

A.B. Farmand, C.P.A.  
Terry B. Farmand, C.P.A.  
Mike B. Farmand, C.P.A.

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

Members:  
American Institute of  
Certified Public Accountants  
Florida Institute of  
Certified Public Accountants

May 29, 2002

Honorable Nick Deonas  
Nassau County Board of County Commissioners  
P.O. Box 456  
Fernandina Beach, FL 32035

Dear Mr. Deonas

This letter will confirm our understanding regarding the accounting and consulting services that we will be providing the Board of County Commissioners of Nassau County, Florida for the year ending September 30, 2002.

A. Board's Financial Statements.

1. We will prepare the Board of County Commissioners annual financial statements for all funds for the year ending September 30, 2002 pursuant to Section 218.321, Florida Statutes.
2. Our fee for the above services shall be billed at our standard hourly rates, but not to exceed \$28,400.00.

B. Sheriff's Investigative Funds.

1. We will audit the Sheriff's investigative funds for the year ending September 30, 2002 to account for funds received and expended by the Sheriff's office personnel.
2. Our fee for these services shall be billed at our standard hourly rates, but not to exceed \$3,100.00.

C. Public Defender Cases and State Attorney and Public Defender Reimbursements.

1. We will review the reimbursements for the State Attorney and Public Defender expenses pursuant to law for the year ending September 30, 2002.
2. We will review the Public Defender cases filed in accordance with law for the year ending September 30, 2002.
3. Our fee for the above services shall be billed at our standard hourly rates, but not to exceed \$4,650.00.

D. Solid Waste Escrow Account.

1. We will audit the solid waste escrow account in accordance with applicable laws and regulations for the year ending September 30, 2002.
2. Our fee for the above services shall be billed at our standard hourly rates, but not to exceed \$7,700.00.

E. Other Services

1. At your request, we will provide you with any additional accounting or consulting services.
2. Our fee for these services shall be billed at our standard hourly rates as follows:

Partner	\$145.00
Manager	95.00
Senior Accountant	85.00
Accountant	75.00
Bookkeeper	65.00
Secretarial	60.00

Honorable Nick Deonas  
Nassau County Board of County Commissioners  
Page 3

Thank you for your confidence in our firm. We are looking forward to working with you and having a pleasant and lasting relationship.

Please indicate your approval of this agreement by signing this letter in the space provided and returning it to us. A copy is enclosed for your files.

Very truly yours,

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

OFFICER *A.B. Farmand, President*

BOARD OF COUNTY COMMISSIONERS  
APPROVAL:

By *Nick Deonas*

Title Chairman

Date October 14, 2002

ATTEST:

*J.M. Oxley, Jr.*  
J.M. "Chip" Oxley, Jr. Ex-Officio Clerk

APPROVED AS TO FORM:

*Michael S. Mullin*  
Michael S. Mullin, County Attorney

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May 29, 2002

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 2001 - 2002 fiscal year based upon the provisions of our contract, dated April 30, 2001, for auditing services with the Board of County Commissioners.

The 2001 - 2002 audit fee is based upon the percentage increase or decrease in operating expenditures of the general, special revenue, debt service, and enterprise funds. However, this percentage increase or decrease is limited to 8% of the previous year's contract amount. The contract amount for the previous year (2000 - 2001) was \$86,148 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 2001-2002 fiscal year is calculated as follows:

<u>Fund's Name</u>	<u>Operating Expenditures 2000-2001</u>	<u>Operating Expenditures 1999-2000</u>	<u>Change Increase (Decrease)</u>
General Fund	\$13,222,119	\$15,350,887	\$(2,128,768)
Special Revenue Funds	29,982,740	25,282,127	4,700,613
Debt Service Fund	3,052,131	3,063,914	( 11,783)
Enterprise Fund	<u>6,868,268</u>	<u>5,381,685</u>	<u>1,486,583</u>
Total Operating Expenditures	<u>\$53,125,258</u>	<u>\$49,078,613</u>	<u>\$4,046,645</u>

The above tabulation does not include any expenditures in the capital projects funds which totaled \$14,039,139 or the agency funds which totaled \$84,208,102 because there are no operating expenditures in these funds.

10/14/02  
CA

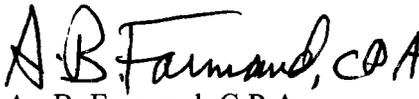
Honorable Clerk of Courts  
and Honorable Board of  
County Commissioners  
Page 2

Accordingly, the change in operating expenditures for the 2000-2001 fiscal year over the 1999-2000 fiscal year was an increase of \$4,046,645 as shown above. This calculates to an increase of 8.245% ( $\$4,046,645 \div \$49,078,613$ ). Therefore, the contract amount will be limited to 8% as stated above, or \$6,892. Accordingly, the total contract amount for the fiscal year ending September 30, 2002 will be \$93,040 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.

ABF/ggg

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May 29, 2002

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Nassau County Board of County Commissioners  
P.O. Box 456  
Fernandina Beach, FL 32035

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Nassau County Board of County Commissioners  
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Very truly yours,

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OFFICER *A.B. Farmand, President*

BOARD OF COUNTY COMMISSIONERS  
APPROVAL:

By *Nick Deonas*

Title Chairman

Date October 14, 2002

ATTEST: *J. Moxley*  
J.M. "Chip" Oxley, Jr., Ex-Officio Clerk

APPROVED AS TO FORM: *Michael S. Mullin*  
Michael S. Mullin, County Attorney



**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
P.O. Box 1010  
Fernandina Beach, Florida 32035-1010

Nick Deonas  
David C. Howard  
Vickie Samus  
Floyd L. Vanzant  
Marianne Marshall

Dist. No. 1 Fernandina Beach  
Dist. No. 2 Fernandina Beach  
Dist. No. 3 Yulee  
Dist. No. 4 Hilliard  
Dist. No. 5 Callahan

October 17, 2002

A.B. Farmand, C.P.A.  
Farmand, Farmand & Farmand, P.A.  
4237 Atlantic Boulevard  
Jacksonville, FL 32207

JOSEPH M. "Chip" OXLEY, JR.  
Ex-Officio Clerk

MICHAEL S. MULLIN  
County Attorney

WALTER D. GOSSETT  
County Coordinator

Dear Mr. Farmand:

At a regular session of the Nassau County Board of County Commissioners held October 14, 2002, the Board approved and authorized the Chairman to sign the letter dated May 29, 2002 for audit services for the Nassau County Board of County Commissioners for the year ending September 30, 2002. An executed copy is enclosed for your records.

If we can be of further assistance, please let me know.

Sincerely,

J.M. "Chip" Oxley, Jr.  
Ex-Officio Clerk

/ca

Enclosures

Cc: Mr. Ted Selby, Financial Services