amelia Island Tourist Development Trust, Criminal Justice Trust, Family Mediation Unit Trust, Emergency Services Donations, Nassau County Anti-Drug Enforcement, Nassau County Impact Fee Ordinance Trust, Public Records Modernization, Nassau County Recreation Commission, and Parks and Recreation.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Types - Continued

- 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. Debt Service Funds maintained during the year ended September 30, 1991, include the courthouse and Optional Gas Tax Funds.
- Capital Projects Funds are used to account for all financial resources used for the acquisition or construction of major capital facilities. Capital Projects funds maintained during the year ended September 30, 1991, include the Community Development Block Grants and Road Paving Funds.

Proprietary Funds:

- The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The enterprise fund is used to account for the transaction of the solid/waste management program.
- The Internal Service Fund is used to account for the financing of goods or services provided by one fund to other funds of the Board. The Internal Service Fund is used to account for the transactions of the Worker's Compensation Fund.

Fiduciary Funds:

- Nonexpendable Trust Fund is used to account for assets held by a governmental unit in a trustee capacity for other governmental units. This fund is used to account for grant funds received from other governments to be loaned to private entities for community development.
- Agency Funds are used to account for assets received and held by the Board in the capacity of

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Types - Continued

a custodian or agent and disbursed by the Board to individuals and other entities. Agency funds maintained during the year ended September 30, 1991, include the Arbitrage Rebate Trust and Deferred Compensation funds.

Account Groups:

- The General Fixed Assets Account Group is used to account for all fixed assets of the Board, except fixed assets of the Proprietary Fund.
- The General Long-Term Debt Account Group is used to account for all outstanding principal balances of long-term debt, non-current portion of compensated absences and capitalized lease obligations other than amounts payable from the operations of the Proprietary Funds.

C. Measurement Focus

- Governmental Fund Types - General, Special Revenue, Debt Service and Capital Project Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
- Proprietary Fund Types - The Enterprise and Internal Service Funds are accounted for on a "capital maintenance" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus - Continued

- Proprietary Fund Types - Continued

fund equities (total reported assets less total reported liabilities) provide an indication of the economic net worth of the funds. The operating statements for the Proprietary Fund Types report increases (revenues) and decreases (expenses) in total economic net worth.

- Fiduciary Fund Types - Agency Funds are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Nonexpendable Trust Fund is accounted for on a "capital maintenance" measurement focus. All assets and liabilities are included on its balance sheet. The funds equity provide an indication of the amount that can be loaned out for community improvement.

- Account Groups - The General Fixed Assets Account Group and the General Long-Term Debt Account Group are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations. Fixed assets, which are not used in Proprietary or Fiduciary Fund operations, are accounted for in the General Fixed Assets Account Group. Long-term debts, which are not intended to be financed through Proprietary or Fiduciary Funds, are accounted for in the General Long-Term Debt Account Group.

- D. Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general purpose financial

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Basis of Accounting - Continued

statements. In addition, basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Fund Types are accounted for using the modified accrual basis. Under this method of accounting, revenues are recognized in the accounting period for which they become measurable and available as net current assets. Expenditures are recognized in the accounting period in which the fund liability is incurred. Exceptions to this general rule include: accumulated unpaid vacation, sick leave, and other employee benefits which are accrued in the General Long-Term Debt Account Group; and the principal and interest on general long-term debt which is recognized when 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.

- E. Budgets and Budgetary Accounting - The Board, in establishing its budgetary data reflected in the combined financial statements, follows the procedures set out in Chapters 129 and 195, Florida Statutes. The Board usually appoints a budget officer who meets with the various department heads to prepare a tentative budget. The tentative budget is then used by the Board and the budget officer at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the Board's minutes. These budgets are prepared and adopted on a basis which does not differ materially from generally accepted accounting principles.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Budgets and Budgetary Accounting - Continued

Formal budgetary integration is employed as a management control device during the year for all governmental funds.

Budget amendments are needed from time to time to reflect changing circumstances. Accordingly, all budget amendments are approved by the Board. The budgetary data presented in the combined financial statements represent the final budget amounts, (i.e., the effects of budget amendments have been applied to "original" budgetary data). The level of control for appropriation is exercised at the department level within a fund.

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, 1991, various supplemental appropriations were approved by the Board in accordance with Florida Statutes.

- F. Cash and Investments - All cash in checking or saving accounts are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, the amount of public deposits. The State Treasurer is required to ensure that all public funds are entirely insured throughout the fiscal year. In addition, the Board entered into a banking agreement with a public depository for services and investment purposes.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Cash and Investments - Continued

Investments with the State Board of Administration - The Board, in order to maximize its interest earnings, elected to invest excess funds with the State Board of Administration in pooled investments.

All interest earned pursuant to the banking agreement or from investments with the State Board of Administration are allocated to the various funds based upon each funds equity balance in the cash or the investments with the State Board of Administration accounts.

For the purpose of the statement of cash flows, the Board considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

- G. Note Receivable - Nassau County; in pursuing community improvement, economic development and job creation within the County; applied for and received a Community Development Block Grant through the Florida Department of Community Affairs for \$725,000. Pursuant to the grant agreement, Nassau County is to loan this amount to Nassau Ventures, Inc. for the acquisition of land and purchase of equipment to supplement assets committed by Nassau Ventures, Inc. for the construction of a restaurant and convention center. The term of the loan is twenty years with an interest rate of 3% per annum. The loan is secured by a security agreement and a mortgage note. At September 30, 1991, Nassau County had loaned Nassau Ventures, Inc. a total of \$725,000 of which \$628,056 was a receivable as reported on the Combined Balance Sheet - All Fund Types and Account Groups.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- H. Accounts Receivable - Accounts receivable (net of allowances for uncollectibles) at September 30, 1991 and 1990, reported on the Combined Balance Sheet - All Fund Types and Account Groups, included the following:

| <u>Fund and Description</u> | <u>1991</u> | <u>1990</u> |
|----------------------------------------------------------------------------------------------------|------------------|------------------|
| Governmental Funds | | |
| General Fund: | | |
| Accounts receivable for County ambulance services | \$102,876 | \$114,445 |
| Less allowance for uncollectible ambulance accounts | <u>(25,719)</u> | <u>(28,611)</u> |
| Total ambulance accounts receivable (net of allowances for uncollectibles) | 77,157 | 85,834 |
| Other accounts receivable | <u>1,626</u> | <u>1,985</u> |
| Total accounts receivable (net of allowances for uncollectibles) - General Fund | <u>78,783</u> | <u>487,819</u> |
| Proprietary Fund | | |
| Enterprise Fund: | | |
| Accounts receivable from commercial haulers | 292,313 | 241,508 |
| Less allowance for uncollectible from commercial haulers | <u>(25,000)</u> | <u>(30,000)</u> |
| Total commercial haulers fees receivable (net of allowances for uncollectibles) - Proprietary Fund | <u>267,313</u> | <u>211,508</u> |
| Total accounts receivable (net of allowances for uncollectibles) | <u>\$346,096</u> | <u>\$299,327</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Accounts Receivable - Continued

The allowances for uncollectible accounts for ambulance and commercial haulers fees are based upon aging schedules of the County ambulance and the commercial haulers receivables and the related collection experiences of such receivables by the Board.

- I. Inventories - Inventories in the special revenue funds, 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 expenditure is recognized when the inventory is purchased and the fund balance is reserved for the cost of inventories on hand. The change in inventories from one period to another is adjusted to expenditures as needed at year end.

This special reporting treatment is applied to governmental fund inventories to indicate that they do not represent "available spendable resources", even though they are a component of net current assets.

- J. General Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in the Governmental Fund Types. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized in the General Fixed Assets Account Group because such assets are immovable and are of value only to the Board.

NASSAU COUNTY⁴
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. General Fixed Assets - Continued

All governmental fund type purchases of general fixed assets are recorded as expenditures in the General Fund, Special Revenue Funds, or the Capital Projects Fund at the time of purchase. Such assets are valued at historical cost. In some instances in prior years, the historical values of general fixed assets were not available; therefore, in such instances, the Board recorded appraised values. Donated property is valued at its fair market value at the time received. No depreciation has been provided on general fixed assets. The Board capitalizes all fixed assets which have a cost of \$500 or more and a useful life in excess of one year.

Property and equipment purchased by the Enterprise Fund is capitalized by that fund. Depreciation on such assets is charged as an expense against the funds operations. Depreciation is provided on straight-line method over the estimated useful lives of five to ten years for equipment.

K. Compensated Absences - Annual, sick, bonus and compensatory leave amounts accumulate and vest in accordance with the Board's policies. Provisions of the policies specify how benefits are earned, accumulated, when and to what extent they vest.

The Board has accrued a liability for compensated absences in accordance with the provisions of Sections C-60.107 and C-60.109 of the Governmental Accounting and Financial Reporting Standards, published by the Governmental Accounting Standards Board (GASB). Since the liability is not expected to be liquidated with "expendable available financial resources", the liability has been reported in the General Long-Term Debt Account Group, rather than in the governmental funds.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Compensated Absences - Continued

Accrued compensated absences, recorded in the General Long-Term Debt Account Group for annual, sick, bonus and compensatory leave benefits at September 30, 1991 and 1990, follow:

| <u>Description</u> | <u>1991</u> | <u>1990</u> |
|--------------------|------------------|------------------|
| Annual Leave | \$166,396 | \$158,764 |
| Sick Leave | 162,957 | 149,445 |
| Bonus Leave | 8,037 | 3,552 |
| Compensatory Leave | <u>370</u> | <u>420</u> |
| TOTALS | <u>\$337,760</u> | <u>\$312,181</u> |

In Proprietary Funds, accumulated leave is accrued when incurred. The Enterprise Fund's balance sheet shows the total accumulated leave liability of \$5,108, while the related expense is recorded on the income statement.

L. Encumbrance Procedures - 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. However, outstanding purchase orders are voided and related appropriations lapse at year end, therefore, the fund balances of the various funds had not been reserved for encumbrances on the accompanying financial statements.

M. Fund Balance Reservation and Designation - Reserved Fund Balance indicates that a portion of the fund equity has been legally segregated for specific purposes.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M. Fund Balance Reservation and Designation - Continued

Designated Fund Balance indicates that a portion of the fund equity has been set aside by the Board for specific purposes.

Undesignated Fund Balance indicates that a portion of the fund equity is available for budgeting in future periods.

N. Comparative Data - Comparative total data for the prior year has been presented only in the combined financial statements in order to provide an understanding of the changes in the Board's financial position and operation. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

O. Total Columns on the Combined General Purpose Financial Statements - The total columns on the combined general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of such data.

P. Eliminations - Intrafund eliminations have been made for the special revenue funds. Interfund, eliminations between funds, have not been made in the preparation of the general purpose financial statements.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

2. 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. Pursuant to Chapter 21228, Laws of Florida, 1941, as amended, the 10 mill maximum includes the millage levied for the Nassau County Hospital Board, an independent special district. Chapter 88-554, Laws of Florida, amended Chapter 21228, Laws of Florida 1941, as amended, to provide for a levy sufficient to meet the hospital board's needs up to a maximum of 1.2 mills. 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, 1991, the Board levied 8.9350 mills which included .8854 mills for the hospital board, .2388 mills for the County health unit, and .0510 mills for the Recreation and Water Conservation and Control District No. 1.

Property taxes are due and payable on November 1st 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. Taxes become delinquent on April 1st following the year in which the taxes had been 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, then 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.

NASSAU COUNTY⁴
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

3. GENERAL FIXED ASSETS

A summary of changes in general fixed assets as of September 30, 1991 follows:

| | Balances October <u>1, 1990</u> | <u>Additions</u> | <u>Deletions</u> | Balances September <u>30, 1991</u> |
|-----------------------------------------------|---------------------------------------|------------------|------------------|------------------------------------------|
| Land | \$ 2,166,612 | \$297,563 | \$128,400 | \$ 2,335,775 |
| Buildings and other improvements | 5,055,424 | 79,561 | - | 5,134,985 |
| Equipment, motor vehicles and furniture | <u>4,773,666</u> | <u>257,794</u> | <u>135,195</u> | <u>4,896,265</u> |
| TOTALS | <u>\$11,995,702</u> | <u>\$634,918</u> | <u>\$263,595</u> | <u>\$12,367,025</u> |

4. CAPITAL LEASES - COMPUTER AND EMERGENCY EQUIPMENT

The Board entered into agreements with Priority Leasing Corporation, Pitney Bowes Credit Corporation, and Motorola Communications and Electronics, Inc. for the lease/purchase of certain computer, dictaphone, and electronic equipment. The agreement with Priority Leasing is for a three year period ending November 17, 1991. The agreement with Pitney Bowes Credit Corporation is for a three year period ending February 20, 1992. The agreement with Motorola Communications and Electronics, Inc. is for a five year period ending September 30, 1993. The terms of the agreements provide for the purchase of the equipment at the end of the respective lease term. The leases meet the criteria of a capital lease as defined by Statement of Financial Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

4. CAPITAL LEASES - COMPUTER AND EMERGENCY EQUIPMENT - Continued

The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of September 30, 1991:

| <u>Year Ending September 30,</u> | <u>Computer Equipment</u> | <u>Dictaphone Equipment</u> | <u>Electronic Equipment</u> | <u>Total</u> |
|-----------------------------------------------------|-------------------------------|---------------------------------|---------------------------------|-----------------|
| 1992 | 3,770 | 1,910 | 16,655 | 22,335 |
| 1993 | <u>-</u> | <u>-</u> | <u>16,655</u> | <u>16,655</u> |
| Total minimum lease payments | 3,770 | 1,910 | 33,310 | 38,990 |
| Less: Amounts re- presenting interest | <u>118</u> | <u>61</u> | <u>4,270</u> | <u>4,449</u> |
| Present value of net minimum lease pay- ments | <u>\$3,652</u> | <u>\$1,849</u> | <u>\$29,040</u> | <u>\$34,541</u> |

5. GENERAL LONG-TERM DEBT

The general long-term debt is made up of bonds payable, capital leases and accrued compensated absences as follows:

Bonds Payable - Bonds payable at September 30, 1991 totaled \$9,793,000 as shown on the Combined Balance Sheet - All Fund Types and Account Groups. These funds consist of two bond issues as follows:

- Certificates of indebtedness (serial bonds) are administered by the Board of and are being retired from the County's portion of racetrack funds. Such bonds, bearing interest at the rate of 5 1/2% per annum, are dated December 1, 1966, and are in denominations of \$1,000 each. A portion of such bonds mature annually with the final maturity date being October 1, 1996.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

5. GENERAL LONG-TERM DEBT - CONTINUED

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

| <u>Fiscal Year</u> <u>Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|------------------|-----------------|------------------|
| 1992 | 72,000 | 25,960 | 97,960 |
| 1993 | 76,000 | 21,890 | 97,890 |
| 1994 | 80,000 | 17,600 | 97,600 |
| 1995 | 84,000 | 13,090 | 97,090 |
| 1996 | 89,000 | 8,333 | 97,333 |
| 1997 | <u>107,000</u> | <u>2,942</u> | <u>109,942</u> |
| Totals | <u>\$508,000</u> | <u>\$89,815</u> | <u>\$597,815</u> |

Optional Gas Tax Revenue Bonds (serial bonds) are administered by the Board and are being retired from the County's gas tax funds. Such bonds, bearing interest at rates between 6 1/2% and 7 1/2% per annum, are dated March 31, 1989, and are in denominations of \$5,000 each. A portion of such bonds mature annually with the final maturity date being March 1, 2009.

