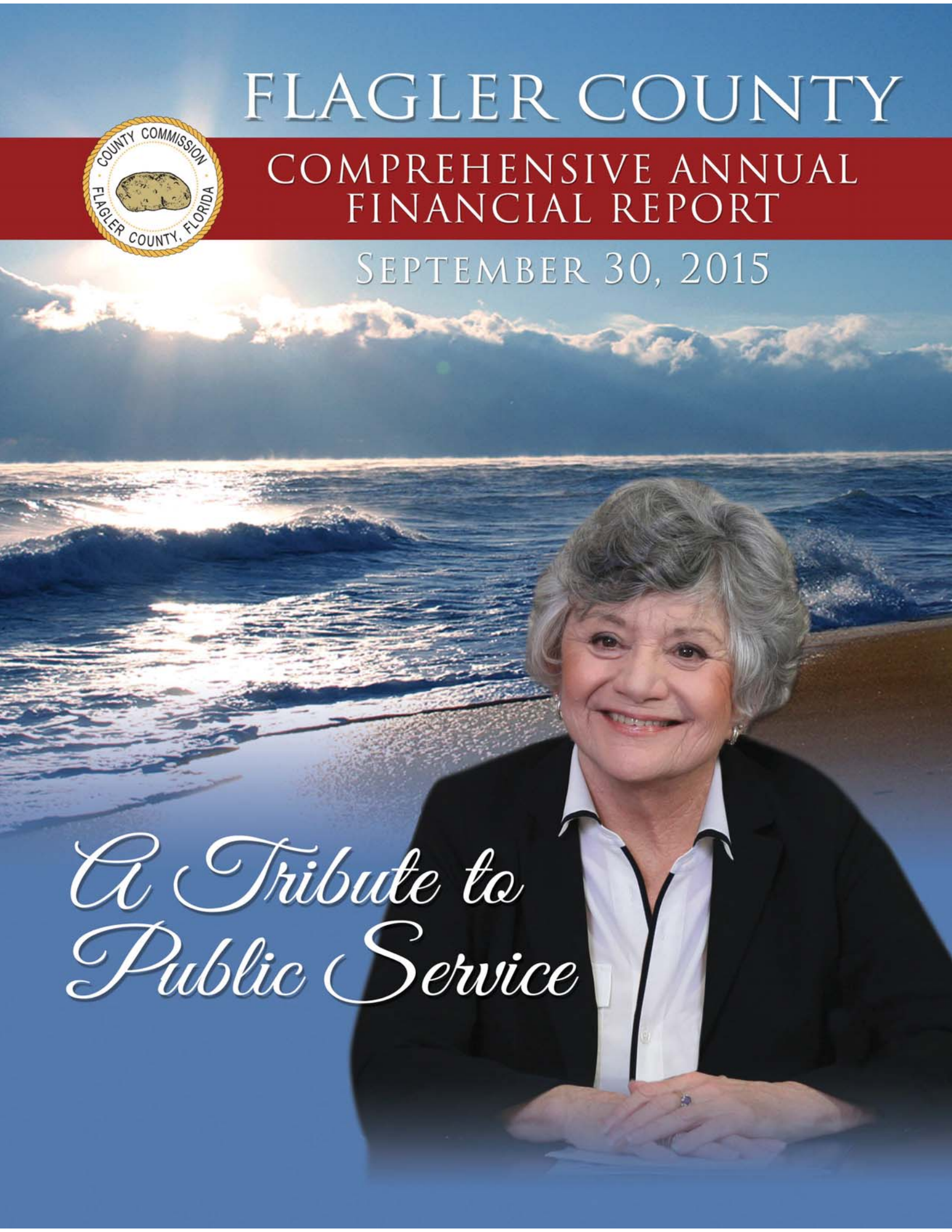
FLAGLER COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015



A Tribute to Public Service

It was a crisp cool day on January 2, 2001. This also happened to be the first day of Gail Wadsworth's inaugural term as Flagler County Clerk of the Circuit Court & Comptroller. This was a bitter sweet day for Gail as it was the same door her now deceased father (Judge William "Billy" Wadsworth) entered every day for work when he was a Circuit Judge in Flagler County some years before. But after-all, she was the first female Clerk of Court ever elected in Flagler County, so she held her head high and got to work.

A prideful and accomplished woman entered the courthouse that day full of optimism and hope. As with any newly elected official, there was a significant amount of work required to make the office her own. After the shock of being the newly named captain of the ship wore off, that's exactly what she did. Gail is the epitome of a proper southern belle. A 7th (or more) generation Floridian, born and raised in Flagler County and now an elected official.

Gail Wadsworth is now in her 4th and final term as Clerk of the Circuit Court & Comptroller. In her 16 years, many changes have taken place. Some as a result of coinciding laws and judicial orders, but the majority have come as a result of her vision and cutting-edge leadership.

"Online, not in line"

This phrase was first uttered a number of years ago and has become a cornerstone of her operational plan. For decades, the only way to do business with the Office of the Clerk of the Circuit Court & Comptroller was to get in the car and drive to the courthouse. In her 16-year tenure, Ms. Wadsworth has automated nearly every process in her office. She often paints the portrait of a constituent sitting in their bathrobe, drinking coffee at the breakfast table while doing business with her office on their laptop.

Excellence in Financial Reporting

One of the many responsibilities of the Comptroller is to prepare the annual financial report for the County. In Ms. Wadsworth's 16 years the office has gone from an antiquated paper based small county office to an automated, state of the art organization. In 2015 her office was awarded the Certificate of Achievement for Excellence in Financial Reporting. The highest award possible for a Comptroller and one she and her staff have been eyeing for a number of years.

A friendly soul with a sharp sense of leadership and a penchant for Flagler history. We've truly come a long way under her watchful eye. We thank her for her commitment to Flagler County and the Clerk's Office and wish her well as she prepares to begin the next stage of her life.

FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2015

Prepared by the Clerk of the Circuit Court and Comptroller
Department of Finance

FLAGLER COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
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FLAGLER COUNTY, FLORIDA

PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Barbara Revels **– Chair –** District 3

Nate McLaughlin **– Vice Chair -** District 4

George Hanns - District 5

Frank Meeker– District 2

Charles Erickson – District 1

CLERK OF THE CIRCUIT COURT AND COMPTROLLER AND CLERK TO THE BOARD OF COUNTY COMMISSIONERS

Gail Wadsworth

TAX COLLECTOR

Suzanne Johnston

SHERIFF

James Manfre

PROPERTY APPRAISER

James Gardner

SUPERVISOR OF ELECTIONS

Kaitlyn Lenhart

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

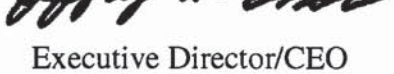
Presented to

Flagler County

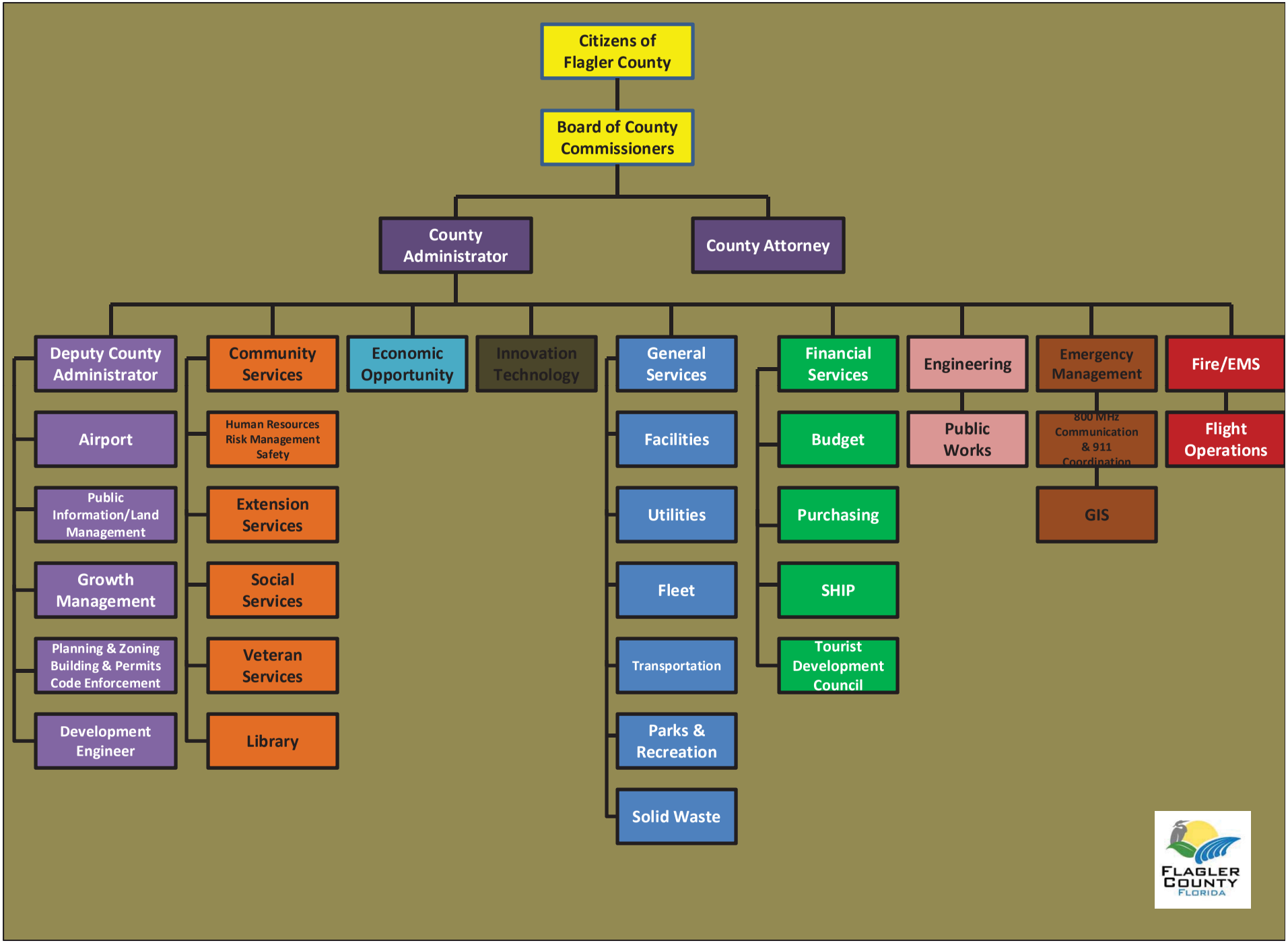
Florida

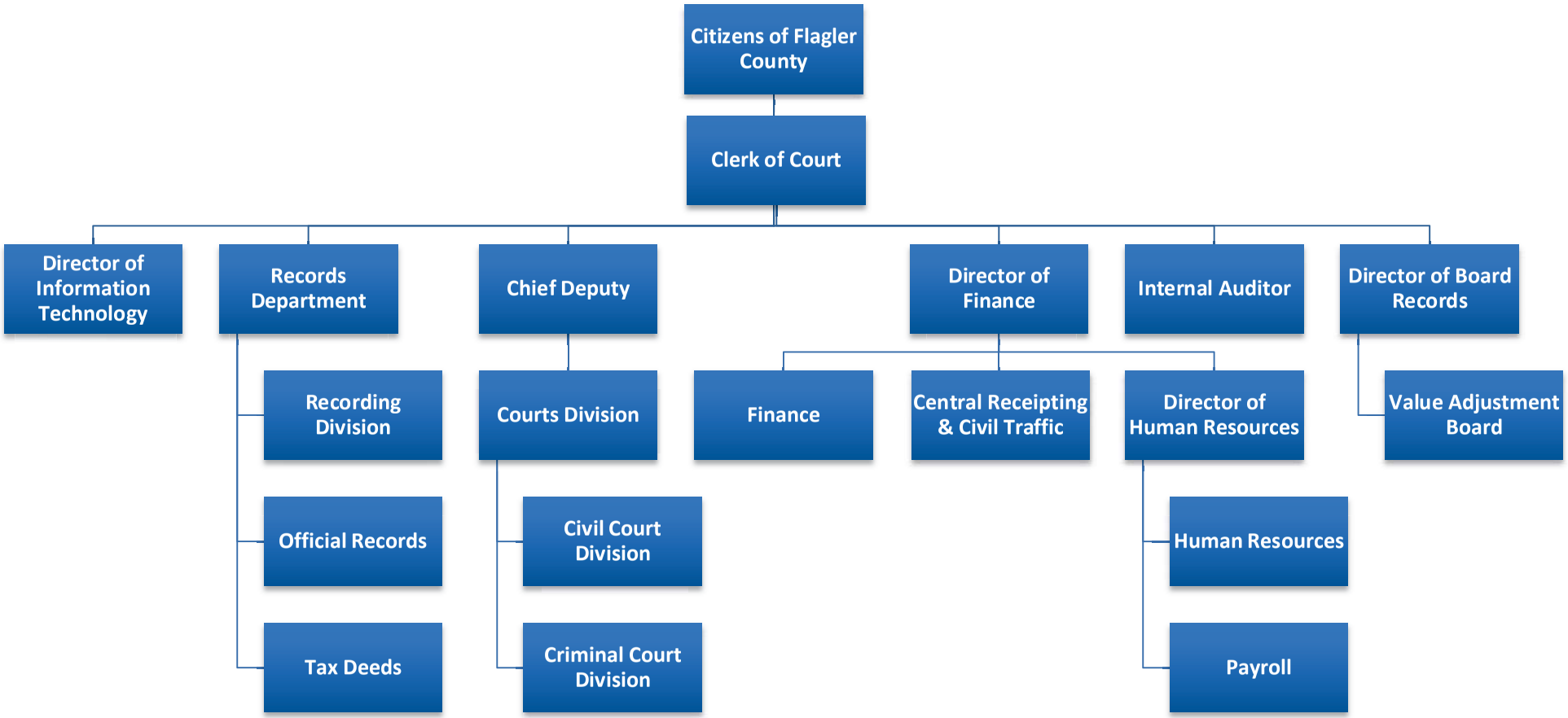
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

