

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

June 20, 2003

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

Dear Sirs and Madams,

This letter represents the calculation of the audit fee for the 2002 - 2003 fiscal year based upon the provisions of our contract, dated April 30, 2001, for auditing services with the Board of County Commissioners.

The 2002 - 2003 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 (2001 - 2002) was \$93,040 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 2002-2003 fiscal year is calculated as follows:

<u>Fund's Name</u>	<u>Operating Expenditures 2001-2002</u>	<u>Operating Expenditures 2000-2001</u>	<u>Change Increase (Decrease)</u>
General Fund	\$36,270,585	\$13,222,119	\$23,048,466
Special Revenue Funds	16,844,113	29,982,740	(13,138,527)
Debt Service Fund	6,142,175	3,052,131	3,090,044
Enterprise Fund	<u>6,371,381</u>	<u>6,868,268</u>	<u>(496,887)</u>
Total Operating Expenditures	<u>\$65,628,254</u>	<u>\$53,125,258</u>	<u>\$12,502,996</u>

The above tabulation does not include any expenditures in the capital projects funds which totaled \$19,847,839 or the agency funds which totaled \$101,432,155 because there are no operating expenditures in these funds.

Honorable Clerk of Courts
and Honorable Board of
County Commissioners
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Accordingly, the change in operating expenditures for the 2001-2002 fiscal year over the 2000 - 2001 fiscal year was an increase of \$12,502,996 as shown above. This calculates to an increase of 23.535% ($\$12,502,996 \div \$53,125,258$). Therefore, the contract amount will be limited to 8% as stated above, or \$7443. Accordingly, the total contract amount for the fiscal year ending September 30, 2003 will be \$100,483 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



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

Nick Deonas
Ansley Acree
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

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

MICHAEL S. MULLIN
County Attorney

July 22, 2003

Mr. A. B. Farmand, C.P.A.
303 Centre Street, Suite 201
Fernandina Beach, FL 32034

Dear Mr. Farmand:

Enclosed for your files are fully executed agreements for auditing services for the fiscal year ending September 30, 2003 as approved by the Nassau County Board of County Commissioners at their regular meeting on July 14, 2003.

Please let us know if we may be of any further assistance.

Sincerely,

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

Jgb

Enclosures

cc: Ted Selby, Financial Services