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

| <u>Fiscal Year</u> <u>Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|--------------------|--------------------|---------------------|
| 1992 | 270,000 | 666,978 | 936,978 |
| 1993 | 290,000 | 648,072 | 938,072 |
| 1994 | 310,000 | 627,595 | 937,595 |
| 1995 | 330,000 | 605,593 | 935,593 |
| 1996 | 355,000 | 581,872 | 936,872 |
| Thereafter | <u>7,730,000</u> | <u>4,298,682</u> | <u>12,028,682</u> |
| Totals | <u>\$9,285,000</u> | <u>\$7,428,729</u> | <u>\$16,713,792</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

5. GENERAL LONG-TERM DEBT - CONTINUED

Capital Leases - Long-term obligations under capital leases; which were for computer, dictaphone and electronic equipment for the 911 operation and maintenance fund, and totaled \$34,541; is explained in Note 4 above.

Notes Payable - The Board on October 1, 1990 entered into a loan agreement with the Florida Association of Counties Trust (the Insurance Trust). The loan in the amount of \$153,504 is being made to finance a portion of the cost of acquiring a liability coverage agreement from the Insurance Trust. The loan is to be repaid within eight years at the rate of 12% per annum.

Compensated Absences - Accrued compensated absences at September 30, 1991 totaled \$337,760 as shown on the Combined Balance Sheet -All Fund Types and Account Groups. These compensated absences are more fully explained in Note 1-K above.

The following is a schedule of the changes in general long-term debt for the year ended September 30, 1991:

| | Balances October 1, 1990 | Additions | Deletions | Balances September 30, 1991 |
|----------------------------------------------------------------|--------------------------------|------------------|------------------|-----------------------------------|
| Serial Bonds with final maturity date of October 1, 1996 | \$ 576,000 | \$ - | \$ 68,000 | \$ 508,000 |
| Serial Bonds with final maturity date of March 1, 2009 | 9,540,000 | - | 255,000 | 9,285,000 |
| Notes payable dated October 1, 1990 | - | 153,504 | - | 153,504 |
| Long-term obligations under capital leases | 65,983 | - | 31,442 | 34,541 |
| Accrued compensated absences | <u>312,181</u> | <u>25,579</u> | <u>-</u> | <u>337,760</u> |
| TOTALS | <u>\$10,494,164</u> | <u>\$179,083</u> | <u>\$354,442</u> | <u>\$10,318,805</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

6. BOND ARBITRAGE REBATE

The Board engaged the accounting firm of Coopers & Lybrand 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 1988 Optional Gas Tax Revenue Bond issue. The amount of \$234,015 was calculated for the period ending September 30, 1991 and was reported as an accrued liability under the agency fund as shown on the Combined Balance Sheet - All Fund Types and Account Groups. However, because the proper computation period for the first required aggregate arbitrage payment amount is five years, this amount is subject to change and the future liability may differ significantly from the reported amount.

7. FUNDS ADMINISTERED BY THE STATE BOARD OF ADMINISTRATION

Section 206.47, Florida Statutes imposes a constitutional gas tax on motor fuel sold in Florida. This tax is also known as the second gas tax or the fifth and sixth cent gas tax. These taxes are collected by the State Department of Revenue and allocated to the counties and cities based on a certain formula. A portion of the funds allocated is transmitted to the State Board of Administration to retire the Nassau County Road Bonds. The remaining portion of the funds are transmitted to the Board of County Commissioners. Such funds are accounted for by the Board in the Fifth and Sixth Cent Fuel Tax Fund.

The State Board of Administration administers a debt service fund and a general long-term debt account group to account for transactions and balances applicable to the Nassau County Road Bond. Such bonds are dated May 1, 1974 and a portion matures annually beginning in 1976 with a final maturity date of May 1, 2004. The bonds are in denominations of \$5,000 each and bear interest at the rate of 6.5%, 6.6% or 7.25% per annum. The bonds and related transactions are not included in the accompanying general purpose financial statements since they are included in the State Board of Administrations' financial statements.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

8. COUNTY HEALTH UNIT TAX LEVY

Nassau County levied a tax under the provisions of Section 154.02, Florida Statutes, for financing the County health unit. The Nassau County Tax Collector during the year ended September 30, 1991 collected \$314,836 and distributed the same amount directly to the Nassau County Health Unit for its operations. Accordingly, this tax levy is not recorded on the Board's records.

9. RETIREMENT PLANS

The members of the Board and employees of their office are members of the Florida Retirement System administered by the State of Florida, Department of Administration, Division of Retirement. Such a retirement system is a cost-sharing multiple-employer public employee retirement system established to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

The system provides for vesting of benefits after ten years of creditable service. Normal retirement is after thirty years of service for full benefits. Normal retirement is also available for members who have ten years of service and attained the age of sixty-two. Early retirement may be taken after completing ten years of service with a five percent benefit reduction for each year prior to normal retirement.

Total covered payroll for the fiscal year ended September 30, 1991 totaled \$3,427,130.

Retirement contributions paid on behalf of the Board Members and their regular or special risk employees and re-employed retirees to the system's defined benefit pension plan for the year ended September 30, 1991 totaled \$632,366. All such contributions were paid by the employer. The rates were as follows:

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

9. RETIREMENT PLANS - Continued

| | January 1, 1991 through <u>September 30, 1991</u> | October 1, 1990 through <u>December 31, 1990</u> |
|--------------------------|---------------------------------------------------------|--------------------------------------------------------|
| Regular Employees | 16.20% | 15.14% |
| Special Risk Employees | 26.00% | 20.38% |
| Elected County Officials | 23.80% | 20.19% |
| Re-employed Retirees | 5.29% | 4.61% |

The employer's actuarially determined contribution requirement expressed as a percentage of actuarially determined contribution requirements for all participating entities is relatively insignificant and is not readily available for the year ended September 30, 1991.

10. DEFERRED COMPENSATION PLAN

The Board in accordance with Section 112.215, Florida Statutes, established a deferred compensation plan pursuant to the provisions of the 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. The deferred compensation plan amount is not available for withdrawal by employee participants until termination, retirement, death or unforeseeable emergency of such participants.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts and all income attributable to those amounts, property or rights shall remain solely the property and rights of the Board, subject only to the claims of the Board's general creditors. Participant's rights under the plan are equal to those of general creditors of the Board, in an amount equal to the fair market value of the deferred compensation account for each participant.

11. SUBSEQUENT EVENTS

The Board was involved in five law suits as follows:

A civil rights action was brought by an individual against the Sheriff, the detention facility physician, the State of Florida,

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

11. SUBSEQUENT EVENTS - Continued

and the Board of County Commissioners. This action was filed in the United States District Court, Middle District of Florida, Jacksonville Division, Case Nos. 82-1072-CIV-J-16 and 87-208-CIV-J-12. The case should be tried in the summer of 1992. The amount of monetary obligation, if any, could not be reasonably estimated.

A civil rights action was brought by an individual against the Board of County Commissioners based upon actions of the Sheriff's Department. The action was filed in the United States District Court, Middle District of Florida, Jacksonville Division, Case No. 89-1000-CIV-J-14. The case should be tried in the summer of 1992. The amount of monetary obligation, if any, could not be reasonably estimated.

A civil rights action was brought by an individual against the Board of County Commissioners based upon actions of the Sheriff's Department. The action was filed in the United States District Court, Middle District of Florida, Jacksonville Division, Case No. 90-31-CIV-J-16. The case had not been scheduled for trial as of January 22, 1992. The amount of monetary obligation, if any, could not be reasonably estimated.

A civil action was brought by the Department of Environmental Regulations against the Board of County Commissioners. This action was filed in the Circuit Court, Fourth Judicial Circuit, in and for Nassau County, Case No. 89-1205 CA. Order Denying Motion for Summary Judgement was filed January 8, 1991, and the case was still pending at January 22, 1992. The amount of monetary obligation, if any, could not be reasonably estimated.

A civil action was brought by a corporation against the board of County Commissioners. This action was filed in the Circuit Court, Fourth Judicial Circuit, in and for Nassau County, Case No. 90-227-CA. A trial jury set for October 22, 1990 was waived, and a bench trial was scheduled to be held on April 23, 1991. The case was settled on September 6, 1991. Refunds had been made by the Board to the affected parties. These amounts were reported as expenditures on the general purpose financial statements for the year ended September 30, 1991.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

12. PRIOR YEAR FINANCIAL STATEMENTS

The amount on the comparative combined financial statements for the fiscal year ended September 30, 1990, were restated for the effects of the following:

- The Worker's Compensation Fund was accounted for as a Special Revenue Fund for the fiscal year ended September 30, 1990. It was determined, however, that this fund should be accounted for as an Internal Service Fund. The net affect on the Combined Balance Sheet - All Fund Types and Account Groups was to increase retained earnings and reduce fund balance by \$65,938.

The effect on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental and Fiduciary Fund Types were to reduce miscellaneous revenues by \$5,180, reduce general government services expenditures by \$176,968, reduce transfers in by \$113,683, reduce beginning fund balance by \$124,043 and reduce ending fund balance by \$65,938.

Accordingly, the comparative totals (memorandum only) for year ended September 30, 1990 were restated on the accompanying general purpose financial statements for the year ended September 30, 1991.

- The Arbitrage Rebate Fund was accounted for as a Trust Fund for the fiscal year ended September 30, 1990. It was determined, however, that this fund should be accounted for as an Agency Fund.

The assets and liabilities of \$132,652 were transferred from the Trust to the Agency Funds. Accordingly, there were no affects on the Combined Balance Sheet - All Fund Types and Account Groups for the year ended September 30, 1990 as shown on the accompanying general purpose financial statements.

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

NOTES TO FINANCIAL STATEMENTS

September 30, 1991
(Continued)

12. PRIOR YEAR FINANCIAL STATEMENTS - continued

The revenues, expenditures and transfers were transferred from the Trust Fund to the Capital Projects Fund. Accordingly, there was no affect on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental and Fiduciary Fund Types for the year ended September 30, 1991 as shown on the accompanying general purpose financial statements.

COMBINING FINANCIAL STATEMENTS

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 1991

| ASSETS | | Fine and Forfeiture | County Transportation | Local Option Gas Tax | Law Library | Law Enforcement | Beach Driving Permits | Sheriff Investi- gation | Sheriff Donation | Fifth and Sixth Cent Fuel Tax |
|-------------------------------------------------|-------------|------------------------|--------------------------|----------------------------|----------------|--------------------|-----------------------------|-------------------------------|---------------------|-------------------------------------|
| Cash on hand | \$ | 26,511 | \$ | 50 | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash in bank - checking | - | - | 41,602 | 149,659 | 2,245 | 2,440 | 3,014 | 4,551 | 2,140 | 70,056 |
| Investments by State Board of Administration | 1,180,177 | 770,160 | 173,315 | 1,462 | 2,815 | 35,656 | 4,528 | 55 | - | 1,413,896 |
| Due from constitutional officers | 88,630 | 769 | 845 | 904 | 610 | 13,260 | - | - | - | 324 |
| Due from other funds | 8,988 | 12,515 | 909 | - | - | - | - | - | - | - |
| Due from other governments | 4,811 | 2,416 | - | - | - | - | - | - | - | - |
| Inventories | - | - | 5,525 | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - | - | - |
| Total Assets | \$1,309,117 | \$827,462 | \$330,303 | \$4,611 | \$5,865 | \$56,483 | \$4,606 | \$2,140 | \$1,484,276 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ | 10,930 | 6,512 | \$ | 38,658 | - | 5,751 | - | - | - |
| Accrued liabilities | - | 895 | 42,064 | - | - | - | - | - | - | - |
| Unearned revenue | - | - | 5,390 | - | - | - | - | - | - | - |
| Due to constitutional officers | - | 36,577 | - | - | - | - | - | - | - | - |
| Due to other funds | - | 16,544 | - | 289 | - | - | 220 | - | - | - |
| Due to other governments | - | 2,000 | - | 1,579 | - | - | - | - | - | - |
| Contracts Payable | - | - | - | - | - | - | - | - | - | - |
| Total Liabilities | 66,946 | 53,966 | 40,526 | - | - | - | 5,971 | - | - | - |
| Fund Balances: | | | | | | | | | | |
| Reserved for inventories | - | - | 5,525 | - | - | - | - | - | - | - |
| Undesignated | 1,242,171 | 773,496 | 284,252 | 4,611 | 5,865 | 50,512 | 4,606 | 2,140 | 1,484,276 | |
| Total Fund Balances | 1,242,171 | 773,496 | 289,777 | 4,611 | 5,865 | 50,512 | 4,606 | 2,140 | 1,484,276 | |
| Total Liabilities and Fund Balances | \$1,309,117 | \$827,462 | \$330,303 | \$4,611 | \$5,865 | \$56,483 | \$4,606 | \$2,140 | \$1,484,276 | |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