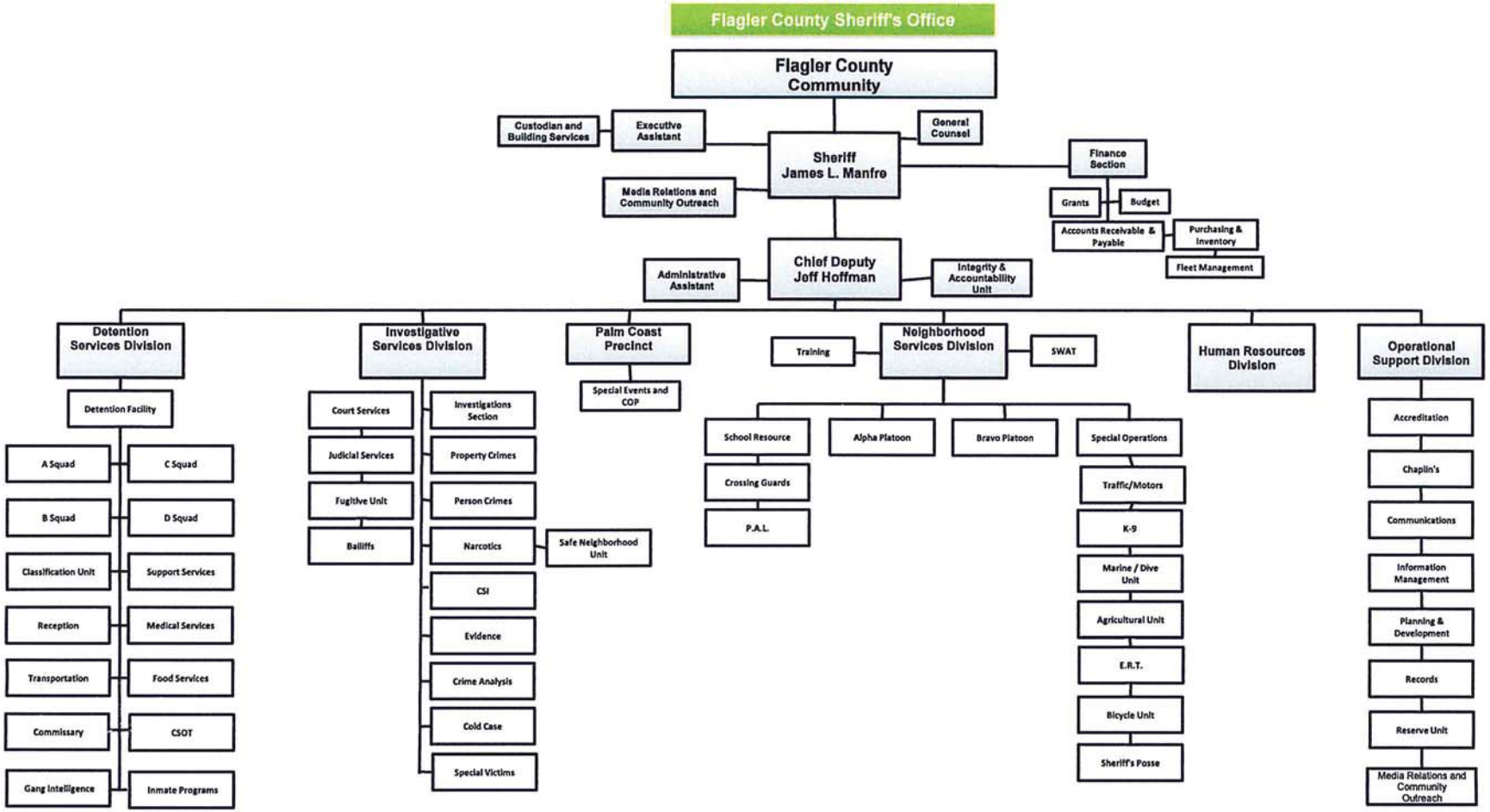
September 30, 2014



Executive Director/CEO


Citizens of Flagler County
Board of County Commissioners
County Administrator
County Attorney
Deputy County Administrator
Airport
Public Information/Land Management
Growth Management
Planning & Zoning Building & Permits Code Enforcement
Development Engineer
Community Services
Human Resources Risk Management Safety
Extension Services
Social Services
Veteran Services
Library
Economic Opportunity
Innovation Technology
General Services
Facilities
Utilities
Fleet
Transportation
Parks & Recreation
Solid Waste
Financial Services
Budget
Purchasing
SHIP
Tourist Development Council
Engineering
Public Works
Emergency Management
800 MHz Communication & 911 Coordination
GIS
Fire/EMS
Flight Operations
FLAGLER COUNTY FLORIDA


Citizens of Flagler County
Clerk of Court
Director of Information Technology
Records Department
Chief Deputy
Director of Finance
Internal Auditor
Director of Board Records
Recording Division
Official Records
Tax Deeds
Courts Division
Civil Court Division
Criminal Court Division
Finance
Central Receipting & Civil Traffic
Director of Human Resources
Human Resources
Payroll
Value Adjustment Board



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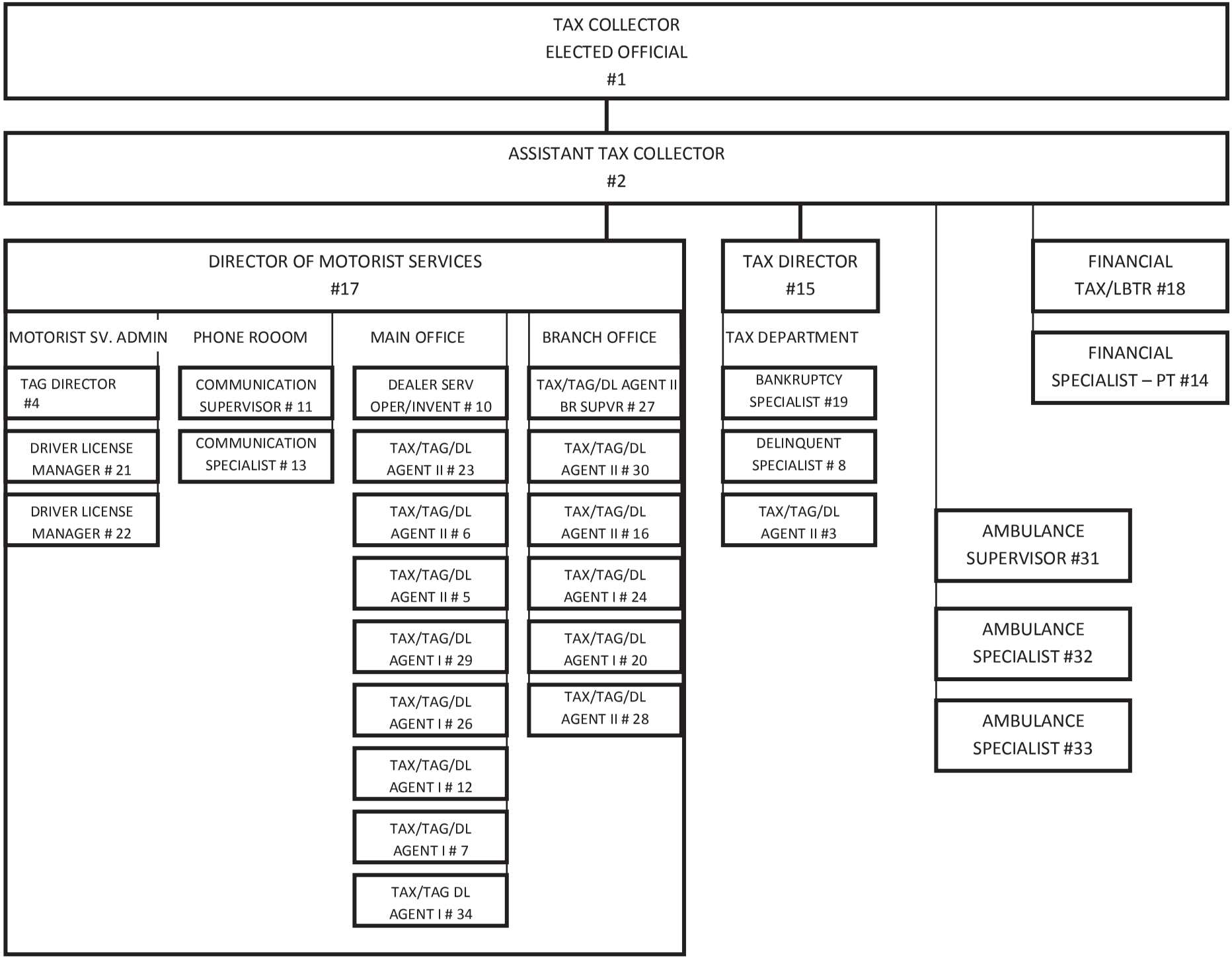
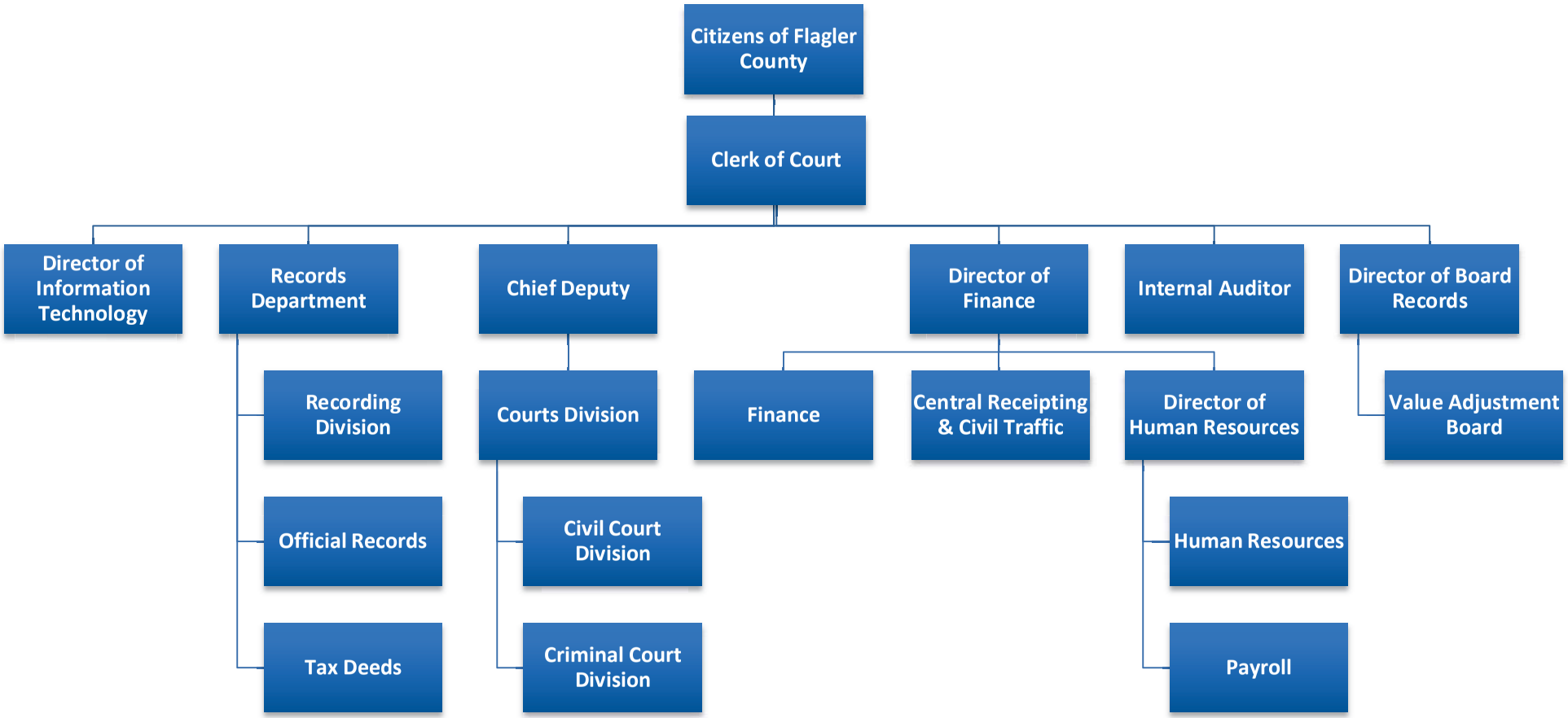
6/1/2015


