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Members:  
American Institute of  
Certified Public Accountants  
Florida Institute of  
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April 28, 2000

Honorable Clerk of Courts  
and Honorable Board of  
County Commissioners  
Nassau County, Florida

Dear Sirs and Madam,

This letter represents the calculation of the audit fee for the 1999-2000 fiscal year based upon the provisions of our contract, dated April 29, 1996, for auditing services with the Board of County Commissioners.

The 1999-2000 audit fee is based upon the percentage increase or decrease in operating expenditures of the general, special revenue, debt service, expendable trust, enterprise and internal service funds. However, this percentage increase or decrease is limited to 5% of the previous year's contract amount. The contract amount for the previous year (1998-99) was \$75,969 plus out-of-pocket expenses.

The change in the operating expenditures is calculated using the previous two (2) years audited financial statements. The audit fee for the 1999-2000 fiscal year is calculated as follows:

<u>Fund's Name</u>	<u>Operating Expenditures 1998-1999</u>	<u>Operating Expenditures 1997-1998</u>	<u>Change Increase (Decrease)</u>
General	\$14,505,719	\$11,343,908	\$3,161,811
Special Revenue	22,133,147	19,034,335	3,098,812
Debt Service	3,152,656	2,068,785	1,083,871
Expendable Trust	-	111	(111)
Enterprise	5,903,455	6,354,511	(451,056)
Internal Service	-	327,712	(327,712)
<b>Total Operating Expenditures</b>	<b><u>\$45,694,977</u></b>	<b><u>\$39,129,362</u></b>	<b><u>\$6,565,615</u></b>

The above tabulation does not include any expenditures in the capital projects funds which totaled \$10,451,208 or the agency funds which totaled \$73,528,868 because there are no operating expenditures in these funds.

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Accordingly, the change in operating expenditures for the 1998-99 fiscal year over the 1997-98 fiscal year was an increase of \$6,565,615 as shown above. This calculates to an increase of 16.779% ( $\$6,565,615 \div \$39,129,362$ ). Therefore, the contract amount will be limited to 5% as stated above, or \$3,798. Accordingly, the total contract amount for the fiscal year ending September 30, 2000 will be \$79,767 plus out-of-pocket expenses.

We thank you for giving us the opportunity to serve you, and we look forward to a mutually beneficial relationship for many years to come. If there are any questions, please do not hesitate to contact me.

Sincerely,

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



A. B. Farmand, C.P.A.

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