Page 2 of 3

September 30, 1991
(Continued)

| | Court Facility Fees | Sheriff Confiscated Property | Special Alcohol Rehabili- tation | Municipal Service | School Crossing | 911 Operations And Maintenance | EMS County Award HRS | Amelia Island Tourist Development | Criminal Justice Trust |
|-------------------------------------------------|---------------------------|------------------------------------|-------------------------------------------|----------------------|--------------------|-----------------------------------------|-------------------------------|--------------------------------------------|------------------------------|
| ASSETS | | | | | | | | | |
| Cash on hand | \$ - | \$ - | \$ - | \$ 120 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash in bank - checking | 2,352 | 1,485 | 3,379 | 39,454 | 7 | 11,901 | - | 31,376 | 4,933 |
| Investments by State Board of Administration | 38,506 | - | 8,618 | 1,000,778 | 8,017 | 12,328 | 16,655 | 350,203 | 67 |
| Due from constitutional officers | 972 | - | 285 | 46,079 | 2,314 | - | - | - | 3,988 |
| Due from other funds | - | - | - | 8,476 | - | - | - | - | - |
| Due from other governments | - | - | - | 13,161 | - | - | - | - | - |
| Inventories | - | - | - | 144,602 | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | 1,155 | - |
| Total Assets | \$41,830 | \$1,485 | \$12,282 | \$1,252,670 | \$10,338 | \$24,229 | \$16,655 | \$382,734 | \$8,988 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | - | - | - | 55,189 | - | - | - | 31,000 | - |
| Accrued liabilities | - | - | - | 25,742 | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - | - | - |
| Due to constitutional officers | - | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | 22,130 | - | 7,342 | - | 13,260 | 8,988 |
| Due to other governments | - | - | - | 2,406 | - | - | 7,939 | - | - |
| Contracts payable | - | - | - | - | - | - | - | - | - |
| Total Liabilities | - | - | - | 105,467 | - | 7,432 | 7,939 | 44,260 | 8,988 |
| Fund Balances: | | | | | | | | | |
| Reserved for inventories | - | - | - | 144,602 | - | - | - | - | - |
| Unreserved: | | | | | | | | | |
| Undesignated | 41,830 | 1,485 | 12,282 | 1,002,601 | 10,338 | 16,887 | 8,716 | 338,474 | - |
| Total Fund Balances | 41,830 | 1,485 | 12,282 | 1,147,203 | 10,338 | 16,887 | 8,716 | 338,474 | - |
| Total Liabilities and Fund Balances | \$41,830 | \$1,485 | \$12,282 | \$1,252,670 | \$10,338 | \$24,229 | \$16,655 | \$382,734 | \$8,988 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 3 of 3

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 1991
(Continued)

| | Family Mediation Unit Trust | Emergency Services Donations | Nassau County Anti-Drug Enforcement | Nassau County Impact Fee Ordinance Trust | Public Records Moderni- zation | Nassau County Recreation Commission | Parks And Recreation | Elimina- ting Entries | Total |
|-------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|-----------------------------|--------------------|
| ASSETS | | | | | | | | | |
| Cash on hand | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 195 |
| Cash in bank - checking | 3,240 | 706 | 323 | 40,429 | 4,352 | 3,996 | 2,061 | - | 452,212 |
| Investments by State Board of Administration | 6,315 | - | 22,481 | 2,003,989 | 59,895 | 13,865 | 224,066 | - | 7,343,264 |
| Due from constitutional officers | 352 | - | 208 | - | 1,659 | - | - | - | 152,198 |
| Due from other funds | - | - | - | - | - | - | - | (31,255) | 13,217 |
| Due from other governments | - | - | - | - | - | - | - | - | 20,478 |
| Inventories | - | - | - | - | - | - | - | - | 150,127 |
| Prepaid expenses | - | - | - | - | - | - | - | - | 1,155 |
| Total Assets | \$9,907 | \$706 | \$23,102 | \$2,044,418 | \$65,906 | \$17,861 | \$226,127 | \$(31,255) | \$8,132,846 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | - | - | - | 164,211 | 6,324 | 3,340 | 163,337 | - | 485,252 |
| Accrued liabilities | - | - | - | - | - | - | - | - | 68,701 |
| Unearned revenue | - | - | 4,477 | - | - | - | - | - | 9,867 |
| Due to constitutional officers | - | - | 13,438 | 1,214 | - | - | - | - | 51,229 |
| Due to other funds | - | - | 140 | - | - | - | - | (31,255) | 37,438 |
| Due to other governments | - | - | 90 | - | - | - | - | - | 14,234 |
| Contracts payable | - | - | - | 67,809 | - | - | - | - | 67,809 |
| Total Liabilities | - | - | 18,145 | 233,234 | 6,324 | 3,340 | 163,337 | \$(31,255) | 734,530 |
| Fund Balances: | | | | | | | | | |
| Reserved for inventories | - | - | - | - | - | - | - | - | 150,127 |
| Unreserved: | | | | | | | | | |
| Undesignated | 9,907 | 706 | 4,957 | 1,811,184 | 59,582 | 14,521 | 62,790 | - | 7,248,189 |
| Total Fund Balances | 9,907 | 706 | 4,957 | 1,811,184 | 59,582 | 14,521 | 62,790 | - | 7,398,316 |
| Total Liabilities and Fund Balances | \$9,907 | \$706 | \$23,102 | \$2,044,418 | \$65,906 | \$17,861 | \$226,127 | \$(31,255) | \$8,132,846 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 1 of 3

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Fine and Forfeiture</u> | <u>County Transportation</u> | <u>Local Option Gas Tax</u> | <u>Law Library</u> | <u>Law Enforcement</u> | <u>Beach Driving Permits</u> | <u>Sheriff Investi- gation</u> | <u>Sheriff Donation</u> | <u>Fifth and Sixth Cents Fuel Tax</u> |
|-------------------------------------------------------------------------------------|--------------------------------|----------------------------------|-------------------------------------|------------------------|----------------------------|--------------------------------------|----------------------------------------|-----------------------------|-----------------------------------------------|
| Revenues: | | | | | | | | | |
| Taxes | \$4,087,792 | \$1,050,246 | \$851,055 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - | 105,142 | - | - | - |
| Intergovernmental Revenue | 230,511 | 606,684 | - | - | - | - | - | - | 458,248 |
| Charges for Services | 544,991 | 171,545 | - | 5,487 | - | - | - | - | - |
| Fines and Forfeits | 8,362 | - | - | - | 8,457 | - | 4,428 | - | - |
| Miscellaneous Revenues | <u>125,063</u> | <u>78,979</u> | <u>27,748</u> | <u>191</u> | <u>813</u> | <u>2,835</u> | <u>177</u> | <u>1,916</u> | <u>87,969</u> |
| Total Revenues | <u>4,996,719</u> | <u>1,907,454</u> | <u>878,803</u> | <u>5,678</u> | <u>9,270</u> | <u>107,977</u> | <u>4,605</u> | <u>1,916</u> | <u>546,217</u> |
| Expenditures: | | | | | | | | | |
| General Government Services | 414,211 | 20,474 | - | 2,899 | - | - | - | - | - |
| Public Safety | 238,625 | - | - | - | 7,045 | - | 5,373 | 245 | - |
| Transportation | - | 1,432,333 | 698,039 | - | - | - | - | - | - |
| Economic Environment | - | - | - | - | - | - | - | - | 176,724 |
| Human Services | - | - | - | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | - | 66,404 | - | - | - |
| Total Expenditures | <u>652,836</u> | <u>1,452,807</u> | <u>698,039</u> | <u>2,899</u> | <u>7,045</u> | <u>66,404</u> | <u>5,373</u> | <u>245</u> | <u>176,724</u> |
| Excess of Revenues Over (Under) Expenditures | <u>4,343,883</u> | <u>454,647</u> | <u>180,764</u> | <u>2,779</u> | <u>2,225</u> | <u>41,573</u> | <u>(768)</u> | <u>1,671</u> | <u>369,493</u> |
| Other Financing Sources (Uses): | | | | | | | | | |
| Operating Transfers In | 116,485 | 5,677 | - | - | - | 28,028 | - | - | 177,879 |
| Operating Transfers Out | <u>(3,748,051)</u> | <u>(177,879)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(59,870)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(3,631,566)</u> | <u>(172,202)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(31,842)</u> | <u>-</u> | <u>-</u> | <u>177,879</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>712,317</u> | <u>282,445</u> | <u>180,764</u> | <u>2,779</u> | <u>2,225</u> | <u>9,731</u> | <u>(768)</u> | <u>1,671</u> | <u>547,372</u> |
| Fund Balances - October 1 | <u>529,854</u> | <u>491,051</u> | <u>109,013</u> | <u>1,832</u> | <u>3,640</u> | <u>40,781</u> | <u>5,374</u> | <u>469</u> | <u>936,904</u> |
| Fund Balances - September 30 | <u>\$1,242,171</u> | <u>\$ 773,496</u> | <u>\$289,777</u> | <u>\$4,611</u> | <u>\$5,865</u> | <u>\$ 50,512</u> | <u>\$4,606</u> | <u>\$2,140</u> | <u>\$1,484,276</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | Court Facility Fees | Sheriff Confiscated Property | Special Alcohol Rehabili- tation | Municipal Service | School Crossing | 911 Operations And Maintenance | EMS County Award BRS | Amelia Island Tourist Development | Criminal Justice Trust |
|------------------------------------------------------------------------------------|---------------------------|------------------------------------|-------------------------------------------|----------------------|--------------------|-----------------------------------------|-------------------------------|--------------------------------------------|------------------------------|
| Revenues: | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 890,373 | \$ - | \$ - | \$ - | \$498,710 | \$ - |
| Licenses and Permits | - | - | - | 266,232 | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | 1,461,490 | - | - | 19,619 | - | - |
| Charges for Services | 12,722 | - | - | 72,897 | - | 129,065 | - | - | - |
| Fines and Forfeits | - | - | 3,591 | 333,103 | 30,538 | - | - | - | 69,573 |
| Miscellaneous Revenues | 2,665 | 156 | 712 | 112,873 | 620 | 461 | 504 | 22,859 | 787 |
| Total Revenues | 15,387 | 156 | 4,303 | 3,136,968 | 31,158 | 129,526 | 20,123 | 521,569 | 70,360 |
| Expenditures: | | | | | | | | | |
| General Government Services | 5,844 | - | - | 113,612 | - | 2,730 | - | 7,674 | - |
| Public Safety | - | - | - | 1,247,085 | - | 130,527 | 106,589 | - | - |
| Transportation | - | - | - | 1,068,995 | - | - | - | - | - |
| Economic Environment | - | - | - | - | - | - | - | 436,275 | - |
| Human Services | - | - | 127 | 73,734 | - | - | - | - | - |
| Culture/Recreation | - | - | - | 7,500 | - | - | - | - | - |
| Total Expenditures | 5,844 | - | 127 | 2,510,926 | - | 133,257 | 106,589 | 443,949 | - |
| Excess of Revenues Over (Under) Expenditures | 9,543 | 156 | 4,176 | 626,042 | 31,158 | (3,731) | (86,466) | 77,620 | 70,360 |
| Other Financing Sources (Uses): | | | | | | | | | |
| Operating Transfers In | - | - | - | 19,992 | - | 23,450 | - | - | - |
| Operating Transfers Out | - | - | - | (285,000) | (28,224) | - | - | (28,028) | (70,360) |
| Total Other Financing Sources (Uses) | - | - | - | (265,008) | (28,224) | 23,450 | - | (28,028) | (70,360) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Use | 9,543 | 156 | 4,176 | 361,034 | 2,934 | 19,719 | (86,466) | 49,592 | - |
| Fund Balances - October 1 | 32,287 | 1,329 | 8,106 | 786,169 | 7,404 | (2,832) | 95,182 | 288,882 | - |
| Fund Balances - September 30 | \$41,830 | \$1,485 | \$12,282 | \$1,147,203 | \$10,338 | \$ 16,887 | \$ 8,716 | \$338,474 | \$ - |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 3 of 3