TAX COLLECTOR
ELECTED OFFICIAL
#1
ASSISTANT TAX COLLECTOR
#2
DIRECTOR OF MOTORIST SERVICES
#17
MOTORIST SV. ADMIN
TAG DIRECTOR #4
DRIVER LICENSE MANAGER # 21
DRIVER LICENSE MANAGER # 22
PHONE ROOOM
COMMUNICATION SUPERVISOR # 11
COMMUNICATION SPECIALIST # 13
MAIN OFFICE
DEALER SERV OPER/INVENT # 10
TAX/TAG/DL AGENT II # 23
TAX/TAG/DL AGENT II # 6
TAX/TAG/DL AGENT II # 5
TAX/TAG/DL AGENT I # 29
TAX/TAG/DL AGENT I # 26
TAX/TAG/DL AGENT I # 12
TAX/TAG/DL AGENT I # 7
TAX/TAG DL AGENT I # 34
BRANCH OFFICE
TAX/TAG/DL AGENT II BR SUPVR # 27
TAX/TAG/DL AGENT II # 30
TAX/TAG/DL AGENT II # 16
TAX/TAG/DL AGENT I # 24
TAX/TAG/DL AGENT I # 20
TAX/TAG/DL AGENT II # 28
TAX DIRECTOR #15
TAX DEPARTMENT
BANKRUPTCY SPECIALIST #19
DELINQUENT SPECIALIST # 8
TAX/TAG/DL AGENT II #3
FINANCIAL TAX/LBTR #18
FINANCIAL SPECIALIST – PT #14
AMBULANCE SUPERVISOR #31
AMBULANCE SPECIALIST #32
AMBULANCE SPECIALIST #33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Chief Deputy
Director of Finance
Internal Auditor
Director of Board Records
Recording Division
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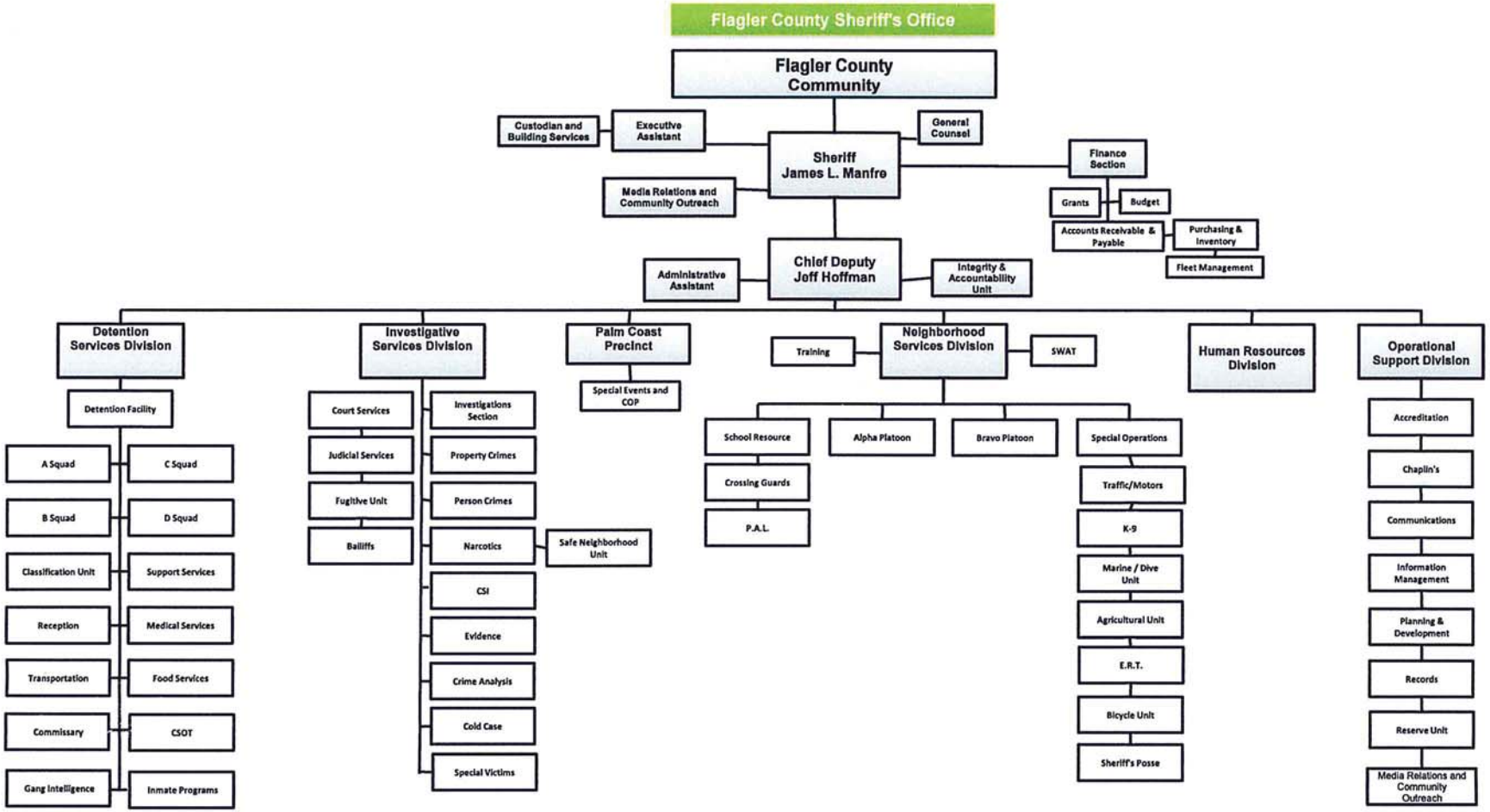
Tax Deeds
Courts Division
Civil Court Division
Criminal Court Division
Finance
Central Receipting & Civil Traffic
Director of Human Resources
Human Resources
Payroll
Value Adjustment Board



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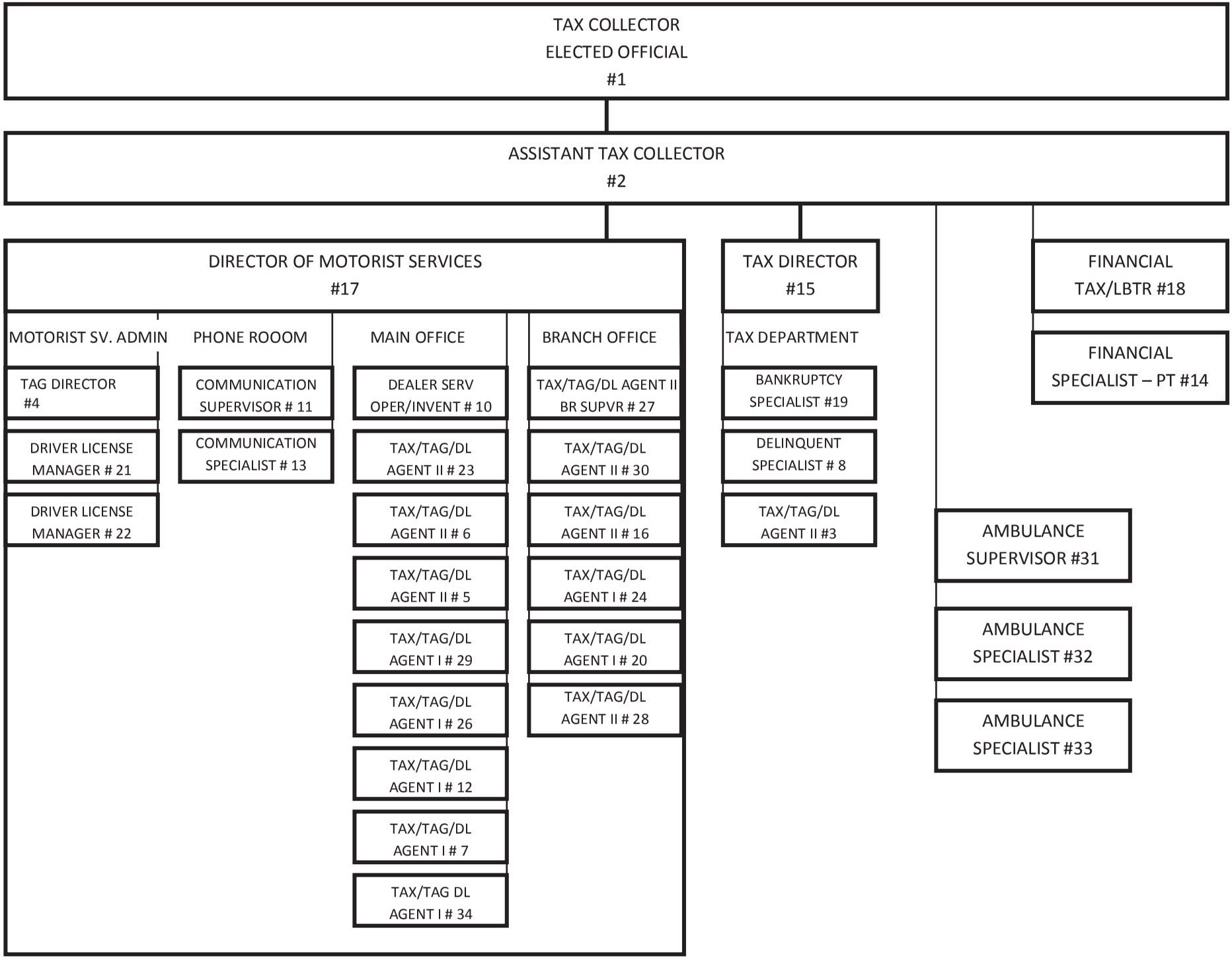
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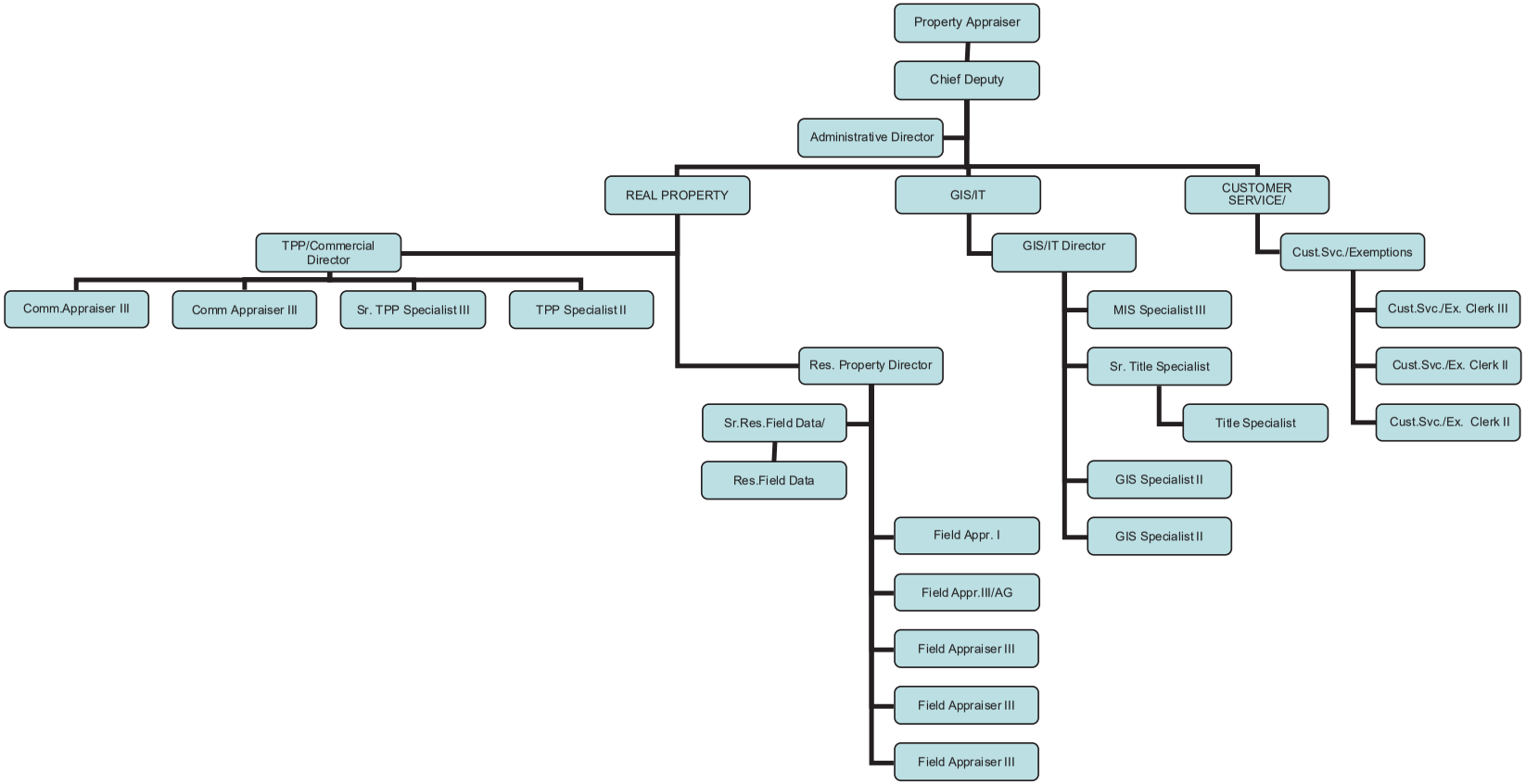
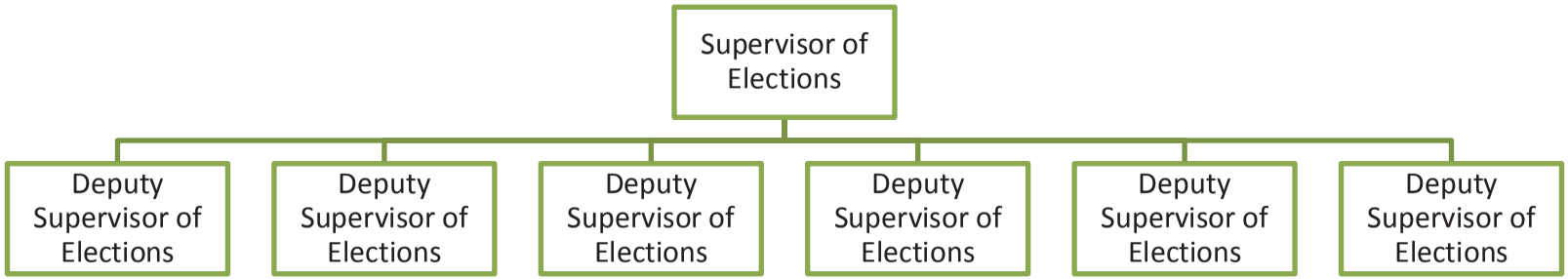
AMBULANCE SPECIALIST #33