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | Family Mediation Unit Trust | Emergency Services Donations | Nassau County Anti-Drug Enforcement | Nassau County Impact Fee Ordinance Trust | Public Records Moderni- zation | Nassau County Recreation Commission | Parks And Recreation | Elimina- ting Entries | Total |
|-------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------------|-----------------------------------------|----------------------------------------------|----------------------------|-----------------------------|--------------|
| Revenues | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,378,176 |
| Licenses and Permits | - | - | - | - | - | - | - | - | 371,374 |
| Intergovernmental Revenue | - | - | 73,278 | - | - | 25,000 | - | - | 2,874,830 |
| Charges for Services | 4,386 | - | - | - | 19,174 | - | - | - | 960,267 |
| Fines and Forfeits | - | - | 208 | - | - | - | - | - | 458,260 |
| Miscellaneous Revenues | 550 | 1,054 | 933 | 540,915 | 4,195 | 1,735 | 30,043 | - | 1,046,753 |
| Total Revenues | 4,936 | 1,054 | 74,419 | 540,915 | 23,369 | 26,735 | 30,043 | - | 13,089,660 |
| Expenditures: | | | | | | | | | |
| General Government Services | - | - | - | 35,292 | 11,994 | - | - | - | 614,730 |
| Public Safety | - | 348 | 61,899 | 18,375 | - | - | - | - | 1,816,111 |
| Transportation | - | - | - | 292,410 | - | - | - | - | 3,658,501 |
| Economic Environment | - | - | - | - | - | - | - | - | 436,275 |
| Human Services | - | - | - | - | - | - | - | - | 73,861 |
| Culture/Recreation | - | - | - | - | - | 27,042 | 160,137 | - | 261,083 |
| Total Expenditures | - | 348 | 61,899 | 336,077 | 11,994 | 27,042 | 160,137 | - | 6,860,561 |
| Excess of Revenues Over (Under) Expenditures | 4,936 | 706 | 12,520 | 204,838 | 11,375 | (307) | (130,094) | - | 6,229,099 |
| Other Financing Sources (Uses): | | | | | | | | | |
| Operating Transfers In | - | - | 21,181 | - | - | - | - | (317,441) | 75,251 |
| Operating Transfers Out | - | - | (28,744) | (19,992) | - | - | (15,250) | 317,441 | (4,143,957) |
| Total Other Financing Sources (Uses) | - | - | (7,563) | (19,992) | - | - | (15,250) | - | (4,068,706) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 4,936 | 706 | 4,957 | 184,846 | 11,375 | (307) | (145,344) | - | 2,160,393 |
| Fund Balances - October 1 | 4,971 | - | - | 1,626,338 | 48,207 | 14,828 | 208,134 | - | 5,237,923 |
| Fund Balances - September 30 | \$9,907 | \$ 706 | \$ 4,957 | \$1,811,184 | \$59,582 | \$14,521 | \$ 62,790 | \$ - | \$ 7,398,316 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 1 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Fine and Forfeiture</u> | | <u>County Transportation</u> | | <u>Local Option Gas Tax</u> | |
|-------------------------------------------------------------------------------------|----------------------------|---------------|------------------------------|---------------|-----------------------------|---------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$3,986,482 | \$4,087,792 | \$1,020,897 | \$1,050,246 | \$700,000 | \$851,055 |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenue | 308,065 | 230,511 | 646,812 | 606,684 | - | - |
| Charges for Services | 333,558 | 544,991 | 39,045 | 171,545 | - | - |
| Fines and Forfeits | - | 8,362 | - | - | - | - |
| Miscellaneous Revenues | 32,300 | 125,063 | 10,640 | 78,979 | 16,281 | 27,748 |
| Total Revenues | 4,660,405 | 4,996,719 | 1,717,394 | 1,907,454 | 716,281 | 878,803 |
| Expenditures: | | | | | | |
| General Government Services | 470,926 | 414,211 | 22,900 | 20,474 | - | - |
| Public Safety | 326,716 | 238,625 | - | - | - | - |
| Transportation | - | - | 1,703,748 | 1,432,333 | 706,281 | 698,039 |
| Economic Environment | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | - | - |
| Total Expenditures | 797,642 | 652,836 | 1,726,648 | 1,452,807 | 706,281 | 698,039 |
| Excess of Revenues Over (Under) Expenditures | 3,862,763 | 4,343,883 | (9,254) | 454,647 | 10,000 | 180,764 |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 90,361 | 116,485 | 12,000 | 5,677 | - | - |
| Operating Transfers Out | (3,751,338) | (3,748,051) | (177,882) | (177,879) | - | - |
| Total Other Financing Sources (Uses) | (3,660,977) | (3,631,566) | (165,882) | (172,202) | - | - |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 201,786 | 712,317 | (175,136) | 282,445 | 10,000 | 180,764 |
| Fund Balances - October 1 | (201,786) | 529,854 | 175,136 | 491,051 | (10,000) | 109,013 |
| Fund Balances - September 30 | \$ - | \$1,242,171 | \$ - | \$ 773,496 | \$ - | \$289,777 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 2 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Law Library</u> | | <u>Law Enforcement</u> | | <u>Beach Driving Permits</u> | |
|-------------------------------------------------------------------------------------|--------------------|---------------|------------------------|---------------|------------------------------|---------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | 100,000 | 105,142 |
| Intergovernmental Revenue | - | - | - | - | - | - |
| Charges for Services | 1,722 | 5,487 | - | - | - | - |
| Fines and Forfeits | - | - | 7,174 | 8,457 | - | - |
| Miscellaneous Revenues | 8 | 191 | 104 | 813 | 285 | 2,835 |
| Total Revenues | 1,730 | 5,678 | 7,278 | 9,270 | 100,285 | 107,977 |
| Expenditures: | | | | | | |
| General Government Services | 3,562 | 2,899 | - | - | - | - |
| Public Safety | - | - | 10,418 | 7,045 | - | - |
| Transportation | - | - | - | - | - | - |
| Economic Environment | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | 76,722 | 66,404 |
| Total Expenditures | 3,562 | 2,899 | 10,418 | 7,045 | 76,722 | 66,404 |
| Excess of Revenues Over (Under) Expenditures | (1,832) | 2,779 | (3,140) | 2,225 | 23,563 | 41,573 |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | - | - | - | - | 33,500 | 28,028 |
| Operating Transfers Out | - | - | - | - | (59,872) | (59,870) |
| Total Other Financing Sources (Uses) | - | - | - | - | (26,372) | (31,842) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (1,832) | 2,779 | (3,140) | 2,225 | (2,809) | 9,731 |
| Fund Balances - October 1 | 1,832 | 1,832 | 3,140 | 3,640 | 2,809 | 40,781 |
| Fund Balances - September 30 | \$ - | \$4,611 | \$ - | \$5,865 | \$ - | \$ 50,512 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 3 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Sheriff Investigation</u> | | <u>Sheriff Donation</u> | | <u>Fifth and Sixth Cents Fuel Tax</u> | |
|-------------------------------------------------------------------------------------|------------------------------|----------------|-------------------------|----------------|-------------------------------------------|--------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 625,000 | 458,248 |
| Charges for Services | - | - | - | - | - | - |
| Fines and Forfeits | 4,178 | 4,428 | - | - | - | - |
| Miscellaneous Revenues | - | 177 | 1,250 | 1,916 | 9,500 | 87,969 |
| Total Revenues | <u>4,178</u> | <u>4,605</u> | <u>1,250</u> | <u>1,916</u> | <u>634,500</u> | <u>546,217</u> |
| Expenditures: | | | | | | |
| General Government Services | - | - | - | - | - | - |
| Public Safety | 9,552 | 5,373 | 1,719 | 245 | - | - |
| Transportation | - | - | - | - | 1,162,382 | 176,724 |
| Economic Environment | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | - | - |
| Total Expenditures | <u>9,552</u> | <u>5,373</u> | <u>1,719</u> | <u>245</u> | <u>1,162,382</u> | <u>176,724</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(5,374)</u> | <u>(768)</u> | <u>(469)</u> | <u>1,671</u> | <u>(527,882)</u> | <u>369,493</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | - | - | - | - | 177,882 | 177,879 |
| Operating Transfers Out | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>177,882</u> | <u>177,879</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>(5,374)</u> | <u>(768)</u> | <u>(469)</u> | <u>1,671</u> | <u>(350,000)</u> | <u>547,372</u> |
| Fund Balances - October 1 | <u>5,374</u> | <u>5,374</u> | <u>469</u> | <u>469</u> | <u>350,000</u> | <u>936,904</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$4,606</u> | <u>\$ -</u> | <u>\$2,140</u> | <u>\$ -</u> | <u>\$1,484,276</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 4 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

Court Facility Fees

Budget Actual

Revenues:
Taxes \$ - \$ -
Licenses and Permits - -
Intergovernmental Revenue - -
Charges for Services 11,400 12,722
Fines and Forfeits - -
Miscellaneous Revenues 704 2,665
Total Revenues 12,104 15,387

Expenditures:
General Government Services 36,104 5,844
Public Safety - -
Transportation - -
Economic Environment - -
Human Services - -
Culture/Recreation - -
Total Expenditures 36,104 5,844

Excess of Revenues Over
(Under) Expenditures (24,000) 9,543

Other Financing Sources (Uses):
Operating Transfers In - -
Operating Transfers Out - -

Total Other Financing
Sources (Uses) - -

Excess of Revenues and
Other Sources Over (Under)
Expenditures and Other Uses (24,000) 9,543

Fund Balances - October 1 24,000 32,287

Fund Balances - September 30 \$ - \$41,830

Sheriff
Confiscated Property

Budget Actual

\$ - \$ -
- -
- -
- -
- -
- 156
- 156

- -
1,329 -
- -
- -
- -
- -
- -

(1,329) 156

- -
- -

- -

(1,329) 156

1,329 1,329

\$ - \$1,485

Special Alcohol
Rehabilitation

Budget Actual

\$ - \$ -
- -
- -
- -
1,524 3,591
104 712

1,628 4,303

- -
- -
- -
- -
7,628 127
- -

(6,000) 4,176

- -
- -

- -

(6,000) 4,176

6,000 8,106

\$ - \$12,282

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Municipal Service</u> | | <u>School Crossings</u> | | <u>911 Operations and Maintenance</u> | |
|-------------------------------------------------------------------------------------|--------------------------|--------------------|-------------------------|-----------------|---------------------------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ 857,167 | \$ 890,373 | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | 301,150 | 266,232 | - | - | - | - |
| Intergovernmental Revenue | 1,639,234 | 1,461,490 | - | - | - | - |
| Charges for Services | 43,755 | 72,897 | - | - | 111,698 | 129,065 |
| Fines and Forfeits | 285,000 | 333,103 | 28,220 | 30,538 | - | - |
| Miscellaneous Revenues | <u>138,458</u> | <u>112,873</u> | <u>4</u> | <u>620</u> | <u>-</u> | <u>461</u> |
| Total Revenues | <u>3,264,764</u> | <u>3,136,968</u> | <u>28,224</u> | <u>31,158</u> | <u>111,698</u> | <u>129,526</u> |
| Expenditures: | | | | | | |
| General Government Services | 157,046 | 113,612 | - | - | 2,886 | 2,730 |
| Public Safety | 1,366,588 | 1,247,085 | - | - | 51,809 | 130,527 |
| Transportation | 1,202,998 | 1,068,995 | - | - | - | - |
| Economic Environment | - | - | - | - | - | - |
| Human Services | 79,171 | 73,734 | - | - | - | - |
| Culture/Recreation | <u>7,500</u> | <u>7,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>2,813,303</u> | <u>2,510,926</u> | <u>-</u> | <u>-</u> | <u>154,695</u> | <u>133,257</u> |
| Excess of Revenues Over (Under) Expenditures | <u>451,461</u> | <u>626,042</u> | <u>28,224</u> | <u>31,158</u> | <u>(42,997)</u> | <u>(3,731)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 24,000 | 19,992 | - | - | 42,997 | 23,450 |
| Operating Transfers Out | <u>(285,000)</u> | <u>(285,000)</u> | <u>(28,224)</u> | <u>(28,224)</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(261,000)</u> | <u>(265,008)</u> | <u>(28,224)</u> | <u>(28,224)</u> | <u>42,997</u> | <u>23,450</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 190,461 | 361,034 | - | 2,934 | - | 19,719 |
| Fund Balances - October 1 | <u>(190,461)</u> | <u>786,169</u> | <u>-</u> | <u>7,404</u> | <u>-</u> | <u>(2,832)</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$1,147,203</u> | <u>\$ -</u> | <u>\$10,338</u> | <u>\$ -</u> | <u>\$ 16,887</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 6 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>EMS County Award - HRS</u> | | <u>Amelia Island Tourist Development</u> | | <u>Criminal Justice Trust</u> | |
|-------------------------------------------------------------------------------------|-------------------------------|---------------|----------------------------------------------|---------------|-------------------------------|---------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$498,710 | \$498,710 | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenue | 19,619 | 19,619 | - | - | - | - |
| Charges for Services | - | - | - | - | - | - |
| Fines and Forfeits | - | - | - | - | 69,574 | 69,573 |
| Miscellaneous Revenues | - | 504 | 9,500 | 22,859 | 787 | 787 |
| Total Revenues | 19,619 | 20,123 | 508,210 | 521,569 | 70,361 | 70,360 |
| Expenditures: | | | | | | |
| General Government Services | - | - | 7,674 | 7,674 | - | - |
| Public Safety | 115,542 | 106,589 | - | - | - | - |
| Transportation | - | - | - | - | - | - |
| Economic Environment | - | - | 724,321 | 436,275 | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | - | - |
| Total Expenditures | 115,542 | 106,589 | 731,995 | 443,949 | - | - |
| Excess of Revenues Over (Under) Expenditures | (95,923) | (86,466) | (223,785) | 77,620 | 70,361 | 70,360 |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | - | - | - | - | - | - |
| Operating Transfers Out | - | - | (33,500) | (28,028) | (70,361) | (70,360) |
| Total Other Financing Sources (Uses) | - | - | (33,500) | (28,028) | (70,361) | (70,360) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (95,923) | (86,466) | (257,285) | 49,592 | - | - |
| Fund Balances - October 1 | 95,923 | 95,182 | 257,285 | 288,882 | - | - |
| Fund Balances - September 30 | \$ - | \$ 8,716 | \$ - | \$338,474 | \$ - | \$ - |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 7 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Family Mediation Unit Trust</u> | | <u>Emergency Services Donations</u> | | <u>Nassau County Anti-Drug Enforcement</u> | |
|-------------------------------------------------------------------------------------|----------------------------------------|----------------|-----------------------------------------|---------------|----------------------------------------------------|-----------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 73,278 | 73,278 |
| Charges for Services | 1,900 | 4,386 | - | - | - | - |
| Fines and Forfeits | - | - | - | - | - | 208 |
| Miscellaneous Revenues | 4 | 550 | 970 | 1,054 | - | 933 |
| Total Revenues | <u>1,904</u> | <u>4,936</u> | <u>970</u> | <u>1,054</u> | <u>73,278</u> | <u>74,419</u> |
| Expenditures: | | | | | | |
| General Government Services | 3,300 | - | - | - | - | - |
| Public Safety | - | - | 970 | 348 | 65,215 | 61,899 |
| Transportation | - | - | - | - | - | - |
| Economic Environment | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | - | - |
| Total Expenditures | <u>3,300</u> | <u>-</u> | <u>970</u> | <u>348</u> | <u>65,215</u> | <u>61,899</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,396)</u> | <u>4,936</u> | <u>-</u> | <u>706</u> | <u>8,063</u> | <u>12,520</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | - | - | - | - | 21,181 | 21,181 |
| Operating Transfers Out | - | - | - | - | (29,244) | (28,744) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(8,063)</u> | <u>(7,563)</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>(1,396)</u> | <u>4,936</u> | <u>-</u> | <u>706</u> | <u>-</u> | <u>4,957</u> |
| Fund Balances - October 1 | <u>1,396</u> | <u>4,971</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$9,907</u> | <u>\$ -</u> | <u>\$ 706</u> | <u>\$ -</u> | <u>\$ 4,957</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 8 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Nassau County Impact Fee Ordinance Trust</u> | | <u>Public Records Modernization</u> | | <u>Nassau County Recreation Commission</u> | |
|-------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|-----------------------------------------|-----------------|----------------------------------------------------|-----------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 23,750 | 25,000 |
| Charges for Services | - | - | 18,251 | 19,174 | - | - |
| Fines and Forfeits | - | - | - | - | - | - |
| Miscellaneous Revenues | <u>490,430</u> | <u>540,915</u> | <u>954</u> | <u>4,195</u> | <u>143</u> | <u>1,735</u> |
| Total Revenues | <u>490,430</u> | <u>540,915</u> | <u>19,205</u> | <u>23,369</u> | <u>23,893</u> | <u>26,735</u> |
| Expenditures: | | | | | | |
| General Government Services | 88,507 | 35,292 | 44,205 | 11,994 | - | - |
| Public Safety | 91,285 | 18,375 | - | - | - | - |
| Transportation | 1,718,186 | 282,410 | - | - | - | - |
| Economic Environment | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - |
| Culture/Recreation | - | - | - | - | <u>38,720</u> | <u>27,042</u> |
| Total Expenditures | <u>1,897,978</u> | <u>336,077</u> | <u>44,205</u> | <u>11,994</u> | <u>38,720</u> | <u>27,042</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,407,548)</u> | <u>204,838</u> | <u>(25,000)</u> | <u>11,375</u> | <u>(14,827)</u> | <u>(307)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | - | - | - | - | - | - |
| Operating Transfers Out | <u>(24,000)</u> | <u>(19,992)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(24,000)</u> | <u>(19,992)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>(1,431,548)</u> | <u>184,846</u> | <u>(25,000)</u> | <u>11,375</u> | <u>(14,827)</u> | <u>(307)</u> |
| Fund Balances - October 1 | <u>1,431,548</u> | <u>1,626,338</u> | <u>25,000</u> | <u>48,207</u> | <u>14,827</u> | <u>14,828</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$1,811,184</u> | <u>\$ -</u> | <u>\$59,582</u> | <u>\$ -</u> | <u>\$14,521</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