Property Appraiser
Chief Deputy
Administrative Director
REAL PROPERTY
GIS/IT
CUSTOMER SERVICE/
TPP/Commercial Director
GIS/IT Director
Cust.Svc./Exemptions
Comm.Appraiser III
Comm Appraiser III
Sr. TPP Specialist III
TPP Specialist II
MIS Specialist III
Sr. Title Specialist
Title Specialist
Cust.Svc./Ex. Clerk III
Cust.Svc./Ex. Clerk II
Cust.Svc./Ex. Clerk II
Res. Property Director
Sr.Res.Field Data/
Res.Field Data
GIS Specialist II
GIS Specialist II
Field Appr. I
Field Appr.III/AG
Field Appraiser III
Field Appraiser III
Field Appraiser III


Supervisor of Elections
Deputy Supervisor of Elections
Deputy Supervisor of Elections
Deputy Supervisor of Elections
Deputy Supervisor of Elections
Deputy Supervisor of Elections
Deputy Supervisor of Elections

GAIL WADSWORTH, Clerk of the Circuit Court & Comptroller

1769 East Moody Blvd., Building #1 • Bunnell, Florida 32110
Phone: (386)313-4400 • Website: www.flaglerclerk.com

June 24, 2016

To the Honorable Board of
County Commissioners and to the
Citizens of Flagler County, Florida

In accordance with Section 218.39 of the Florida Statutes, we are pleased to submit to you, the Board of County Commissioners and the citizens of Flagler County, the Comprehensive Annual Financial Report of Flagler County, Florida, for the year ended September 30, 2015.

State law requires that every general purpose local government publish, within nine months of the close of the fiscal year, a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of the Circuit Court and Comptroller as Chief Financial Officer of Flagler County. We believe the financial and statistical information presented is accurate in all material respects, and is set forth in a manner designed to fairly present the financial position and result of operations of the County.

The County is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The cost of a control should not exceed the benefits and such decisions are the responsibility of County management. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Flagler County's financial statements for the year ended September 30, 2015 have been audited by independent accounting firm of Carr, Riggs & Ingram, LLC, licensed in the state of Florida. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unmodified opinion, based on their audit the County's fiscal year ended September 30, 2015 financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In accordance with the requirements of the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as Section 215.97 of the Florida Statutes, the independent audit of the County financial statements was part of a mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial

statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the section entitled Compliance. Governmental accounting and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A follows the independent auditor's report.

County Services and Reporting Entity

Flagler County was established in 1917 by the legislature of the State of Florida. Its territorial limits, as they presently exist, contain approximately 485 square miles of land area and 86 square miles of water area for a total area of 571 square miles. The County is located on the northeast coast of the Florida peninsula approximately 60 miles south of Jacksonville, Florida and 24 miles north of Daytona Beach and has approximately 19 miles of beachfront on the Atlantic Ocean. The County is bordered by St. Johns County to the north, Putnam County to the west and Volusia County to the South. The County is comprised of five municipalities – Palm Coast, Flagler Beach, Beverly Beach, Bunnell and Marineland.

The County operates under a commission/administrator form of government, with a governing body consisting of five county commissioners. The County is divided into five geographical districts, with five commissioners elected from one of each of these separate districts. The County Commissioners are the policy decision makers. In addition to the Board of County Commissioners, there are five elected constitutional officers performing specifically designated governmental functions: Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

Formal budgetary integration is employed as a management control device during the year for all governmental funds of the County for which annual budgets are adopted. Budgets for all governmental fund types are adopted on a basis consistent with GAAP, with the exception of the Municipal Services subfund portion of the General Fund. The office of the Sheriff, Property Appraiser and Supervisor of Elections each operate their respective offices as budget officers with funding provided by the Board in the form of operating subsidies. In return, each budget officer is responsible for the collection of revenues within their jurisdiction area, and for the subsequent remittance of those collections to the Board. The Tax Collector is operated as a fee office. The Clerk of the Circuit Court and Comptroller operates a portion of the office as a budget officer, with the remainder being operated as a fee officer. Fee officers are authorized to retain revenues generated within their offices for the purpose of defraying the costs of operations. The Clerk of the Circuit Court and Comptroller serves as Clerk to the Board of County Commissioners and Controller for all board fiscal duties. The Clerk also serves as Clerk to the Circuit and County Court.

Cash management is exercised independently by each constitutional officer. The Clerk of the Circuit Court and Comptroller serves as the treasurer and custodian of County funds and disburses funds on their behalf as required by law, and applicable management directives. Investment of idle funds is done in accordance with the County's Investment policy.

In developing and evaluating the accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designated to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records in order to prepare accurate financial reports.

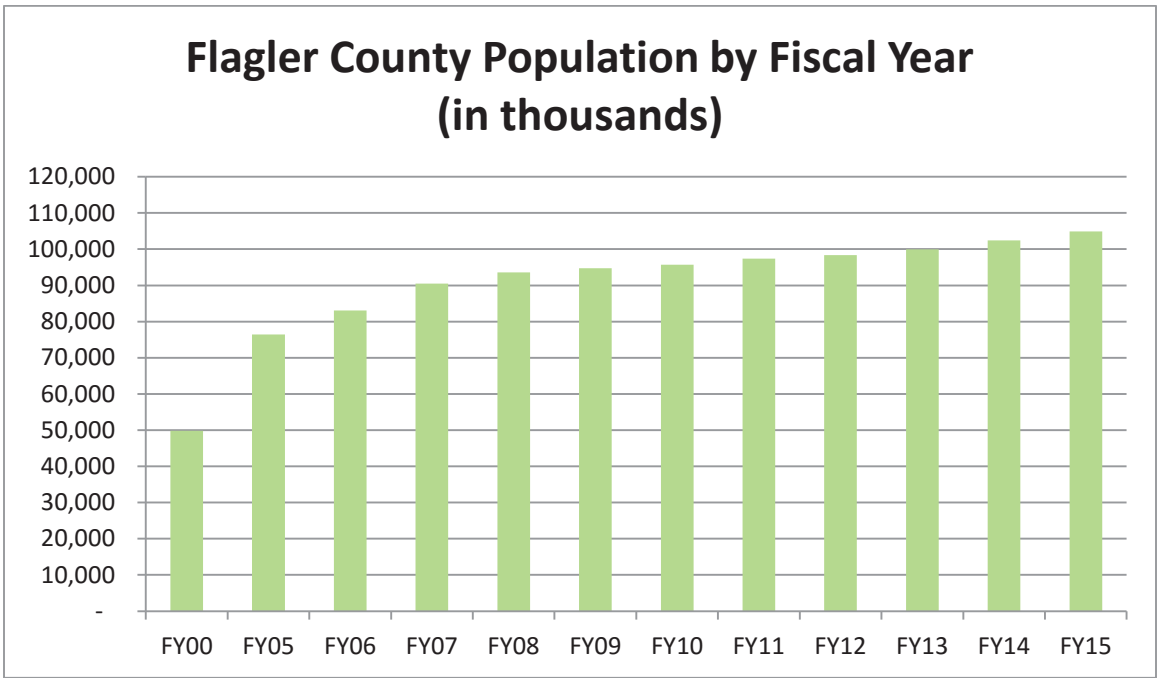
Economic Condition and Outlook

Financial condition may be defined as the ability to balance cyclical expenditure needs with recurring revenue sources, while providing adequate services on a continuing basis. Given the

County's financial statements are a snapshot of the activities of the previous fiscal year, the best understanding can be achieved by examining the environment in which the County functions. Assessing financial condition is dependent on many different factors, not limited to but including: local economy, planning and projects, management policies and practices, and risk management.

Local Economy

Flagler County is a part of Northeast Florida's "First Coast" – a region rich with history. This area is economically diverse: from shipping and heavy industry to tourism and leisure activities. Flagler County experienced unprecedented growth in the last 15 years; at one point, known as the fastest growing county in the U.S. (CNN Money, March 2006). The County had a population of 95,696 as of the 2010 U.S. census. The 2010 Census showed a 92% increase between the years of 2000 and 2010. The 2000 U.S. Census showed an increase in the population of the County of 73.6% between the years of 1990 and 2000.



The principal commerce during this population explosion was a continued agricultural presence with the lion share of expansion resulting from the residential home building industry. The County issued 2,033 building permits in the 2015 fiscal year representing an increase of 5% from the previous year. The international economic crisis of the late 2000's hit Flagler County particularly hard. Unemployment numbers reached a high in 2010 of 15.1%. Flagler County now enjoys a much lower 6.2% rate, still higher than the state and national averages. Average household income is hovering just above $47,000, slightly higher than the State of Florida per household average of $46,956. A stagnant school enrollment of around 13,000 students at the two local high schools, 2 middle schools and 5 elementary schools over the previous 5 years reflects the County's population stability and lack of noticeable growth.

Planning and Projects

Significant population growth in the last 15 years demands infrastructure improvements. The previous population graphic, showing a doubling of population in the last 15 years from 50,000 to 100,000 residents, clearly establishes the necessity for capital growth and expansion as well as maintenance and upgrades to current infrastructure. Flagler County Government has responded

to these demands both proactively and reactively. The following examples of ongoing projects reflect a healthy response to growth and a plan focusing on long term stability.

Major capital projects and improvements

- The County issued the Flagler County, Florida, Capital Improvement and Refunding Revenue Bonds, Series 2015 with a face value of $42,775,000 to provide funds to refund all of the County's outstanding Capital Improvement Revenue Bonds, Series 2005 and to fund the construction of several capital projects within the County including a new Sheriff Operations Center which was completed October 2015 and Detention Center with an estimated completion date of October 2016.

- Improvements were continued throughout FY 2014-2015 and are ongoing on the Bunnell Flagler County Utility (BFCU), a joint venture between Flagler County and the City of Bunnell. The City and the County shared legal responsibility for all aspects of the BFCU until 10 1 2015 when the County assumed full ownership of the Utility.

- An Interchange Justification Report dated December 2010, approved by both the FDOT and Federal Highway Administration (FHWA) concluded an interchange at Matanzas Woods Parkway is logical because of its location between Palm Coast Parkway and US 1 and relationship to significant growth planned in the vicinity. The interchange was completed and opened to the public in April 2016.

- The County is currently engaged in the construction of Eco-Cottages at two of the County's parks. Three environmentally-friendly cottages at Princess Place Preserve and ten eco-friendly cottages at the River to Sea Preserve, which will be available to the general public for rental.

- Planning development continues for the Malacompra drainage project. Phase #1 - $2.9M, Phase #2 - $2.5M, Phase III - $3M.

- Flagler County Airport
  - Airport South Entrance Road Phase II project, providing for the construction of an access road to serve the development of Airpak Phase B on the southside of the airport is scheduled to be completed in FY 2016. Construction of this road will provide access for future development of approximately 120 acres of developable property for industrial and airport development.

  - Relocation and Extension of the airport runway 11-29 project, providing for the construction of the new extended runway for an overall length of 5,500' is scheduled over the next few years.

Management policies and practices

Flagler County's investment policy is largely guided by State statue. The purpose of this policy is set forth in the investment objectives and parameters for the management of the public funds of Flagler County Board of County Commissioners. This policy focuses on three main criteria: safety, liquidity and yield. Thus the policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable fund and financial markets. This approach allows the County to maximize financial return within the parameter of acceptable risk. The current investment policy designates a number of safeguards and loss prevention measures, including:

- Delegations of authority

- Standards of prudence
- Ethic and conflicts of interest
- Internal controls and investment procedures
- Continuing education
- Authorized investment institution and dealers
- Maturity and liquidity requirements
- Risk and diversification
- Master repurchase agreements
- Derivatives and reverse repurchase agreements
- Competitive selection of investment instruments
- Authorized investments and portfolio composition
- Performance measurements
- Reporting
- Third-party custodial agreements
- Formal investment policy adoption

For the fiscal year ended September 30, 2015, the County earned approximately 19 basis points on investments. Given the established benchmark yield of .00%, actual rate of return of .19% exceeded the benchmark.

Flagler County has FY 2015 assets totaling approximately $345 million with total liabilities of $162 million. This strong financial footing is reinforced by Standard & Poor's Ratings Services. S & P revised its outlook to positive from stable and affirmed its 'AA-' rating on Flagler County's outstanding general obligation (GO) bonds and its 'A+' rating on the County's capital improvement and revenue refunding bonds. They also assigned our 'AA-' rating to the county's series 2015 GO refunding bonds.

The GO bonds are secured by the county's full faith, credit and resources pledge, while its covenant to budget and appropriate from legally available non-ad valorem revenue secures the capital improvement and revenue refunding bonds. Non-ad valorem revenue means all legally available general fund revenue other than those generated from property tax.

Risk management

Flagler County acknowledges a multitude of inherent risks. These perceived risks are mitigated by a conservative self-insurance program and third party insurance policies to lessen the potential for large unforeseen losses.

Employee life and health insurance is provided as a benefit under a health insurance plan administered by a third party vendor. Employees pay for cost of family health insurance coverage. The County recognizes and provides funding for all losses up to $150,000. There is third party stop-loss insurance policy in place which responds to claims in excess of this limit.

The County oversees the acquisition and administration of Workers Compensation insurance as well as Employment Practices Liability Coverage. Additionally, the County manages the purchase of all commercial insurance policies for the economic protection of County assets.

County administration and legal counsel establishes appropriate policies and supports compliance with the policies and County standard for insurance held by contactors, tenants, vendors, concessionaires, and others whose actions may expose the County to the risk of financial loss.

Goals and Objectives

Management's goals and objectives are to continue to provide infrastructure for future growth, sound fiscal management and to maintain the quality of services provided to the citizens of Flagler County. Further, The County plans to expand and diversify its economic base in order to control the tax burdens on the local taxpayer. This will be accomplished through recruitment and retention of contributory businesses which derive their incomes and payrolls from exports of goods or services outside the local economy. Active promotion is necessary to attract these would be businesses to Flagler, strengthening and enhancing our existing business base.

Flagler County economy has showed improvement over the most recent years as witnessed by a significant drop in unemployment and a drastic increase in building permits. While the County has historically relied on property taxes and intergovernmental revenues to fund its operations, the continued and ongoing goal is to spur commercial development to bolster the tax base and reduce the historic necessity on ad valorem taxes to fund County operations. Flagler County government continues to operate on a conservative budget.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement of Excellence in Financial Reporting to Flagler County for its Comprehensive Annual Financial Report for the year ended September 30, 2014. This was the first year that the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgments

A Comprehensive Annual Financial Report of this nature could not have been prepared without the efficient and dedicated service of all staff members involved. Also appreciated are the efforts of elected officials and members of the County staff, for their interest and support in planning and conducting the financial operation of the County in a progressive and responsible manner.

Sincerely,

Gail Wadsworth
Clerk of the Circuit Court and Comptroller

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INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners
Flagler County, Florida

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

Management's Discussion and Analysis

The County's management discussion and analysis presents an overview and analysis of the County's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the County's financial statements beginning on page 14.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities at September 30, 2015 (fiscal year end) by $246,585,623 (net position) for governmental activities, representing a decrease of $14,417,026.

- The amount reported as negative unrestricted net position, $24,714,327, decreased $30,271,642 over the previous year, the decrease is due to the implementation of GASB Statement No. 68. Unrestricted net position amount is a measure of the County's resources to meet the County's ongoing obligations to its citizens and creditors.

- Flagler County, Florida entered into an interlocal agreement with the City of Bunnell on February 6, 2013 to purchase and operate a potable water and sanitary wastewater utility system, known as the Bunnell Flagler County Utility (BFCU), with the understanding that ownership and operation of the utility would be handled on a joint basis between the two parties. On September 23, 2015, the County and the City amended and restated the Original Interlocal Agreement such that all rights and obligations concerning the operation, maintenance, financing, expansion, and control of BFCU, were transferred and assigned to the County by the City of Bunnell on October 1, 2015. Additional information on the County's investment in joint venture can be found in Note 16 on pages 57-58 of this report.

- The application of GASB Statement No.68 resulted in a restatement of beginning net position and recording of a net pension liability, as well as related Deferred Inflows and Outflows. The net result of these transactions was a decrease in unrestricted net position of $35,018,293.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the sum of assets and deferred outflows, minus the sum of liabilities and deferred inflows, reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the fiscal year ended September 30, 2015. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related

cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods such as uncollected taxes and earned but unused personal leave.

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities types of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, court related and interest on long-term debt. The business-type activities of the County include the airport, utilities, landfill, and waste management.

The government-wide financial statements can be found on pages 14 - 15 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Government Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Constitutional Gas Tax Fund, Transportation Impact Fees East, and Road Impact Fees – City of Palm Coast, which are considered major funds. Information related to the additional non-major governmental funds is combined into a single aggregated presentation. Individual fund information for each of these non-major governmental funds is provided in the form of combining statements.

The County adopts an annual appropriated budget for its general, budgeted special revenue and debt service funds as well as project-term budgets for the capital projects funds. A budgetary comparison statement has been provided for the General Fund and any major and non-major funds with annually appropriated budgets to illustrate compliance.

The governmental fund financial statements can be found on pages 16 - 19 of this report.

Proprietary funds

The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to airport operations, water and wastewater services, refuse disposal and waste management to unincorporated parts of the County. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its employee group insurance program. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, while furnishing more detail. The proprietary fund financial statements provide separate information for airport operations, and water and waste water services, and aggregate information for the County's two non-major proprietary funds: sanitary landfill and waste management. Internal service funds have been reported in an aggregated presentation with the proprietary fund financial statements.

The basic proprietary financial statements can be found on pages 20 - 23 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. The accounting treatment of fiduciary funds is similar to proprietary funds described above.

The basic fiduciary fund financial statements can be found on page 24 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 25 - 58 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes budget and actual comparisons for the general funds and major special revenue funds with adopted budgets. This also includes the County's schedules of proportionate share of net pension liability, schedules of employer contributions, and progress in funding of its Other Postemployment Benefits (OPEB) obligation. Required supplementary information can be found on pages 59 – 65 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA
NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	**2015**	**2014**	**2015**	**2014**	**2015**
Current and other assets	$ 60,231	$ 79,064	$ 4,802	$ 4,761	$ 65,033	$ 83,825
Capital assets	295,113	318,942	24,013	26,958	319,126	345,900
Total Assets	355,344	398,006	28,815	31,719	384,159	429,725
Deferred Outflows	412	15,710	89	215	501	15,925
Non-current liabilities	73,146	125,191	6,484	9,269	79,630	134,460
Other liabilities	21,607	26,316	771	1,912	22,378	28,228
Total Liabilities	94,753	151,507	7,255	11,181	102,008	162,688
Deferred Inflows	-	15,623	-	139	-	15,762
Net position						
Net investment in capital assets	221,697	238,538	17,390	17,710	239,087	256,248
Restricted	33,749	32,762	1,226	1,226	34,975	33,988
Unrestricted	5,557	(24,714)	3,033	1,678	8,590	(23,036)
Total net position	$ 261,003	$246,586	$ 21,649	$ 20,614	$282,652	$ 267,200

Net position may serve over time as a useful indicator of the County's financial position. Total assets and deferred outflows of the County exceeded liabilities and deferred inflows by $267,199,731 as of the fiscal year ended September 30, 2015.

The largest reported amount of the County's net position $256,248,675 reflects its investment in capital assets, less the related outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The county's investment in capital assets is reported net of related debt, and should be noted that resources required to repay this debt must be provided from other sources, since the capital assets cannot be used to reduce these liabilities.

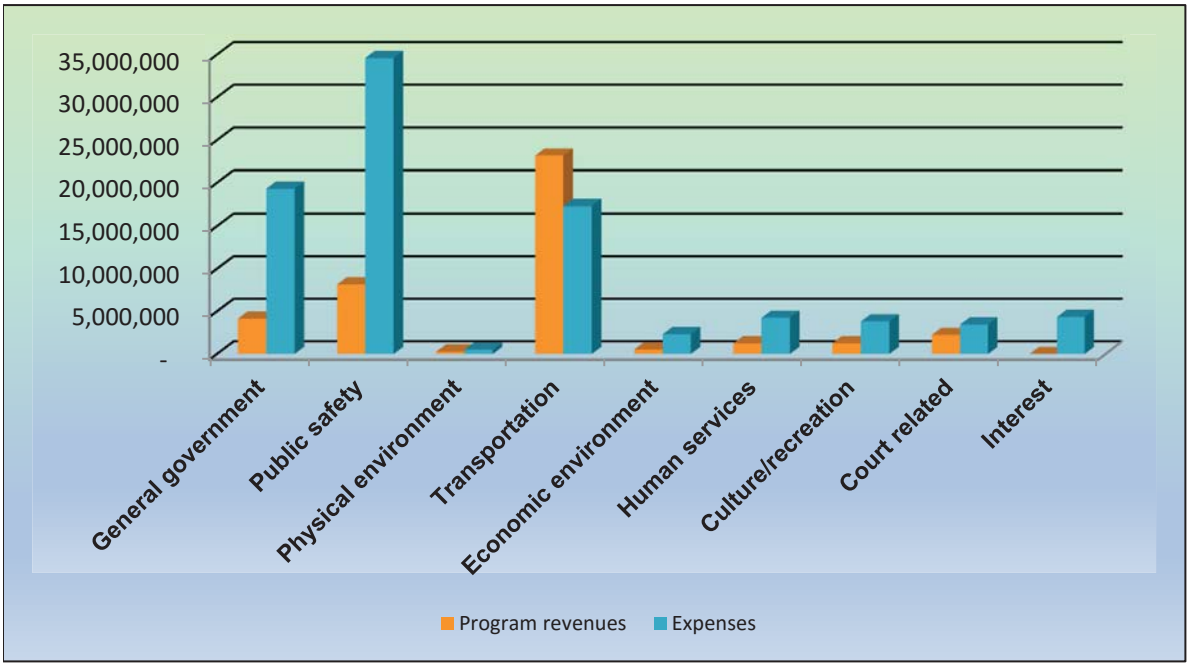
The County's Restricted Net Position amounted to $33,987,563, this amount represents resources that are subject to external restrictions on their use. The County reported negative Unrestricted Net Position in the amount of $23,036,507, unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2015 the County is able to report positive balances in two categories of net position for governmental activities and positive balances for all three categories of net position for business-type activities.