Page 9 of 9

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

| | <u>Parks and Recreation</u> | | <u>Eliminating Entries</u> | | <u>Total</u> | | <u>Variance</u> |
|-------------------------------------------------------------------------------------|-----------------------------|------------------|--------------------------------|----------------|--------------------|---------------------|------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 7,063,256 | \$ 7,378,176 | \$ 314,920 |
| Licenses and Permits | - | - | - | - | 401,150 | 371,374 | (29,776) |
| Intergovernmental Revenue | - | - | - | - | 3,335,758 | 2,874,830 | (460,928) |
| Charges for Services | - | - | - | - | 561,329 | 960,267 | 398,938 |
| Fines and Forfeits | - | - | - | - | 395,670 | 458,260 | 62,590 |
| Miscellaneous Revenues | <u>14,992</u> | <u>30,043</u> | <u>-</u> | <u>-</u> | <u>727,418</u> | <u>1,046,753</u> | <u>319,335</u> |
| Total Revenues | <u>14,992</u> | <u>30,043</u> | <u>-</u> | <u>-</u> | <u>12,484,581</u> | <u>13,089,660</u> | <u>605,079</u> |
| Expenditures: | | | | | | | |
| General Government Services | - | - | - | - | 837,110 | 614,730 | 222,380 |
| Public Safety | - | - | - | - | 2,141,143 | 1,816,111 | 325,032 |
| Transportation | - | - | - | - | 6,493,595 | 3,658,501 | 2,835,094 |
| Economic Environment | - | - | - | - | 724,321 | 436,275 | 288,046 |
| Human Services | - | - | - | - | 86,799 | 73,861 | 12,938 |
| Culture/Recreation | <u>201,238</u> | <u>160,137</u> | <u>-</u> | <u>-</u> | <u>324,180</u> | <u>261,083</u> | <u>63,097</u> |
| Total Expenditures | <u>201,238</u> | <u>160,137</u> | <u>-</u> | <u>-</u> | <u>10,607,148</u> | <u>6,860,561</u> | <u>3,746,587</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(186,246)</u> | <u>(130,094)</u> | <u>-</u> | <u>-</u> | <u>1,877,433</u> | <u>6,229,099</u> | <u>4,351,666</u> |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In | - | - | (326,924) | (317,441) | 74,997 | 75,251 | 254 |
| Operating Transfers Out | <u>(15,250)</u> | <u>(15,250)</u> | <u>326,924</u> | <u>317,441</u> | <u>(4,147,747)</u> | <u>(4,143,957)</u> | <u>3,790</u> |
| Total Other Financing Sources (Uses) | <u>(15,250)</u> | <u>(15,250)</u> | <u>-</u> | <u>-</u> | <u>(4,072,750)</u> | <u>(4,068,706)</u> | <u>4,044</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>(201,496)</u> | <u>(145,344)</u> | <u>-</u> | <u>-</u> | <u>(2,195,317)</u> | <u>2,160,393</u> | <u>4,355,710</u> |
| Fund Balances - October 1 | <u>201,496</u> | <u>208,134</u> | <u>-</u> | <u>-</u> | <u>2,195,317</u> | <u>5,237,923</u> | <u>3,042,606</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$ 62,790</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,398,316</u> | <u>\$ 7,398,316</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS

September 30, 1991

| | <u>Courthouse</u> | <u>Optional Gas Tax</u> | <u>Total</u> |
|-------------------------------------------------|-------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Cash in bank - checking | \$ - | \$ 71,946 | \$ 71,946 |
| Investments by State Board of Administration | <u>190,643</u> | <u>1,176,448</u> | <u>1,367,091</u> |
| Total Assets | <u>\$190,643</u> | <u>\$1,248,394</u> | <u>\$1,439,037</u> |
| Fund Balances: | | | |
| Unreserved: | | | |
| Designated for debt service | <u>\$190,643</u> | <u>\$1,248,394</u> | <u>\$1,439,037</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL DEBT SERVICE FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Courthouse</u> | <u>Optional Gas Tax</u> | <u>Total</u> |
|----------------------------------------------------|-------------------|-----------------------------|--------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ 859,582 | \$ 859,582 |
| Intergovernmental Revenue | 100,000 | - | 100,000 |
| Miscellaneous Revenues | <u>12,818</u> | <u>95,855</u> | <u>108,673</u> |
| Total Revenues | <u>112,818</u> | <u>955,437</u> | <u>1,068,255</u> |
| Expenditures: | | | |
| General Government Services | - | 10,371 | 10,371 |
| Principle Retirement | 68,000 | 255,000 | 323,000 |
| Interest and Fiscal Charges | <u>30,460</u> | <u>684,913</u> | <u>715,373</u> |
| Total Expenditures | <u>98,460</u> | <u>950,284</u> | <u>1,048,744</u> |
| Excess of Revenues Over (Under) Expenditures | 14,358 | 5,153 | 19,511 |
| Fund Balances - October 1 | <u>176,285</u> | <u>1,243,241</u> | <u>1,419,526</u> |
| Fund Balances - September 30 | <u>\$190,643</u> | <u>\$1,248,394</u> | <u>\$1,439,037</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- ALL DEBT SERVICE FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Courthouse</u> | | <u>Optional Gas Tax</u> | | <u>Total</u> | | <u>Variance</u> |
|----------------------------------------------|-------------------|---------------|-------------------------|---------------|---------------|---------------|--------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ 947,786 | \$ 859,582 | \$ 947,786 | \$ 859,582 | \$ (88,204) |
| Intergovernmental Revenue | 100,000 | 100,000 | - | - | 100,000 | 100,000 | - |
| Miscellaneous Revenues | 7,600 | 12,818 | 91,217 | 95,855 | 98,817 | 108,673 | 9,856 |
| Total Revenues | 107,600 | 112,818 | 1,039,003 | 955,437 | 1,146,603 | 1,068,255 | (78,348) |
| Expenditures: | | | | | | | |
| General Government Services | - | - | 10,371 | 10,371 | 10,371 | 10,371 | - |
| Principal Retirement | 68,000 | 68,000 | 255,000 | 255,000 | 323,000 | 323,000 | - |
| Interest and Fiscal Charges | 31,810 | 30,460 | 685,438 | 684,913 | 717,248 | 715,373 | 1,875 |
| Total Expenditures | 99,810 | 98,460 | 950,809 | 950,284 | 1,050,619 | 1,048,744 | 1,875 |
| Excess of Revenues Over (Under) Expenditures | 7,790 | 14,358 | 88,194 | 5,153 | 95,984 | 19,511 | (76,473) |
| Fund Balances - October 1 | (7,790) | 176,285 | (88,194) | 1,243,241 | (95,984) | 1,419,526 | 1,515,510 |
| Fund Balances - September 30 | \$ - | \$190,643 | \$ - | \$1,248,394 | \$ - | \$1,439,037 | \$1,439,037 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

September 30, 1991

| | <u>Capital Grants</u> | <u>Road Paving</u> | <u>Total</u> |
|-----------------------------------------------------------------|-----------------------|------------------------|--------------------|
| ASSETS | | | |
| Cash in bank - checking | \$ 21,694 | \$ - | \$ 21,694 |
| Investments by State Board of Administration | 1,684,765 | 7,255,853 | 8,940,618 |
| Accounts receivable - (net of allowances for uncollectibles) | - | 34 | 34 |
| Due from other governments | <u>12,142</u> | <u>-</u> | <u>12,142</u> |
| Total Assets | <u>\$1,718,601</u> | <u>\$7,255,887</u> | <u>\$8,974,488</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 12,017 | \$ 710,236 | \$ 722,253 |
| Due to constitutional officers | - | 11 | 11 |
| Due to other governments | 35,404 | - | 35,404 |
| Contracts payable | <u>-</u> | <u>168,024</u> | <u>168,024</u> |
| Total Liabilities | 47,421 | 878,271 | 925,692 |
| Fund Balances: | | | |
| Unreserved: | | | |
| Undesignated | <u>1,671,180</u> | <u>6,377,616</u> | <u>8,048,796</u> |
| Total Liabilities and Fund Balances | <u>\$1,718,601</u> | <u>\$7,255,887</u> | <u>\$8,974,488</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Capital Grants</u> | <u>Road Paving</u> | <u>Total</u> |
|----------------------------------------------------------------------------------------|-----------------------|------------------------|---------------------|
| Revenues: | | | |
| Taxes | \$ 1,726 | \$ - | \$ 1,726 |
| Intergovernmental Revenue | 118,863 | - | 118,863 |
| Miscellaneous Revenues | <u>4,891</u> | <u>618,326</u> | <u>623,217</u> |
| Total Revenues | <u>125,480</u> | <u>618,326</u> | <u>743,806</u> |
| Expenditures: | | | |
| General Government Service | 15,260 | 90,991 | 106,251 |
| Transportation | - | 2,673,963 | 2,673,963 |
| Culture/Recreation | 22,592 | - | 22,592 |
| Capital Outlay | <u>7,448</u> | <u>-</u> | <u>7,448</u> |
| Total Expenditures | <u>45,300</u> | <u>2,764,954</u> | <u>2,810,254</u> |
| Excess of Revenues Over (Under) Expenditures | 80,180 | (2,146,628) | (2,066,448) |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | <u>19,680</u> | <u>-</u> | <u>19,680</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 99,860 | (2,146,628) | (2,046,768) |
| Fund Balances - October 1 | <u>1,571,320</u> | <u>8,524,244</u> | <u>10,095,564</u> |
| Fund Balances - September 30 | <u>\$1,671,180</u> | <u>\$6,377,616</u> | <u>\$ 8,048,796</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended September 30, 1991

| | <u>Capital Grants</u> | | <u>Road Paving</u> | | <u>Total</u> | | <u>Variance</u> |
|----------------------------------------------------------------------------------------|-----------------------|---------------|--------------------|---------------|---------------|---------------|------------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| Revenues: | | | | | | | |
| Taxes | \$ 35 | \$ 1,726 | \$ - | \$ - | \$ 35 | \$ 1,726 | \$ 1,691 |
| Intergovernmental Revenue | 59,057 | 118,863 | - | - | 59,057 | 118,863 | 59,806 |
| Miscellaneous Revenues | - | 4,891 | 310,823 | 618,326 | 310,823 | 623,217 | 312,394 |
| Total Revenues | 59,092 | 125,480 | 310,823 | 618,326 | 369,915 | 743,806 | 373,891 |
| Expenditures: | | | | | | | |
| General Government Services | 19,716 | 15,260 | 90,992 | 90,991 | 110,708 | 106,251 | 4,457 |
| Transportation | 1,580,025 | - | 8,402,184 | 2,673,963 | 9,982,209 | 2,673,963 | 7,308,246 |
| Culture/Recreation | 50,000 | 22,592 | - | - | 50,000 | 22,592 | 27,408 |
| Capital Outlay | 11,557 | 7,448 | - | - | 11,557 | 7,448 | 4,109 |
| Total Expenditures | 1,661,298 | 45,300 | 8,493,176 | 2,764,954 | 10,154,474 | 2,810,254 | 7,344,220 |
| Excess of Revenues Over (Under) Expenditures | (1,602,206) | 80,180 | (8,182,353) | (2,146,628) | (9,784,559) | (2,066,488) | 7,718,111 |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In | 19,681 | 19,680 | - | - | 19,681 | 19,680 | (1) |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (1,582,525) | 99,860 | (8,182,353) | (2,146,628) | (9,764,878) | (2,046,768) | (7,718,110) |
| Fund Balances - October 1 | 1,582,525 | 1,571,320 | 8,182,353 | 8,524,244 | 9,764,878 | 10,095,564 | 330,686 |
| Fund Balances - September 30 | \$ - | \$1,671,180 | \$ - | \$6,377,616 | \$ - | \$ 8,048,796 | \$ 8,048,796 |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 1991

| | <u>ENTERPRISE FUND</u> | | <u>INTERNAL SERVICE FUND</u> | | <u>Total (Memorandum Only)</u> | | |
|-------------------------------------------|------------------------|--------------------|------------------------------|------------------|------------------------------------|--------------------|-------------------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| Operating Revenues | | | | | | | |
| State Grants | \$ 171,406 | \$ 181,341 | \$ - | \$ - | \$ 171,406 | \$ 181,341 | \$ 9,935 |
| Current use charges | 1,272,050 | 1,468,265 | - | - | 1,272,050 | 1,468,265 | 196,215 |
| Special assessments | 1,137,775 | 1,611,885 | - | - | 1,137,775 | 1,611,885 | 474,110 |
| Insurance premiums | - | - | 416,300 | 416,300 | 416,300 | 416,300 | - |
| Other Income | 570 | 2,339 | - | 3,354 | 570 | 5,693 | 5,123 |
| Total Operating Revenues | <u>2,581,801</u> | <u>3,263,830</u> | <u>416,300</u> | <u>419,654</u> | <u>2,998,101</u> | <u>3,683,484</u> | <u>685,383</u> |
| Operating Expenses | | | | | | | |
| Contractual services | 1,334,994 | 1,322,516 | - | - | 1,334,994 | 1,322,516 | 12,478 |
| Salaries and benefits | 146,508 | 132,631 | - | - | 146,508 | 132,631 | 13,877 |
| Depreciation | 5,610 | 5,609 | - | - | 5,610 | 5,609 | 1 |
| Bad debts | 341,242 | 73,687 | - | - | 341,242 | 73,687 | 267,555 |
| Workers' compensation claims | - | - | 318,542 | 234,561 | 318,542 | 234,561 | 83,981 |
| Workers' compensation premiums | - | - | 86,458 | 86,458 | 86,458 | 86,458 | - |
| Other expenses | <u>1,088,291</u> | <u>872,814</u> | <u>29,100</u> | <u>16,160</u> | <u>1,117,391</u> | <u>888,974</u> | <u>228,417</u> |
| Total Operating Expenses | <u>2,916,645</u> | <u>2,407,257</u> | <u>434,100</u> | <u>337,179</u> | <u>3,350,745</u> | <u>2,744,436</u> | <u>606,309</u> |
| Operating Income (Loss) | <u>(334,844)</u> | <u>856,573</u> | <u>(17,800)</u> | <u>82,475</u> | <u>(352,644)</u> | <u>939,048</u> | <u>1,291,692</u> |
| Nonoperating Revenues (Expenses) | | | | | | | |
| Interest earnings | 9,500 | 69,662 | 3,800 | 12,974 | 13,300 | 82,636 | 69,336 |
| Interest expense | <u>(1,156)</u> | <u>(637)</u> | <u>-</u> | <u>-</u> | <u>(1,156)</u> | <u>(637)</u> | <u>519</u> |
| Total Nonoperating Revenues (Expenses) | <u>8,344</u> | <u>69,025</u> | <u>3,800</u> | <u>12,974</u> | <u>12,144</u> | <u>81,999</u> | <u>69,855</u> |
| Net Income (Loss) | <u>(326,500)</u> | <u>925,598</u> | <u>(14,000)</u> | <u>95,449</u> | <u>(340,500)</u> | <u>1,021,047</u> | <u>1,361,547</u> |
| Retained Earnings - October 1 | <u>326,500</u> | <u>1,177,142</u> | <u>14,000</u> | <u>65,938</u> | <u>340,500</u> | <u>1,243,080</u> | <u>902,580</u> |
| Retained Earnings - September 30 | <u>\$ -</u> | <u>\$2,102,740</u> | <u>\$ -</u> | <u>\$161,387</u> | <u>\$ -</u> | <u>\$2,264,127</u> | <u>\$2,264,127</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
- ALL FIDUCIARY FUND TYPES

For the Fiscal Year Ended September 30, 1991

| | <u>Revolving Loan Trust</u> | | <u>Shared State and County Health Care</u> | | <u>Total</u> | | <u>Variance</u> |
|-------------------------------------------------------------------------------------|-----------------------------|------------------|------------------------------------------------|---------------|-----------------|------------------|------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
| Revenues | | | | | | | |
| Intergovernmental Revenue | \$ - | \$ - | \$33,428 | \$ - | \$33,428 | \$ - | \$(33,428) |
| Miscellaneous Revenues | <u>26,149</u> | <u>32,647</u> | <u>-</u> | <u>-</u> | <u>26,149</u> | <u>32,647</u> | <u>6,498</u> |
| Total Revenues | <u>26,149</u> | <u>32,647</u> | <u>33,428</u> | <u>-</u> | <u>59,577</u> | <u>32,647</u> | <u>(26,930)</u> |
| Expenditures: | | | | | | | |
| Public Safety | - | - | 51,428 | - | 51,428 | - | 51,428 |
| Economic Environment | <u>1,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total Expenditures | <u>1,000</u> | <u>-</u> | <u>51,428</u> | <u>-</u> | <u>52,428</u> | <u>-</u> | <u>52,428</u> |
| Excess of Revenues Over (Under) Expenditures | 25,149 | 32,647 | (18,000) | - | 7,149 | 32,647 | 25,498 |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In | <u>-</u> | <u>-</u> | <u>18,000</u> | <u>-</u> | <u>18,000</u> | <u>-</u> | <u>(18,000)</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | 25,149 | 32,647 | - | - | 25,149 | 32,647 | 7,498 |
| Fund Balances - October 1 | <u>(25,149)</u> | <u>817,884</u> | <u>-</u> | <u>-</u> | <u>(25,149)</u> | <u>817,884</u> | <u>843,033</u> |
| Fund Balances - September 30 | <u>\$ -</u> | <u>\$850,531</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$850,531</u> | <u>\$850,531</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 1991

| | <u>Arbitrage Rebate Trust</u> | <u>Deferred Compensation</u> | <u>Total</u> |
|------------------------------------------------------------------|-----------------------------------|----------------------------------|------------------|
| ASSETS | | | |
| Investments by State Board of Administration | \$234,015 | \$ - | \$234,015 |
| Cash with deferred compensation Plan Program Administrator | <u>-</u> | <u>100,585</u> | <u>100,585</u> |
| Total Assets | <u>\$234,015</u> | <u>\$100,585</u> | <u>\$334,600</u> |
| LIABILITIES | | | |
| Due to other governments | \$234,015 | \$ - | \$234,015 |
| Deferred compensation | <u>-</u> | <u>100,585</u> | <u>100,585</u> |
| Total Liabilities | <u>\$234,015</u> | <u>\$100,585</u> | <u>\$334,600</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the Fiscal Year Ended September 30, 1991

DEFERRED COMPENSATION FUND

| | Balance October <u>1, 1990</u> | <u>Additions</u> | <u>Deductions</u> | Balance September <u>30, 1991</u> |
|------------------------------------------------------------------|--------------------------------------|------------------|-------------------|-----------------------------------------|
| ASSETS | | | | |
| Cash with deferred compensation Plan Program Administrator | <u>\$ 54,312</u> | <u>\$ 46,273</u> | <u>\$ -</u> | <u>\$100,585</u> |
| LIABILITIES | | | | |
| Deferred compensation | <u>\$ 54,312</u> | <u>\$ 46,273</u> | <u>\$ -</u> | <u>\$100,585</u> |

ARBITRAGE REBATE TRUST

| | Balance October <u>1, 1990</u> | <u>Additions</u> | <u>Deductions</u> | Balance September <u>30, 1991</u> |
|----------------------------------------------------|--------------------------------------|------------------|-------------------|-----------------------------------------|
| ASSETS | | | | |
| Investments by State Board of Administration | <u>\$132,652</u> | <u>\$101,363</u> | <u>\$ -</u> | <u>\$234,015</u> |
| LIABILITIES | | | | |
| Arbitrage rebate tax payable | <u>\$132,652</u> | <u>\$101,363</u> | <u>\$ -</u> | <u>\$234,015</u> |

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the Fiscal Year Ended September 30, 1991
(Continued)

TOTAL ALL AGENCY FUNDS

| | Balance October 1, 1990 | Additions | Deductions | Balance September 30, 1991 |
|------------------------------------------------------------------|-------------------------------|------------------|-------------|----------------------------------|
| ASSETS | | | | |
| Cash with deferred compensation plan Program Administrator | \$ 54,312 | \$ 46,273 | \$ - | \$100,585 |
| Investments by State Board of Administration | <u>132,652</u> | <u>101,363</u> | <u>-</u> | <u>234,015</u> |
| Total Assets | <u>\$186,964</u> | <u>\$147,636</u> | <u>-</u> | <u>\$334,600</u> |
| LIABILITIES | | | | |
| Deferred compensation | \$ 54,312 | \$ 46,273 | \$ - | \$100,585 |
| Arbitrage rebate tax payable | <u>132,652</u> | <u>101,363</u> | <u>-</u> | <u>234,015</u> |
| Total Liabilities | <u>\$186,964</u> | <u>\$147,636</u> | <u>\$ -</u> | <u>\$334,600</u> |

APPENDIX C
COPY OF BOND RESOLUTION

RESOLUTION NO. 92 - 132

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AMENDING AND SUPPLEMENTING RESOLUTION 88-28 OF THE COUNTY, AS AMENDED AND SUPPLEMENTED; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$11,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF OPTIONAL GAS TAX REVENUE REFUNDING BONDS, SERIES 1992, IN ORDER TO ADVANCE REFUND NASSAU COUNTY'S OPTIONAL GAS TAX REVENUE BONDS, SERIES 1988 AND PROVIDE FOR FUNDING FOR THE CONSTRUCTION OF CERTAIN TRANSPORTATION CAPITAL IMPROVEMENTS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING CERTAIN TERMS AND DETAILS OF SUCH BONDS, INCLUDING AUTHORIZING A NEGOTIATED SALE OF SAID BONDS AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT THERETO UPON COMPLIANCE WITH CERTAIN PARAMETERS; APPOINTING THE PAYING AGENT AND REGISTRAR WITH RESPECT TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND A DEBT SERVICE RESERVE FUND POLICY AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA:

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) On January 12, 1988, the Board of County Commissioners of Nassau County, Florida (the "Issuer") duly adopted Resolution No. 88-28. Resolution 88-28 has been amended and supplemented by Resolution No. 89-32, adopted on May 20, 1989, and supplemented by Resolution No. 89-31, adopted on May 20, 1989. Resolution 88-28, as amended and supplemented prior to the date hereof, is referred to herein as the "Original Resolution."

(B) The Original Resolution authorized, among other things, the issuance of \$9,780,000 Optional Gas Tax Revenue Bonds, Series 1988 (the "Series 1988 Bonds"), of which \$9,015,000 remain outstanding.

C-1

thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 1992 Bonds. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 1992 Bonds. A copy of the letter of the underwriter for said Series 1992 Bonds containing the aforementioned information is a condition precedent to the execution and delivery by the Issuer of the Purchase Contract referred to below.

(J) Raymond James & Associates, Inc. (the "Underwriter") expects to offer to purchase the entire aggregate principal amount of the Series 1992 Bonds from the Issuer and submit a Purchase Contract in the form attached hereto as Exhibit A (the "Purchase Contract") expressing the terms of such offer, and, assuming compliance with the provisions of Section 22 hereof, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that the terms expressed in the Purchase Contract be accepted by the Issuer.

(K) The Original Resolution establishes a Reserve Account as security for the Bonds, and requires that an amount equal to the Maximum Annual Debt Service Requirement be on deposit therein. The Original Resolution provides that, in lieu of the required deposits into the Reserve Account, the Issuer may cause to be deposited therein a reserve account insurance policy or reserve account letter of credit.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to Section 5.06 of Resolution 88-28, the provisions of the Act (as defined in the Bond Resolution) and other applicable provisions of law. When used in this Supplemental Resolution, the terms defined in the Bond Resolution shall have the meanings therein stated, except as set forth below.

SECTION 3. DEFINITIONS. The following terms shall have the meanings as set forth below. To the extent such definitions conflict with definitions set forth in the Original Resolution, the Original Resolution shall be deemed amended hereby.

"Authorized Investments" shall mean any of the following if and to the extent the same are at the time legal for the investment of funds of the Issuer:

(1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

C-3

(C) The Original Resolution, as amended and supplemented hereby, is referred to herein as the "Bond Resolution".

(D) The Original Resolution provides for the issuance of Additional Bonds for purposes of refunding the Series 1988 Bonds, upon meeting the requirements set forth in the Original Resolution.

(E) The Issuer deems it to be in the best interests of its citizens and taxpayers to issue its Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds") for the purpose of advance refunding the Series 1988 Bonds (the "Refunded Bonds") and for funding certain transportation-related capital improvements (the "1992 Project," as more fully defined herein).

(F) For the payment of said Refunded Bonds, the Issuer shall, as provided herein, deposit part of the proceeds derived from the sale of the Series 1992 Bonds in an irrevocable trust fund (the "Escrow Fund") which, together with other moneys deposited therein, shall be sufficient, at the time of such deposit, to pay and refund the Refunded Bonds as the same become due and payable or are redeemed prior to maturity, as provided in this Resolution and the Escrow Deposit Agreement (the "Escrow Agreement") between the Issuer and Barnett Banks Trust Company, N.A. (the "Escrow Agent").

(G) Except as expressly amended hereby, the covenants, pledges and conditions in the Original Resolution shall be applicable to the Series 1992 Bonds herein authorized to the same extent as the Series 1988 Bonds, and said Series 1992 Bonds shall constitute "Bonds" within the meaning of the Original Resolution.

(H) The principal of and interest on the Series 1992 Bonds and all required sinking fund, reserve and other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds, as provided in the Bond Resolution. The Series 1992 Bonds shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, nor the Issuer shall be obligated (1) to exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of the Series 1992 Bonds, the interest thereon, or other costs incidental thereto or (2) to pay the same from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Bond Resolution.

(I) Due to the present volatility of the market for tax-exempt obligations such as the Series 1992 Bonds, it is in the best interest of the Issuer to sell the Series 1992 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date,

C-2

(2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMA's"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMA's"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.

(3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;

(4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;

(5) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank, which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's Investors Service and a "Short-Term CD" rating of "A-1" or better by Standard & Poor's Corporation.

C-4

SECTION 8. RESERVE ACCOUNT ACCUMULATION UPON ISSUANCE OF ADDITIONAL PARTY BONDS. Upon the issuance of additional party

[illegible]

SECTION 9. NOTICE OF REDEMPTION. The provisions regarding notice of redemption of any Bonds contained in the original Resolution are hereby amended to read as follows:

[illegible]

SECTION 7. ADDITIONAL OBLIGATIONS.

(c) after applying all available cash in the Reserve Account and prior to replacement of any such cash, the undersigned, by reference to the maximum amounts in the available (calculated) after applying all available cash in the Reserve Account and prior to replacement of any such cash, shall fail to repay any Policy Costs in accordance with the requirements of this paragraph, Financial Guaranty Insurance Company shall be entitled to exercise any and all remedies available at law or under the bond Resolution or other than (1) acceleration of the maturity of the bond or (11) remedies which would adversely affect bondholders.

(K) In connection with the Reserve Agreement entered into by the Issuer with respect to the Series 1992 Bonds pursuant to Section 27 of this Supplemental Reservation, the Issuer's repayment to any and all persons under the Reserve Policy (as defined therein) and related reasonable expenses incurred by financial guarantors, insurance companies (together with interest thereon at a rate equal to the lower of the prime rate of Morgan Stanley Company or the yield in effect from time to time on 28 per annum and (ii) the highest rate permitted by law) shall enjoy the same priority as the obligation to maintain and defend the Reserve Account. Repayment to any of the above, expenses and accrued interest (collectively, "policy costs") shall commence in the first month following each payment, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of policy costs also deposited upon the Reserve Account, all such cash shall be [to be] used (a) for purposes as set forth prior to any payment under the Reserve Policy, and the additional Reserve Policy, any other reserve fund and substitute investments (collectively, "Additional Reserve Policy"), as provided, separately under the Reserve Policy, and any such Additional Reserve Policy, and the repayment of policy costs and reimbursement of amounts of amounts under the Additional Reserve Policy, shall be made on a pro rata basis.

(5) Where applicable, the amount available for draws or claims under the Reserve Account credit instrument may be reduced by the amount of cash or permitted investments deposited in the Reserve Account pursuant to clause (1) of the preceding subparagraph (x).

[illegible]

(c) Cash on deposit in the Reserve Account shall be used for investments purchased with such cash shall be liquidated and the proceeds applied as required prior to any drawing on any Reserve Account credit instrument. It and to the extent that the Reserve Account credit instrument is deposited in the Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

[illegible][illegible]

SECTION 26. AUTHORIZATION OF EXECUTION OF BONDOR AGREEMENT. The issuer hereby authorizes and directs the chairman to execute, and the clerk to attest under the corporate seal of the issuer, the Bondor Agreement and to deliver the Bondor Agreement to Banknote Trust Company, N.A., (the "Bondor Agent"), and does hereby authorize and direct the execution, sealing and delivery to the Bondor Agent of the provisions of the Bondor Agreement, when executed and delivered by the issuer as authorized herein and when duly authorized, executed and delivered by the Bondor Agent, shall be deemed to be a part of the supplemental indenture to the Bondor Agreement.

SECTION 27. RESERVE ACCOUNT INSURANCE POLICY. The original Resolution provides that, in lieu of the required deposits into the Reserve Account, the Issuer may cause to be deposited therein a Reserve Account Insurance policy or reserve account letter of credit for the benefit of the Holders of the Bonds in an amount equal to the Reserve Account Requirement. The Issuer has determined that it is in its best interest to obtain a reserve account insurance policy consisting of a surety bond equal to the maximum annual Debt Service Requirement on the Series 1992 Bonds (approximately \$1,000,000) on account currently on deposit in the Issuer's Account pursuant to a Debt Service Reserve Fund Policy Agreement (the "Reserve Agreement") to be executed by and between the Issuer and Financial Guaranty Insurance Company, substantially in the form attached hereto as Exhibit D. The Chairman and Clerk are hereby authorized to execute and deliver the Reserve Agreement with such changes as may be approved by the Chairman and Clerk and to take such other action as may be necessary or convenient to effectuating the surety bond referenced in said Resolution or agreement.

SECTION 24.
Barnett Banks Trust Company, N.A., Jacksonville, Florida, is hereby designated Registrar and Paying Agent for the Series 1992 Bonds. The Chairman and the Clerk are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 24.

and directed to execute said Purchase Contract and to deliver the same to the Underwriter.