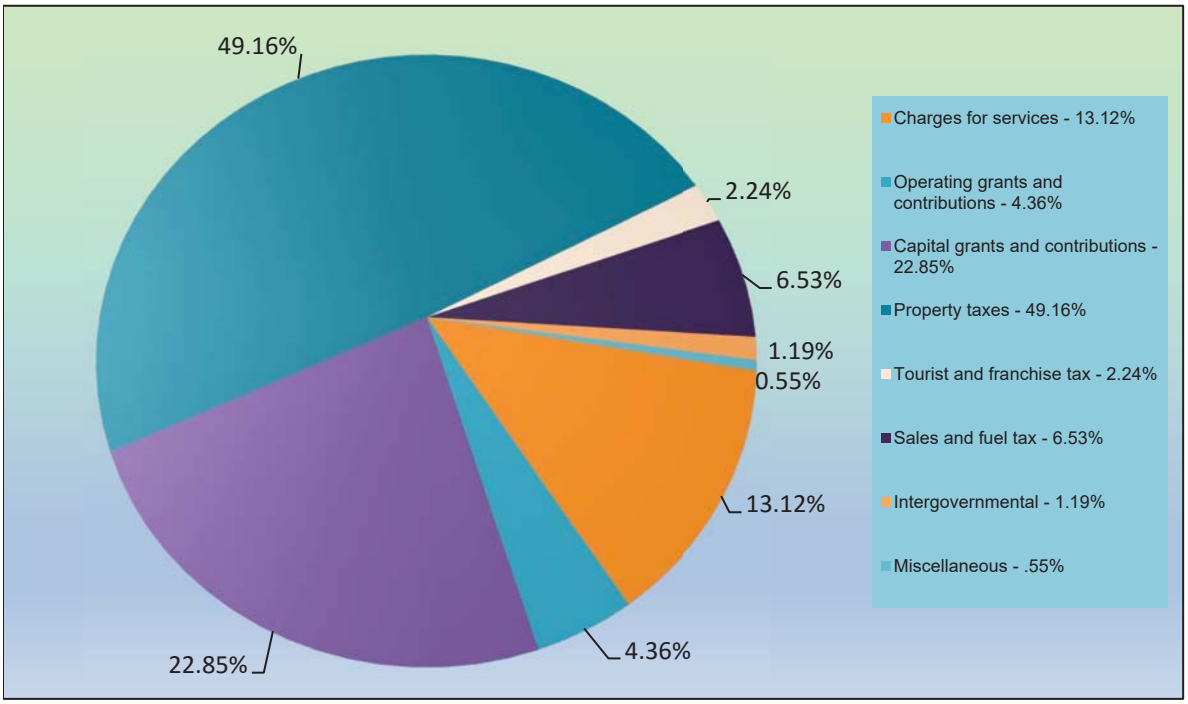
FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues						
Program revenues						
Charges for Services	$ 12,741	$ 14,412	$ 3,697	$ 3,858	$ 16,438	$ 18,270
Operating grants and contributions	4,146	4,787	83	3,857	4,229	8,644
Capital grants and contributions	12,234	25,093	1,759	1,153	13,993	26,246
General revenues						
Property taxes	51,456	53,996	-	-	51,456	53,996
Other taxes	9,034	9,634	132	129	9,166	9,763
Miscellaneous	1,686	1,915	211	70	1,897	1,985
Total revenues	91,297	109,837	5,882	9,067	97,179	118,904
Expenses						
General government	19,061	19,331	-	-	19,061	19,331
Public safety	34,584	34,623	-	-	34,584	34,623
Physical environment	303	517	-	-	303	517
Transportation	13,446	17,339	-	-	13,446	17,339
Economic environment	1,913	2,318	-	-	1,913	2,318
Human services	4,073	4,260	-	-	4,073	4,260
Culture/recreation	3,982	3,830	-	-	3,982	3,830
Court related	3,522	3,462			3,522	3,462
Interest long-term debt	3,335	4,356	-	-	3,335	4,356
Airport	-	-	2,718	6,429	2,718	6,429
Utilities	-	-	675	1,216	675	1,216
Landfill	-	-	122	252	122	252
Waste management	-	-	1,355	1,404	1,355	1,404
Total expenses	84,219	90,036	4,870	9,301	89,089	99,337
Change in net position before transfers	7,078	19,801	1,012	(234)	8,090	19,567
Transfers	(8)	492	8	(492)	-	-
Change in net position	7,070	20,293	1,020	(726)	8,090	19,567
Net position, beginning, as previously reported	254,769	261,003	20,661	21,648	275,430	282,651
Restatement	(836)	(34,710)	(32)	(308)	(868)	(35,018)
Net position, beginning, as restated	253,933	226,293	20,629	21,340	274,562	247,633
Net position, ending	$ 261,003	$ 246,586	$ 21,649	$ 20,614	$ 282,652	$ 267,200

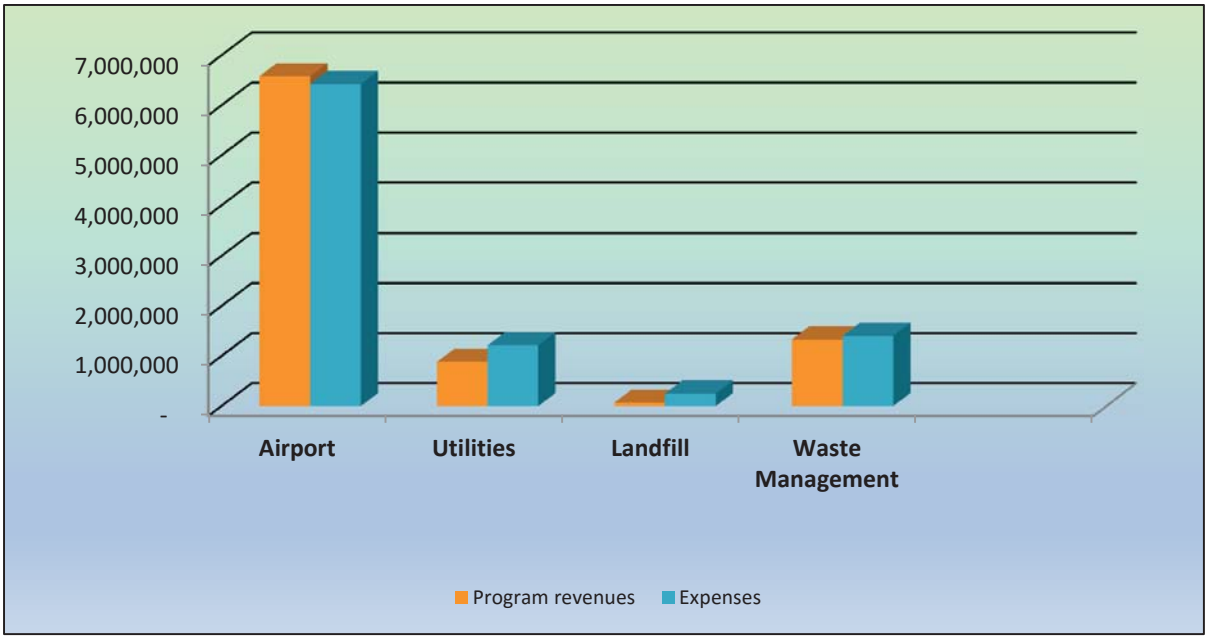
Expenses and Program Revenues - Governmental Activities



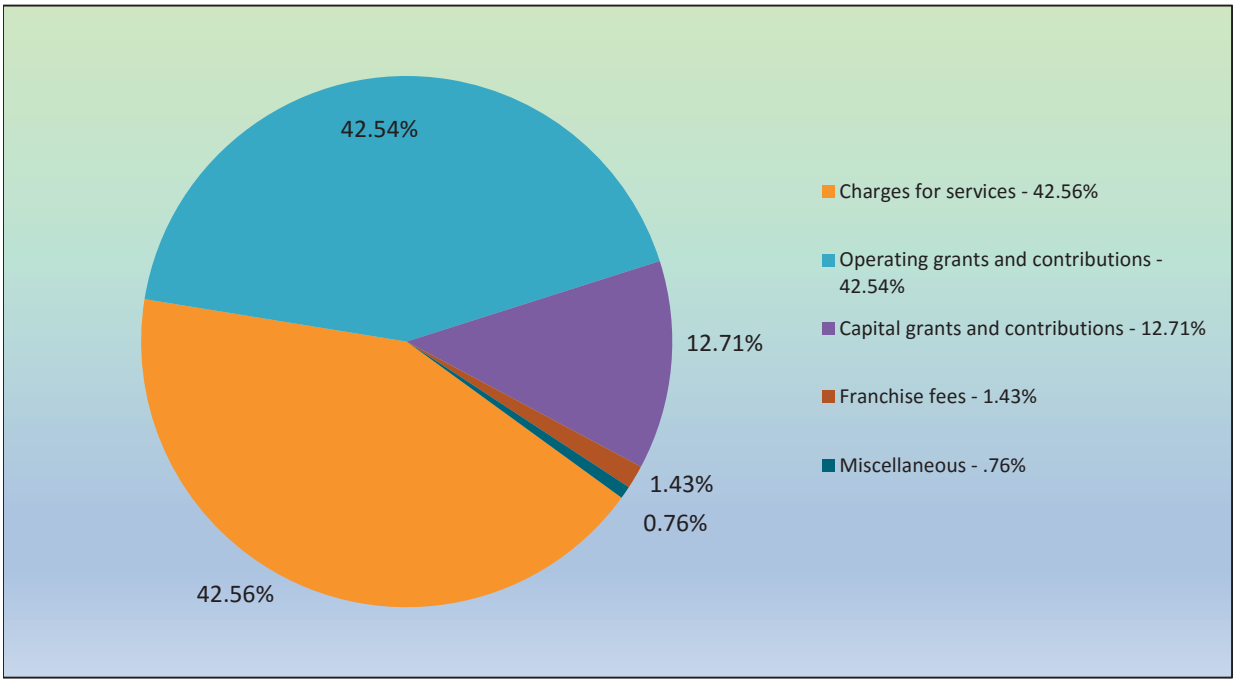
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities increased the County's net position by $20,292,890. Taxes and fees have been established to fund current operating needs in addition to other activities, debt repayment and asset acquisition in future years.

Business-type activities

Business-type activities decreased the County's net position in the amount of $726,498 for the fiscal year ended September 30, 2015.

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the County's governmental funds is to provide information on near-term inflows outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Assigned and unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the close of a fiscal year.

At September 30, 2015, the County's governmental funds reported combined ending fund balances of $58,847,909 an increase of $16,326,023. Assigned and unassigned fund balance of $10,600,806 in the general fund is available for spending at the County's discretion; $39,378,085 of restricted fund balances of other governmental funds are available for spending at the County's discretion within the limitations of the funds' revenue source. The amount reported as restricted for debt service was $3,400,913.

The General Fund is the operating fund of the County. At September 30, 2015, assigned and unassigned fund balance of this fund was $10,600,806 while the total fund balance amounted to $15,461,595. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. The general fund reported $4,723,032 of assigned fund balance, this represents the amount of unassigned fund balance that was used by the County as cash carry-forward in the FY 15/16 budget.

The fund balance of the County's general fund increased by $2,913,193 during the fiscal year ended September 30, 2015. This increase was primarily the result of expenditures being below the amounts anticipated and budgeted.

The special revenue funds have a total fund balance of $21,126,097. The County's special revenue funds reported as major funds; Constitutional Gas Tax, and Transportation Impact Fees East reported fund balance increases of $437,884 and $29,046, respectively primarily as a result of revenues received in excess of expenditures and an interfund transfer. The County's major special revenue Road Impact Fees-Palm Coast, reported a fund balance decrease of $13,274, primarily as a result of project expenditures beyond grant revenues.

Proprietary funds

The County's proprietary funds provide that same type of information found in the business-activities of the government-wide financial statements, while furnishing more detail.

Proprietary funds reported unrestricted net position of $1,677,820 at September 30, 2015.

General Fund Budget Variances

Differences from original budget, final budget and actual amounts were due, primarily, from appropriation of grants during the fiscal year and rollover of projects and funding not spent in the prior fiscal year.

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounts to $345,899,654 (net of accumulated depreciation). This investment in capital assets includes land, fine art collections, buildings, improvements other than buildings, vehicles, equipment, infrastructure and construction in progress. The total net increase in the County's investment in capital assets for the fiscal year ended September 30, 2015 was $26,773,162 ($23,828,504 net increase for governmental activities and a net increase of $2,944,658 for business-type activities).

Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 39 - 40 of this report.

Long-term debt

The County issued $960,000 of new capital lease obligations for the fiscal year ended September 30, 2015.

The County issued General Obligation Bonds, Series 2015 in the amount of $25,500,000 to current refund the General Obligation bonds, Series 2005 and issued the Capital Improvement and Refunding Bonds, Series 2015 in the amount of $42,775,000 to advance refund the Capital Improvement Bonds, Series 2005 and to finance the costs associated with capital projects within the County.

The County issued the Taxable Airport Refunding Revenue Note, Series 2015B in the amount of $2,437,000 to finance the refunding of the County's Taxable Capital Improvement Note, Series 2011 and issued the Taxable Airport Revenue Note, Series 2015 in the amount of $2,850,000 to fund the purchase of commercial buildings located on the Flagler County Airport Property.

Subsequent to year end, the County refinanced its Limited Tax General Obligation Bonds, Series 2009 and Series 2010 to benefit from advantageous interest rates.

Additional information on the County's debt can be found in Note 7 on pages 41 - 48 of this report.

Economic Factors and Next year's Budgets and Rates

Flagler County has historically relied on property taxes and intergovernmental resources to fund its operations. The County has utilized grants, road and park impact fees to help fund the infrastructure needs of its population.

During fiscal year 2007, the Florida Legislature imposed restrictions on the ability of municipalities and counties to increase millage rates. In January 2008, the voters of Florida passed Amendment 1, which further limits property tax collections. In addition to the impact of Amendment 1, the value of properties in Flagler County decreased significantly during the economic downturn. The County has experienced slight increases in property values in the current fiscal year.

The Board of County Commissioners approved a General Fund millage rate of 8.4668 mills, a debt service millage rate of 0.2751 mills and an ESL millage rate of .25 mills for the fiscal year 2016.

Flagler County could also be subject to decrease in other revenues that are dependent on economic activity, therefore the County continues to operate on a conservative budget.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning the information provided in this report or need additional financial information, contact Gail Wadsworth, Clerk of Circuit Court & Comptroller, 1769 E. Moody Blvd. Building #1, Bunnell, FL 32110.

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 16,555,254	$ 1,854,504	$ 18,409,758
Cash with fiscal agent	529,677	-	529,677
Investments	44,292,380	3,033,745	47,326,125
Internal balances	1,883,878	(1,883,878)	-
Due from other governmental agencies	13,322,536	1,167,201	14,489,737
Accounts receivable, net	1,718,219	83,550	1,801,769
Note receivable	250,000	-	250,000
Investment in joint venture	-	431,661	431,661
Inventory	237,918	74,096	312,014
Other assets	274,972	-	274,972
Capital assets			
Land and work in process	125,794,440	1,880,822	127,675,262
Capital assets being depreciated, net	193,147,466	25,076,926	218,224,392
Total capital assets, net of depreciation	318,941,906	26,957,748	345,899,654
TOTAL ASSETS	398,006,740	31,718,627	429,725,367
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments - interest rate swaps	350,573	87,645	438,218
Bond refunding	1,059,429	-	1,059,429
Pension related	14,300,415	127,051	14,427,466
Total deferred outflows	15,710,417	214,696	15,925,113
LIABILITIES			
Accounts payable and accrued expenses	12,781,450	562,897	13,344,347
Due to other governmental agencies	3,692,694	36,286	3,728,980
Deposits	2,205,451	86,275	2,291,726
Unearned revenue	652,201	793,088	1,445,289
Long-term liabilities:			
Due within one year:			
Notes and bonds payable	3,567,194	366,389	3,933,583
Compensated absences	2,772,168	63,084	2,835,252
Net pension liability	383,394	3,406	386,800
Capital leases	262,058	-	262,058
Due in more than one year:			
Notes and bonds payable	91,775,165	8,880,829	100,655,994
Capital leases	611,610	-	611,610
OPEB liability	1,897,433	29,034	1,926,467
Net pension liability	30,556,637	271,477	30,828,114
Derivative liabilities	350,573	87,645	438,218
TOTAL LIABILITIES	151,508,028	11,180,410	162,688,438
DEFERRED INFLOWS OF RESOURCES			
Pension related	15,623,506	138,805	15,762,311
NET POSITION			
Net investment in capital assets	238,538,145	17,710,530	256,248,675
Restricted for:			
Debt service	5,280,913	-	5,280,913
Capital projects	18,551,865	1,225,758	19,777,623
Federal and state law	7,297,414	-	7,297,414
Federal and state grants	297,531	-	297,531
Other purposes	1,334,082	-	1,334,082
Unrestricted	(24,714,327)	1,677,820	(23,036,507)
TOTAL NET POSITION	$ 246,585,623	$ 20,614,108	$ 267,199,731

The accompanying notes are an integral part of the financial statements.

FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 19,330,615	$ 3,608,043	$ 538,858	$ 18,424	$ (15,165,290)	$ -	$ (15,165,290)
Public safety	34,622,939	7,160,915	1,000,292	-	(26,461,732)	-	(26,461,732)
Physical environment	516,579	28,000	-	245,460	(243,119)	-	(243,119)
Transportation	17,338,674	944,076	1,542,777	20,727,642	5,875,821	-	5,875,821
Economic environment	2,318,736	75	527,998	-	(1,790,663)	-	(1,790,663)
Human services	4,259,922	154,925	1,109,552	2,892	(2,992,553)	-	(2,992,553)
Culture and recreation	3,830,443	270,548	67,032	4,098,872	606,009	-	606,009
Court related	3,461,918	2,245,473	-	-	(1,216,445)	-	(1,216,445)
Interest on long term debt	4,356,038	-	-	-	(4,356,038)	-	(4,356,038)
Total governmental activities	90,035,864	14,412,055	4,786,509	25,093,290	(45,744,010)	-	(45,744,010)
Business-type activities							
Airport	6,429,248	1,731,271	3,791,890	1,060,459	-	154,372	154,372
Utilities	1,215,817	789,757	-	92,232	-	(333,828)	(333,828)
Landfill	251,598	2,563	64,950	-	-	(184,085)	(184,085)
Waste management	1,404,113	1,334,618	-	-	-	(69,495)	(69,495)
Total business-type activities	9,300,776	3,858,209	3,856,840	1,152,691	-	(433,036)	(433,036)
TOTAL PRIMARY GOVERNMENT	$ 99,336,640	$ 18,270,264	$ 8,643,349	$ 26,245,981	(45,744,010)	(433,036)	(46,177,046)
	GENERAL REVENUES						
	Property taxes				53,995,582	-	53,995,582
	Tourist and franchise taxes				2,462,937	129,303	2,592,240
	Sales and fuel taxes				7,171,065	-	7,171,065
	Intergovernmental				1,312,209	-	1,312,209
	Miscellaneous				603,112	69,230	672,342
	Transfers				491,995	(491,995)	-
	Total general revenues and transfers				66,036,900	(293,462)	65,743,438
	Change in net position				20,292,890	(726,498)	19,566,392
	NET POSITION, BEGINNING OF YEAR, as previously reported				261,002,649	21,648,983	282,651,632
	Restatement, GASB 68				(34,709,916)	(308,377)	(35,018,293)
	NET POSITION, BEGINNING OF YEAR, AS RESTATED				226,292,733	21,340,606	247,633,339
	NET POSITION, END OF YEAR				$ 246,585,623	$ 20,614,108	$ 267,199,731

The accompanying notes are an integral part of the financial statements.

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

	General Fund	Constitutional Gas Tax	Transportation Impact Fees East	Road Impact Fees-Palm Coast	Capital Improvement Revenue Bonds Series 2015	NonMajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 7,218,050	$ 84,277	$ 1,698,824	$ 540,872	$ 820,854	$ 5,982,640	$ 16,345,517
Cash with fiscal agent	-	-	-	-	-	529,677	529,677
Investments	8,934,646	-	9,731	1,309,988	13,899,124	17,204,847	41,358,336
Accounts receivable (net of allowance for uncollectibles)	1,486,378	19	12	2,286	18,171	73,488	1,580,354
Notes receivable	250,000	-	-	-	-	-	250,000
Due from other funds	77,837	6	-	-	-	479,642	557,485
Advances to other funds	1,880,000	-	-	-		-	1,880,000
Due from other governments	1,350,383	4,676,162	3,369,047	2,902,418	-	1,024,526	13,322,536
Inventory	237,918	-	-	-	-	-	237,918
Other assets	196,470	-	-	-	-	68,260	264,730
Total assets	$ 21,631,682	$ 4,760,464	$ 5,077,614	$ 4,755,564	$ 14,738,149	$ 25,363,080	$ 76,326,553
LIABILITIES							
Accounts payable and accrued liabilities	$ 3,467,100	$ 1,583,644	$ 2,039,330	$ 328,528	$ 2,265,002	$ 474,427	$ 10,158,031
Deposits	1,253,485	-	-	-	-	947,953	2,201,438
Due to other funds	96,185	-	-	-	2,595	455,004	553,784
Due to other governments	976,069	-	-	2,437,931	8,950	216,592	3,639,542
Unearned revenue	50,280	145,531	320,273	-	-	82,797	598,881
Total liabilities	5,843,119	1,729,175	2,359,603	2,766,459	2,276,547	2,176,773	17,151,676
DEFERRED INFLOWS OF RESOURCES							
Unavailable resources	326,968	-	-	-	-	-	326,968
FUND BALANCES							
Nonspendable							
Inventories	237,918	-	-	-	-	-	237,918
Parks and recreation	-	-	-	-	-	540,000	540,000
Prepaids	32,208	-	-	-	-	67,316	99,524
Advances to other funds	1,880,000	-	-	-	-	-	1,880,000
Restricted for							
Bond covenants or debt service	-	-	-	-	-	3,400,913	3,400,913
Grant programs and projects	28,679	-	-	-	-	268,852	297,531
Federal and state law	291,908	3,031,289	-	-	-	10,184,137	13,507,334
Capital projects and acquisitions	2,106,555	-	-	-	12,461,602	4,965,999	19,534,156
ESL acquisitions	-	-	-	-	-	1,766,905	1,766,905
Impact fees	-	-	2,718,011	1,989,105	-	982,787	5,689,903
Other purposes	283,521	-	-	-	-	1,009,398	1,292,919
Assigned for FY 2016 expenditures	4,723,032	-		-	-	-	4,723,032
Unassigned	5,877,774	-	-	-	-	-	5,877,774
Total fund balances	15,461,595	3,031,289	2,718,011	1,989,105	12,461,602	23,186,307	58,847,909
Total liabilities, deferred inflows of resources and fund balances	$ 21,631,682	$ 4,760,464	$ 5,077,614	$ 4,755,564	$ 14,738,149	$ 25,363,080	$ 76,326,553

The accompanying notes are an integral part of the financial statements.