[illegible]

(B) A sufficient amount of Series 1992 Bond proceeds shall be deposited or, together with the amount currently on deposit in the Reserve Account, used to procure a letter of credit for deposit into the Reserve Account in an amount such that amounts on deposit in the Reserve Account shall equal the Maximum Annual Debt Service Requirement.

(v) Accrued interest shall be deposited in the Sinking Fund and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 1992 Bonds.

SECTION 20. APPLICATION OF SERIES 1992 BOND PROCEEDS. The proceeds derived from the sale of the Series 1992 Bonds, including interest, shall, simultaneously with the delivery of the Series 1992 Bonds to the Underwriters thereof, be applied by the Issuer as follows:

The principal of, or redemption price, as applicable, of the Series 1992 Bonds, shall be payable at the corporate trust office of the Paying Agent for the Series 1992 Bonds appointed in Section 24 hereof, or its successor, upon presentation of the Series 1992 Bonds. Payment of interest on the Series 1992 Bonds shall be made to the owner thereof and shall be paid by check or draft of the Paying Agent at the close of business on the 15th day of the month (Whether or not a business day) next preceding the interest payment date, or, unless otherwise provided, added to the next succeeding interest payment date. The Paying Agent, by and at the request and expense of such Holder, may bank wire transfer for the account of such Holder. All payments shall be made in accordance with and pursuant to the terms of the Bond Redemption and the Series 1992 Bonds and shall be payable in any coin and currency of the United States and America which, at the time of payment, is legal tender for the payment of public or private debt.

with the prefix "B", and shall consist of such years and amounts payable on such dates as set forth in said Purchase Contract; and shall contain such redemption provisions as set forth in said Purchase Contract. The Series 1992 Bonds shall be issued in denominations of \$5,000 and any integer multiple thereof.

SECTION 2.01 AUTHORIZATION OF PROJECT. There is hereby authorized the construction of the project. To the extent the actual cost may be greater or less than the estimated cost of any portion of the project, such deficiency may be supplied from other funds legally available therefor, and any surplus may be applied to any other portions of the project. If it be found at the time of the acquisition and/or construction of the project that the amounts allocated to certain portions of the project are inadequate for their completion, the Board may, in its discretion, allocate additional amounts to such portions from other portions of the project, and if it be found at the time of the acquisition and/or construction of the project that less than the amounts allocated to certain portions of the project are needed for their completion, the Board may, in its discretion, allocate the amounts to be saved to other portions of the project. It is deemed necessary and advisable to modify any portions of the project described herein, the Board may, in its discretion, make such necessary changes as are permitted by the Act.

SECTION 2.02 AUTHORIZATION OF BONDS. Subject and pursuant to the provisions of this Resolution, obligations of the issuer to be known as "Optional Gas Tax Revenue Bonds, Series 1988," are hereby authorized to be issued in the aggregate principal amount of not exceeding \$12,000,000.

SECTION 2.03 DESCRIPTION OF BONDS. The bonds shall be dated, shall be issued in such denominations; shall bear interest at not exceeding the maximum rate authorized by applicable law, payable at such times, shall be subject to redemption prior to their respective stated dates of maturity, and shall mature on such dates and in such years and in such amounts; all as shall be fixed by subsequent resolution of the Board adopted at or prior to the sale of the bonds; provided, however, that except for redemption of the bonds as permitted by this section, no acceleration of payment of the principal of, redemption premium, if any, or interest on any bonds in advance of their scheduled maturity or payment dates shall be authorized or permitted by this Resolution.

The issuer shall comply with the Variable Rate Bond Conditions with respect to any bonds that bear interest at a variable rate per annum; provided, however, that no bank providing credit enhancement for such bonds shall be entitled to any interest in excess of the bond interest rate.

C-30

sealed such bonds had not ceased to hold such office. Any bonds may be signed and sealed on behalf of the issuer by such person as at the actual time of the execution of such bonds shall hold the proper office, although at the date of such bonds such person may not have held such office or may not have been so authorized. If the bonds are validated by the Circuit Court for Nassau County, Florida, a certification as to validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Board.

SECTION 2.05 NEGOTIABILITY. The bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Holder, in accepting any of the bonds, shall be conclusively deemed to have agreed that such bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 2.06 REGISTRATION. The issuer shall, prior to the proposed date of delivery of the bonds, by resolution of the Board designate the Bond Registrar and, if applicable, paying agent. The Bond Registrar shall be responsible for maintaining the books for the registration of and for the transfer of the bonds and, if a bank is so designated, in compliance with a written agreement to be executed between the issuer and such bank as Bond Registrar prior to the delivery date of the bonds.

Upon surrender to the Bond Registrar for transfer or exchange of any bond, duly endorsed for transfer or accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Holder or his attorney duly authorized in writing, the Bond Registrar shall deliver in the name of the Holder or the transferee, as the case may be, a new fully registered bond or bonds of authorized denominations and of the same maturity and interest rate and for the aggregate principal amount which the Holder is entitled to receive; provided, however, that Current Interest Paying Bonds may only be exchanged for new Current Interest Paying Bonds and Capital Appreciation Bonds may only be exchanged for new Capital Appreciation Bonds.

All bonds presented for transfer, exchange, redemption or payment (if so required by the issuer or the Bond Registrar) shall be accompanied by a written instrument or instruments of transfer or of authorization for exchange, in form and with the guaranty, duly executed by the Holder or by his duly authorized attorney.

The Bond Registrar or the issuer may require payment from the Holder or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any exchange or transfer of the bonds. Such charges and expenses shall be paid before any new bond shall be delivered.

C-31

SECTION 1.04 RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the issuer and such bondholders. The covenants and agreements herein set forth to be performed by the issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the bonds over any other thereof, except as expressly provided therein and herein.

The estimated pledged funds will be sufficient to pay all principal of and interest on the bonds to be issued hereunder, as the same become due, and to make all required sinking fund, reserve or other payments required by this Resolution.

SECTION 2.04 EXECUTION OF BONDS. The bonds shall be executed in the name of the issuer by the Chairman of the Board, and countersigned and attested by the Clerk of the Circuit Court, ex officio Clerk of the Board, either manually or with their facsimile signatures, and the corporate seal of the Board or a The Certificate of Authentication of the Bond Registrar shall appear on the bonds, and no bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such bond. The authorized signatures of the Bond Registrar shall be either manual or in facsimile, provided, however, that at least one of the above signatures, including that of the Bond Registrar, shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the bonds shall cease to be such officer of the issuer before the bonds are signed and sealed, such bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the bonds had continued to be such officer of the issuer.

C-29

Notwithstanding any other provisions of this section, the issuer may, at its option, prior to the date of issuance of any bonds, elect to use an immobilization system or pure book-entry system with respect to the bonds, provided adequate records will be kept of the ownership of the bonds issued in book-entry form or the book-entry system of the issuer. As long as any bonds are outstanding in book-entry form, the provisions of Sections 2.04, 2.05, 2.07 and 2.08 of this Resolution may not be applicable to such book-entry bonds. The details of any alternative system of such book-entry bonds, as described in this paragraph, shall be set forth in a resolution of the Board duly adopted on or prior to the sale of any of the bonds.

SECTION 2.04 EXECUTION OF BONDS. The bonds shall be executed in the name of the issuer by the Chairman of the Board, and countersigned and attested by the Clerk of the Circuit Court, ex officio Clerk of the Board, either manually or with their facsimile signatures, and the corporate seal of the Board or a The Certificate of Authentication of the Bond Registrar shall appear on the bonds, and no bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such bond. The authorized signatures of the Bond Registrar shall be either manual or in facsimile, provided, however, that at least one of the above signatures, including that of the Bond Registrar, shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the bonds shall cease to be such officer of the issuer before the bonds are signed and sealed, such bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed the bonds had continued to be such officer of the issuer.

C-31

ARTICLE III
APPLICATION OF BOND PROCEEDS

[BOND FORM INTENTIONALLY OMITTED]

Resolution or any subsequent resolution adopted prior to the issuance thereof; or as may be necessary if the Bonds or a portion thereof are issued as Capital Appreciation Bonds or bear a variable rate of interest; and as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof;

C-33

Any such duplicate Bonds issued pursuant to this Section shall be cancelled by the Registrar. If any such Bond is surrendered, whether or not it has been called for redemption, it shall be deemed to have been destroyed, and the issuer may, upon giving notice by registered mail, to the registered holder of such Bond, of its destruction, cancel the same. If such Bond be lost, stolen or destroyed, without surrender thereof, the issuer may, upon giving notice by registered mail, to the registered holder of such Bond, of its destruction, cancel the same. If any such duplicate Bonds issued pursuant to this Section shall be cancelled by the Registrar. If any such Bond is surrendered, whether or not it has been called for redemption, it shall be deemed to have been destroyed, and the issuer may, upon giving notice by registered mail, to the registered holder of such Bond, of its destruction, cancel the same. If such Bond be lost, stolen or destroyed, without surrender thereof, the issuer may, upon giving notice by registered mail, to the registered holder of such Bond, of its destruction, cancel the same.

Interest on the current interest paying bonds shall be paid to the holders whose names appear on the books of the bond Registrar as of 5:00 p.m. (eastern time) on the Record Date.

SECTION 5.01 ACCOUNTING RECORDS. The issuer shall maintain separate identifiable accounting records for the receipt of the pledged funds by the use of a fund established in accordance with generally accepted accounting practice, and any bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the issuer relating thereto.

SECTION 5.02 ANNUAL AUDIT. The issuer shall after the close of each fiscal year, cause the books, records and accounts relating to the pledged funds to be properly audited by a certified public accountant, and shall require the accounts to be complete and accurate. Such audit shall contain, but not be limited to, the statements required by generally accepted accounting principles applicable to governmental units, and a certificate by the accountant disclosing any breach on the part of the issuer of any covenant hereon. A copy of such annual audit shall be made available, at all reasonable times, for inspection by any bondholder, upon request therefor.

SECTION 5.03 ENFORCEMENT OF COLLECTIONS. The issuer will diligently enforce and collect the pledged funds herein and proceedings shall be taken to enforce the same, and the issuer shall, for the enforcement and collection of such pledged funds as shall become delinquent, and will maintain accurate records with respect thereto. All such pledged funds herein pledged shall, as collected, be held in trust to be applied as herein provided and not otherwise.

SECTION 5.04 NO IMPAIRMENT OF CONTRACT. The issuer has full power and authority to irrevocably pledge the pledged funds to the payment of the principal of and interest on the bonds. The pledged funds shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance, or other proceedings of the issuer or by any subsequent act of the Legislature of the State of Florida, unless the issuer shall have provided, or such Legislature shall have made immediately available to the issuer, such additional or supplemental funds which shall be sufficient to retire such bonds and the interest thereon in accordance with their terms. The issuer shall take all actions necessary and pursue such legal remedies which may be available to it either in law or in equity to prevent or cure any impairment within the meaning of this Section 5.04.

C42

(2) Each resolution authorizing the issuance of Additional Party Bonds will recite that all of the covenants herein contained applicable to the Additional Party Bonds, will be applicable to such Additional Party Bonds.

(3) The Gas Tax Ordinance shall have been amended, as necessary, to impose the Gas Tax until final retirement of the Additional Party Bonds proposed to be issued.

(4) The issuer shall not be in breach of the covenants and obligations assumed hereunder, and all payments herein required to have been made into the funds and accounts, as provided hereunder, shall have been made to the full extent required.

(5) If the Additional Party Bonds are to bear interest at a variable rate per annum, the issuer shall comply with the Variable Rate Bond Conditions.

SECTION 5.07 TAX EXEMPTION. The issuer at all times while the bonds and the interest thereon are outstanding will comply with the rules and requirements of the Code and any valid and applicable rules and regulations promulgated thereunder, to the extent necessary to preserve the exemption from Federal income taxation of the interest on the bonds.

SECTION 5.08 PAYMENT OF BONDS. The issuer will duly and timely pay or cause to be paid from the pledged funds the principal of redemption premiums, if any, and interest on the bonds, when due, by transferring money in the required amounts from the funds and accounts created herein to the principal office of the paying agent at least one business day prior to the date on which such payments of principal, premium and interest are due.

C44

Improvements construction fund pending completion of the project, and thereafter shall be deposited into the sinking fund. Income received from the investment of money on deposit in the fund shall be deposited into the sinking fund. Such investment income shall be applied for the purposes of the fund or account from which it was derived, except to the extent it is required to be rebated to the United States Treasury in accordance with the code.

H. OPERATION OF BOND AMORTIZATION ACCOUNT. Money held for the credit of the bond amortization account shall be applied to the redemption of open market purchases (at not exceeding the price of purchase) of term bonds in accordance with the schedule of amortization for such term bonds. Amortization for any term bonds shall be reduced on a reasonably proportionate basis to the extent that such term bonds are purchased in the open market. The issuer shall pay from the sinking fund and all expenses in connection with such purchase or redemption.

SECTION 4.04 UNCLAIMED MONEY. Notwithstanding any provisions of this Resolution, any money held by the paying agent for the payment of the principal or redemption price of, or interest on, any bonds and remaining unclaimed for 5 years after the date of such date, or 5 years after the date of deposit (whether at maturity or upon call for redemption), if such money were so held at such date, or 5 years after the date of deposit of such money if deposited after such date when all of the bonds or the provisions of this Resolution, and all liability of the paying agent with respect to such money shall thereupon cease, provided, however, that before the repayment of such money to the issuer as aforesaid, the issuer first publish at least once in a financial newspaper or journal published and/or of general circulation in New York, a notice, in such form as may be deemed appropriate by the issuer with respect to the bonds so payable and not yet presented, and with respect to the provisions relating to the repayment to the issuer of the money held for the payment thereof.

SECTION 5.05 REMEDIES. Any trustee or any holder of bonds issued under the provisions hereof acting for the holder of all bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or any other laws, and may enforce and complete the performance of all duties hereunder required or by any applicable statutes to be performed by the issuer or by any officer thereof. Nothing herein, however, shall be construed to grant to any holder of such bonds any lien on any property of or within the corporate boundaries of the issuer, except as provided herein. No holder of bonds, however, shall have any right in any manner, whatever to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner hereunder provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all holders of bonds.

If any payments of debt service requirements are made by a municipal bond insurer with respect to bonds which have not been decreased in accordance with the provisions of Section 6.06 hereof, the lien upon and pledge of the pledged funds and all covenants and other obligations of the issuer to the holders of such bonds shall continue to exist and the insurer shall be respected to the debt service requirements paid or insured by such municipal bond insurer.

SECTION 5.06 ISSUANCE OF ADDITIONAL OBLIGATIONS. Except as provided below, the issuer hereby covenants and agrees not to incur any other obligations or indebtedness payable from the same source as the bonds, unless such obligations contain an express statement that such obligations are junior and subordinate in all respects to the bonds hereon authorized as to lien on and source and security for payment from the pledged funds. No additional Party Bonds, payable on a parity from the pledged funds with the bonds, hereon authorized, shall be issued except upon the conditions and in the manner provided below.

(1) There shall have been obtained and filed with the issuer a certificate of an accountant: (a) stating that he had compiled and/or reviewed the books and records of the issuer relating to the collection and receipt of the Gas Tax Revenues; (b) setting forth the amount of the Gas Tax Revenues received by the issuer for the preceding 12 months; (c) stating that the Gas Tax Revenues for each of the preceding 12 months periods of such 24 consecutive months are at least equal to 1.10 times the maximum debt service requirement to become due in any ensuing bond year on the bonds then outstanding and the Additional Party Bonds proposed to be issued.

C41

C43

MISCELLANEOUS PROVISIONS

ARTICLE VI

SECTION 6.01 MODIFICATION OR AMENDMENT. No adverse

material modification or amendment of this Resolution or of any

ordinance or resolution amendatory hereto or supplemental hereto

may be made without the consent in writing of the Holders of 5%

or more in aggregate principal amount of the Bonds to be affected

by such modification or amendment; provided, however, that no

modification or amendment shall permit a change in the maturity

of the Bonds or a reduction in the rate of interest thereon, or

in the amount of principal obligation thereof, or affect the

promise of the issuer to pay the principal of and interest on the

Bonds as the same shall become due from the pledged funds, or

consent to any adverse material modification or amendment hereto

without the consent of the Holders of all Bonds; provided

further, however, that the issuer may at any time amend this

Resolution to provide for the issuance or exchange of Bonds in

coupon form, if and to the extent that doing so will not affect

the tax exempt status of the interest on the Bonds. If the Bonds

or any series of Bonds or then outstanding are insured by a policy

of municipal bond insurance, the consent of the municipal bond

insurer shall be required in lieu of the consent of the Holders

of the Bonds so insured. For the purpose of computing the amount

of Bonds held by the Holder of Capital Appreciation Bonds, the

principal amount of a Capital Appreciation Bond shall be deemed

to be its compounded amount.

SECTION 6.02 SALE OF BONDS. The Bonds shall be issued

and sold at public or private sale, at one time or in

installments from time to time, at such price or prices

consistent with the provisions of the Act and the requirements of

this Resolution as the issuer shall hereafter determine by

resolution.

SECTION 6.03 TEMPORARY BONDS. Until Bonds are ready

for delivery in definitive form, the issuer may execute, and upon

its request in writing, the Bond Registrar shall authenticate and

deliver in lieu of such definitive Bonds, one or more printed,

lithographed or typewritten Bonds in temporary form. The Bonds

shall be substantially of the tenor of the

Bonds described in this Resolution, with appropriate omissions,

variations and insertions, and shall be subject to the same

provisions, limitations and conditions set forth in this

Resolution. The issuer shall without unreasonable delay prepare,

execute and deliver to the Bond Registrar, and upon surrender of

the Bond or Bonds in temporary form to the Bond Registrar, the

therefor, a Bond or Bonds of the same maturity, in exchange

form, in authorized denominations and for the same aggregate

holder, for the sole benefit of such Bondholders, to make timely

payment of the principal, interest, and redemption premiums, if

any, on such outstanding Bonds, shall be considered "provision

for payment."

SECTION 6.07 REPEAL OF INCONSISTENT RESOLUTIONS. All

resolutions or parts thereof in conflict herewith are hereby

repealed to the extent of such conflict.

SECTION 6.08 EFFECTIVE DATE. This Resolution shall

take effect immediately upon its passage.

SECTION 6.09

SECTION 6.10

SECTION 6.11

SECTION 6.12

SECTION 6.13

SECTION 6.14

SECTION 6.15

SECTION 6.16

SECTION 6.17

SECTION 6.18

SECTION 6.19

SECTION 6.20

SECTION 6.21

SECTION 6.22

SECTION 6.23

SECTION 6.24

SECTION 6.25

SECTION 6.26

SECTION 6.27

SECTION 6.28

SECTION 6.29

SECTION 6.30

SECTION 6.31

SECTION 6.32

SECTION 6.33

SECTION 6.34

SECTION 6.35

SECTION 6.36

SECTION 6.37

SECTION 6.38

SECTION 6.39

SECTION 6.40

SECTION 6.41

SECTION 6.42

SECTION 6.43

SECTION 6.44

principal amount as the Bond or Bonds in temporary form

issuance. The expense of such exchange shall be borne by the

issuer and there shall be no charge therefor to any Bondholder.

any one or more of the covenants, agreements or provisions herein

contained shall be held contrary to any express or implied law

or contrary to the policy of express law, though not expressly

prohibited, or against public policy, or shall for any reason

whatsoever be held invalid, then such covenants, agreements or

provisions shall be null and void and shall be deemed separate

from the remaining covenants, agreements or provisions and shall

in no way affect the validity of any of the other provisions

hereof or of the Bonds issued hereunder.

SECTION 6.04 SEVERABILITY OF INVALID PROVISIONS. If

any one or more of the covenants, agreements or provisions herein

contained shall be held contrary to any express or implied law

or contrary to the policy of express law, though not expressly

prohibited, or against public policy, or shall for any reason

whatsoever be held invalid, then such covenants, agreements or

provisions shall be null and void and shall be deemed separate

from the remaining covenants, agreements or provisions and shall

in no way affect the validity of any of the other provisions

hereof or of the Bonds issued hereunder.

SECTION 6.05 VALIDATION OPTIONAL. The County Attorney

is hereby authorized, at his option, to institute appropriate

proceedings for the validation of the Bonds.

SECTION 6.06 DEFEASANCE. If, at any time, the issuer

shall have paid, or shall have made provision for the payment of,

in full, the principal, interest and redemption premiums, if any, with

respect to the Bonds or any portion thereof, and in the case of

any advance refunding, computer scheduled evidencing sufficient

funds to be deposited in escrow for such purpose shall have been

verified by an accountant, then, and in that event, the pledge of

those Bonds, or applicable portions thereof, shall be no longer

in effect; provided, however, that (1) if any of the Bonds are to

be redeemed prior to their respective stated dates of maturity,

notice of the redemption thereof will be given in accordance with

the provisions of Section 2.03 hereof or irrevocable provision

will be made for the giving of such notice, and (2) in the event

that any Bonds are not by their terms subject to redemption or

will mature, as applicable, within the next succeeding 60 days

following a deposit of money with the escrow holder in accordance

with this Section 6.06, the issuer will mail, or cause to be

mailed, to the Holders of such Bonds at their addresses as they

appear on the registration books, or the issuer maintained by the

Bond Registrar, and published, or cause to be published, once in a

month, a notice stating that a deposit in accordance with this

Section 6.06 has been made with the escrow holder and that the

Bonds are deemed to have been paid in accordance with this

Section 6.06 and stating such maturity or redemption date upon

which money will be available for the payment of the principal

or, redemption premium, if any, and interest on such Bonds; but

nothing shall be deemed to constitute a redemption or notice of advance

refunding, as applicable, shall not affect any defeasance

otherwise in accordance with this Section 6.06. For purposes of

the preceding sentence, deposit of sufficient cash and/or

principal and interest of Government Obligations in irrevocable

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

trust with a banking institution or trust company as escrow

[This page intentionally left blank]

APPENDIX D

**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 1992 BONDS**

Upon delivery of the Series 1992 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 1992 Bonds, in substantially the following form:

(Date of Closing)

Board of County Commissioners
of Nassau County, Florida
Fernandina Beach, Florida

Commissioners:

We have examined a record of proceedings relating to the issuance of \$9,985,000 aggregate principal amount of Nassau County Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds").

The Series 1992 Bonds are issued under and pursuant to the Constitution and Laws of the State of Florida, including particularly Chapter 125, Florida Statutes, and under and pursuant to a resolution of Nassau County (the "County") adopted on January 12, 1988, as amended and supplemented (collectively, the "Resolution").

The Series 1992 Bonds are dated as of and bear interest from September 1, 1992, except as otherwise provided in the Resolution. The Series 1992 Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Resolution. Interest on the Series 1992 Bonds shall be payable on each March 1 and September 1, commencing March 1, 1993. The Series 1992 Bonds are subject to redemption prior to maturity in accordance with the terms of the Resolution.

The Series 1992 Bonds are being issued for the purpose of providing moneys to refund the County's outstanding Optional Gas Tax Revenue Bonds, Series 1988 (the "Refunded Obligations") and providing certain moneys to pay the cost of the acquisition of certain transportation-related capital improvements to be

3. The County is duly authorized and entitled to issue the Series 1992 Bonds, and the Series 1992 Bonds have been duly and validly authorized and issued by the County in accordance with the Constitution and Laws of the State of Florida. The Series 1992 Bonds constitute a valid and binding obligation of the County as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolution and the laws pursuant to which they are issued. The Series 1992 Bonds do not constitute a general indebtedness of the County or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are payable solely from the sources and in the manner provided in the Resolution. No holder of the Series 1992 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County or the State of Florida or any agency, department or political subdivision thereof to pay the Series 1992 Bonds.

2. The County has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the County, is in full force and effect in accordance with its terms and is valid and binding upon the County and enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Pledged Funds (as defined in the Resolution), subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

1. The County is a duly created and validly existing political subdivision of the State of Florida.

Based on the foregoing, we are of the opinion that:

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

constructed within the County. Certain proceeds of the Series 1992 Bonds, together with other available moneys of the County, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement, dated as of September 1, 1992, between the County and Barnett Banks Trust Company, N.A., Jacksonville, Florida, and invested in obligations of the United States of America, such that the principal of and interest on said obligations shall be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded obligations, as the same become due or are redeemed prior to maturity.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriter (on which opinion only they may rely) for the Series 1992 Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material relating to the Series 1992 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by William R. Hough & Co., relating to computations of projected receipts of principal and interest on the obligations of the United States of America deposited in the Escrow Fund, of the adequacy of such projected receipts to pay the principal of, redemption premium, if any, and interest on the refunded obligations, and of the yield on the Series 1992 Bonds and on the obligations of the United States of America deposited in the Escrow Fund, and (b) the verifications of the arithmetical accuracy of such computations by Ernst & Young, certified public accountants.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 1992 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 1992 Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 1992 Bonds to be so included in gross income retroactive to the date of issuance of the Series 1992 Bonds. The County has covenanted to comply with all such requirements. Ownership of the Series 1992 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 1992 Bonds.

4. The Series 1992 Bonds and interest thereon are exempt from taxation under the laws of the state of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

state law with regard to the sale or distribution of the Series 1992 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Series 1992 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

We have examined the forms of the Series 1992 Bonds and, in our opinion, the forms of the Series 1992 Bonds are regular and proper.

Very truly yours,

APPENDIX E
SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

Financial Guaranty Insurance Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001
A GE Capital Company

Municipal Bond New Issue Insurance Policy

Issuer: _____
Policy Number: _____
Control Number: _____
Premium: _____

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to Citibank, N.A., or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer. Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer, but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a

SM: Service mark used by Financial Guaranty Insurance Company under license from its parent company, FCIC Corporation

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001
A GE Capital Company



Municipal Bond New Issue Insurance Policy

Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the issuer to have provided sufficient funds to the paying agent for payment in full of all principal and interest due for payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date:

Authorized Representative

Managing Director

Authorized Officer

Citibank, N.A., acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

SM: Service mark used by Financial Guaranty Insurance Company under license from its parent company, FCIC Corporation

Form 9000 (8/91)

E-3

Page 2 of 2

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001
A GE Capital Company



Endorsement To Financial Guaranty Insurance Company Insurance Policy

Policy Number: _____
Control Number: _____

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be attested with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

Managing Director

Authorized Representative

Acknowledged as of the Effective Date written above:

Authorized Officer

Citibank, N.A., as Fiscal Agent

ENDORSEMENT

To Financial Guaranty Insurance Company Insurance Policy
Policy Number:
Control Number:

The insurance provided by this policy is not covered by the
Florida Insurance Guaranty Association (Florida Insurance Code,
Sec. 631.50 et seq.)

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE,
OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF
FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS
ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In witness whereof, Financial Guaranty has caused this
Endorsement to be affixed with its corporate seal and to be
signed by its duly authorized officers in facsimile to become
effective and binding upon Financial Guaranty by virtue of the
countersignature of its duly authorized representative.

President
Managing Director

Effective Date: , 1992 Authorized Representative

Acknowledged as of the Effective
Date written above:

Authorized Officer
Citibank, N.A., as Fiscal Officer

APPENDIX F
SPECIMEN OF RESERVE ACCOUNT POLICY

Financial Guaranty Insurance Company
175 Water Street
New York, New York 10038-4972
(212) 607-3000
(800) 352-0001

Municipal Bond Debt Service
Reserve Fund Policy

Issuer:

Policy Number:

Control Number:

Premium:

Maximum Amount:

Termination Date:

Paying Agent:

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay the paying agent named above or its successor, as paying agent for the Bonds (the "Paying Agent"), for the benefit of Bondholders, that portion (not to exceed the Maximum Amount set forth above) of the amount required to pay principal and interest (but not any prepayment premium) on the Bonds which shall become due for Payment but shall be unpaid by reason of Nonpayment by the Issuer. No payment shall be due hereunder for any event of Nonpayment that occurs after the Termination Date set forth above.

Financial Guaranty will make such payment to the Paying Agent on the date such principal or interest becomes due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. Upon such disbursement, Financial Guaranty shall become entitled to reimbursement therefor (together with interest thereon) all as provided in the Debt Service Reserve Fund Policy Agreement between the Issuer and Financial Guaranty dated as of the Effective Date of this Policy. The Maximum Amount shall be automatically reinstated when and to the extent that the Issuer repays amounts disbursed hereunder, but shall not be reinstated to the extent of amounts received by Financial Guaranty constituting interest on amounts disbursed to the Paying Agent pursuant to this Policy. Financial Guaranty shall provide Notice to the Paying Agent of any reinstatement of any portion of the Maximum Amount within one Business Day of such reinstatement.

Financial Guaranty Insurance Company
175 Water Street
New York, New York 10038-4972
(212) 607-3000
(800) 352-0001

Municipal Bond Debt Service
Reserve Fund Policy

This Policy is non-cancellable for any reason, including the failure of the Issuer to reimburse Financial Guaranty for any payment made hereunder.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), when acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest due for Payment on such Bond and includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from the Paying Agent for the Bonds to Financial Guaranty or from Financial Guaranty to the Paying Agent, as the case may be. "Business Day" means any day other than a Saturday, Sunday or a day on which the Paying Agent is authorized by law to remain closed.

In witness whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Managing Director

Effective Date:

Authorized Representative