FLAGLER COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances- governmental funds		$ 58,847,909
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The amount included in the statement of net position is the difference between:		
Capital assets, at cost	435,625,841	
Accumulated depreciation	(116,744,637)	
		318,881,204
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:		
Bonds payable	(88,622,153)	
Compensated absences	(2,770,576)	
OPEB liability	(1,897,188)	
Net pension liability	(30,925,234)	
Capital leases payable	(873,668)	
		(125,088,819)
Certain assets and liabilities reported in governmental activities do not provide or use current financial resources and therefore are not reported in the funds:		
Unamortized bond premium		(6,720,206)
Accrued interest payable		(1,517,973)
Unavailable resources are reported as deferred outflows and inflows in the governmental funds, but not in the governmental activities:		
Deferred outflows - bond refunding		1,059,429
Deferred inflows - long-term receivables		326,966
Deferred outflows and inflows related to pension liability that are not due and payable in the current period are not reported in governmental funds		
Deferred outflows - pension related		14,293,576
Deferred inflows - pension related		(15,616,034)
Internal service funds are reported as proprietary activities on the fund level statements, but as governmental activities on the county-wide statements. This amount represents unrestricted net position of the internal service funds.		2,119,571
Net position of governmental activities		$ 246,585,623

The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Constitutional Gas Tax	Transportation Impact Fees East	Road Impact Fees-Palm Coast	Capital Improvement Revenue Bonds Series 2015	NonMajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 50,433,197	$ -	$ -	$ -	$ -	$ 8,997,668	$ 59,430,865
Special assessments/Impact fees	-	-	-	-	-	262,942	262,942
Licenses and permits	52,278	-	-	-	-	768,197	820,475
Intergovernmental	4,729,592	9,544,926	4,945,999	7,583,940	-	4,984,152	31,788,609
Charges for services	9,631,507	-	-	-	-	2,364,832	11,996,339
Fines and forfeitures	168,823	-	-	-	-	934,117	1,102,940
Miscellaneous revenue	1,072,337	46,128	-	-	-	72,585	1,191,050
Investment income	12,016	4,978	11,525	5,963	25,108	70,982	130,572
Total revenues	66,099,750	9,596,032	4,957,524	7,589,903	25,108	18,455,475	106,723,792
EXPENDITURES							
Current							
General government	17,304,523	-	-	-	6,794	84,999	17,396,316
Public safety	30,994,448	-	-	-	-	1,206,672	32,201,120
Physical environment	460,035	-	-	-	-	14,247	474,282
Transportation	1,966,723	110,704	1,783	6,615,524	-	1,944,650	10,639,384
Economic environment	545,363	-	-	-	-	1,736,519	2,281,882
Human services	4,119,675	-	-	-	-	46,979	4,166,654
Culture and recreation	2,932,775	-	-	-	-	207,193	3,139,968
Court related	895,375	-	-	-	-	2,519,910	3,415,285
Capital Outlay	3,680,952	9,059,811	4,945,999	987,653	11,569,907	3,505,102	33,749,424
Debt service							
Principal retirement	1,199,499	-	-	-	-	30,828,338	32,027,837
Interest and fiscal charges	291,036	-	-	-	-	2,563,856	2,854,892
Other debt service costs	-	-	-	-	332,330	892,275	1,224,605
Total expenditures	64,390,404	9,170,515	4,947,782	7,603,177	11,909,031	45,550,740	143,571,649
Excess (deficiency) of revenues over expenditures	1,709,346	425,517	9,742	(13,274)	(11,883,923)	(27,095,265)	(36,847,857)
OTHER FINANCING SOURCES (USES)							
Transfers in	520,812	12,367	19,304	-	-	618,977	1,171,460
Transfers out	(276,965)	-	-	-	-	(402,500)	(679,465)
Long term debt issued	960,000	-	-	-	21,810,000	46,465,000	69,235,000
Premium on long term debt issued	-	-	-	-	2,535,525	3,664,619	6,200,144
Payments to refunded bond escrow agent	-	-	-	-	-	(22,753,259)	(22,753,259)
Total other financing sources (uses)	1,203,847	12,367	19,304	-	24,345,525	27,592,837	53,173,880
Net changes in fund balance	2,913,193	437,884	29,046	(13,274)	12,461,602	497,572	16,326,023
Fund balances-beginning	12,548,402	2,593,405	2,688,965	2,002,379	-	22,688,735	42,521,886
Fund balances-ending	$ 15,461,595	$ 3,031,289	$ 2,718,011	$ 1,989,105	$ 12,461,602	$ 23,186,307	$ 58,847,909

The accompanying notes are an integral part of the financial statements.

FLAGLER COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances- total governmental funds		$ 16,326,023
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Contributions of capital assets increase assets but do not appear in the fund statements because they are not financial resources.		
Capital assets acquired with financial resources	30,452,627	
Current year depreciation	(9,633,126)	
Loss on disposal of capital assets	(152,063)	
Contributions of capital assets	3,168,047	
		23,835,485
Governmental funds report certain bond transactions immediately. However in the statement of activities these transactions are amortized over the life of the debt:		
Bond refunding	(27,168)	
Premium on debt issuance	(6,200,144)	
Amortized bond premium	190,174	
		(6,037,138)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Issuing debt provides current financial resources to governmental funds but increases liabilities in the statement of net position.		
Principal repayment	32,027,837	
Payments to refunded bond escrow agent	22,753,259	
Debt issued	(69,235,000)	
		(14,453,904)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Deferred inflows - long-term receivables		(68,072)
Pension expense in the statement of activities has been amortized for related deferred inflows and outflows		
Deferred outflows - pension related		10,307,963
Deferred inflows - pension related		4,223,613
Some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Those include:		
Accrued compensated absences	11,098	
OPEB liability	(268,638)	
Net pension liability	(12,085,952)	
Accrued interest payable	(439,547)	
		(12,783,039)
Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) is reported with governmental activities:		
Other operating income	12,991	
Loss from operations	(1,071,032)	
		(1,058,041)
Change in net position of governmental activities		$ 20,292,890

The accompanying notes are an integral part of this statement

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
ASSETS					
Current assets					
Cash and equivalents	$ 35,634	$ 91,641	$ 1,727,229	$ 1,854,504	$ 209,737
Investments	202,050	605,675	2,226,020	3,033,745	2,934,044
Accounts receivable, net	31,721	41,860	9,969	83,550	137,865
Due from other funds	9,792	668	14,221	24,681	177
Due from other governments	1,167,201	-	-	1,167,201	-
Inventory	74,096	-	-	74,096	-
Other current assets	-	-	-	-	10,242
Total current assets	1,520,494	739,844	3,977,439	6,237,777	3,292,065
Noncurrent assets					
Investment in joint venture	-	431,661	-	431,661	-
Land and construction in progress	1,477,830	199,588	203,404	1,880,822	-
Other capital assets, net of accumulated depreciation	17,925,595	7,110,027	41,304	25,076,926	60,702
Total noncurrent assets	19,403,425	7,741,276	244,708	27,389,409	60,702
Total assets	20,923,919	8,481,120	4,222,147	33,627,186	3,352,767
DEFERRED OUTFLOWS OF RESOURCES					
Derivative instruments-Interest rate swaps	87,645	-	-	87,645	-
Pension related	63,873	28,977	34,201	127,051	6,839
Total deferred outflows	151,518	28,977	34,201	214,696	6,839
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 423,740	$ 26,798	$ 112,359	$ 562,897	$ 1,105,444
Due to other governmental agencies	6,684	29,532	70	36,286	53,152
Deposits	41,035	45,240	-	86,275	4,013
Unearned revenue	1,088	792,000	-	793,088	53,320
Due to other funds	27,423	854	282	28,559	-
Compensated absences	40,071	11,444	11,569	63,084	1,592
Net pension liability	1,738	783	885	3,406	184
Current portion of long term debt	322,389	44,000	-	366,389	-
Total current liabilities	864,168	950,651	125,165	1,939,984	1,217,705
Noncurrent liabilities					
Bonds payable	-	3,168,000	-	3,168,000	-
Notes payable	5,712,829	-	-	5,712,829	-
Advances from other funds	-	1,880,000	-	1,880,000	-
OPEB liability	14,950	6,723	7,361	29,034	245
Net pension liability	136,455	61,911	73,111	271,477	14,613
Derivative liabilities	87,645	-	-	87,645	-
Total noncurrent liabilities	5,951,879	5,116,634	80,472	11,148,985	14,858
Total liabilities	6,816,047	6,067,285	205,637	13,088,969	1,232,563
DEFERRED INFLOWS OF RESOURCES					
Pension related	69,782	31,658	37,365	138,805	7,472
NET POSITION					
Net investment in capital assets	13,368,207	4,097,615	244,708	17,710,530	60,702
Restricted for					
Future capital outlay	-	-	1,225,758	1,225,758	-
Unrestricted	821,401	(1,686,461)	2,542,880	1,677,820	2,058,869
Total net position	$ 14,189,608	$ 2,411,154	$ 4,013,346	$ 20,614,108	$ 2,119,571

The accompanying notes are an integral part of the financial statements.

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	$ 1,731,271	$ 568,764	$ 1,337,181	$ 3,637,216	$ -
Employee and employer contributions	-	-	-	-	6,802,306
Miscellaneous	51,177	11	-	51,188	-
Total operating revenues	1,782,448	568,775	1,337,181	3,688,404	6,802,306
OPERATING EXPENSES					
Personal services	335,662	159,470	196,979	692,111	37,769
Vehicle fuel	8,567	7,066	1,716	17,349	-
Aviation fuel	547,489	-	-	547,489	-
Contractual services	60,275	20,402	1,348,956	1,429,633	-
Repairs and maintenance	3,792,136	44,176	15,659	3,851,971	1,853
Professional services	97,208	835	66,975	165,018	459,771
Employee claims	-	-	-	-	6,688,237
Utilities	85,473	251,145	3,078	339,696	666
Insurance	65,293	10,699	2,995	78,987	663,005
Rentals and leases	15,461	873	1,190	17,524	-
Depreciation	1,150,927	583,094	14,004	1,748,025	6,981
Miscellaneous	21,998	24,756	4,159	50,913	15,056
Total operating expenses	6,180,489	1,102,516	1,655,711	8,938,716	7,873,338
Operating income (loss)	(4,398,041)	(533,741)	(318,530)	(5,250,312)	(1,071,032)
Nonoperating revenues (expenses)					
Intergovernmental	3,791,890	-	64,950	3,856,840	-
Franchise fees	-	-	129,303	129,303	-
Change in investment in joint venture	-	220,993	-	220,993	-
Interest income	1,272	1,537	15,233	18,042	12,991
Interest expense	(248,759)	(113,301)	-	(362,060)	-
Total nonoperating revenues (expenses)	3,544,403	109,229	209,486	3,863,118	12,991
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(853,638)	(424,512)	(109,044)	(1,387,194)	(1,058,041)
Capital grants	925,947	-	-	925,947	-
Capital contribution	134,512	92,232	-	226,744	-
Transfers in	-	-	8,005	8,005	-
Transfers out	-	-	(500,000)	(500,000)	-
Change in net position	206,821	(332,280)	(601,039)	(726,498)	(1,058,041)
Net position-beginning, as previously reported	14,137,818	2,813,767	4,697,398	21,648,983	3,194,211
Restatement, GASB 68	(155,031)	(70,333)	(83,013)	(308,377)	(16,599)
Net position-beginning, as restated	13,982,787	2,743,434	4,614,385	21,340,606	3,177,612
Net position-ending	$ 14,189,608	$ 2,411,154	$ 4,013,346	$ 20,614,108	$ 2,119,571

The accompanying notes are an integral part of the financial statements.

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

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utility			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 1,816,185	$ 574,966	$ 1,409,076	$ 3,800,227	$ 6,679,915
Payments to suppliers	(4,509,607)	(406,256)	(1,443,597)	(6,359,460)	(8,121,650)
Payments to employees	(337,405)	(163,376)	(201,542)	(702,323)	(37,102)
Intergovernmental	3,124,854	-	-	3,124,854	-
Increase (decrease) in due from other funds	(6,596)	(574)	(133)	(7,303)	(177)
Increase (decrease) in due to other funds	19,319	(2,709)	79	16,689	(1,175)
Other receipts	51,177	11	-	51,188	-
Net cash provided (used) by operating activities	157,927	2,062	(236,117)	(76,128)	(1,480,189)
NON-CAPITAL FINANCING ACTIVITIES					
Franchise fees	-	-	129,303	129,303	-
Transfers in	-	-	8,005	8,005	-
Transfers out	-	-	(500,000)	(500,000)	-
Net cash provided(used) by non-capital financing activities	-	-	(362,692)	(362,692)	-
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,639,330)	(1,975)	-	(3,641,305)	-
Proceeds from issuance of long term debt	5,287,000	-	-	5,287,000	-
Payments on long term debt	(2,620,836)	(42,000)	-	(2,662,836)	-
Capital grants	969,284	83,545	-	1,052,829	-
Capital contributions	-	44,712	-	44,712	-
Interest paid	(248,759)	(113,301)	-	(362,060)	-
Net cash provided (used) by capital and related financing activities	(252,641)	(29,019)	-	(281,660)	-
INVESTING ACTIVITIES					
Investment purchases	(1,000,721)	(349,994)	(599,263)	(1,949,978)	-
Proceeds from sale of investments	800,000	125,000	1,030,679	1,955,679	150,875
Interest on investments	1,722	328	2,240	4,290	(1,297)
Net cash provided by investing activities	(198,999)	(224,666)	433,656	9,991	149,578
Net increase(decrease) in cash and equivalents	(293,713)	(251,623)	(165,153)	(710,489)	(1,330,611)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	329,347	343,264	1,892,382	2,564,993	1,540,348
CASH AND EQUIVALENTS, END OF YEAR	$ 35,634	$ 91,641	$ 1,727,229	$ 1,854,504	$ 209,737

Continued

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

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utility			
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (4,398,041)	$ (533,741)	$ (318,530)	$ (5,250,312)	$(1,071,032)
Adjustment to reconcile operating income (loss) to net cash used in operations					
Depreciation	1,150,927	583,094	14,004	1,748,025	6,981
Changes in assets and liabilities					
Accounts receivable	84,914	6,202	(680)	90,436	(122,391)
Inventory	(7,601)	-	-	(7,601)	-
Due from other governments	3,124,854	-	72,575	3,197,429	-
Due from other funds	(6,596)	(574)	(133)	(7,303)	(177)
Accounts payable and accrued expenses	201,943	(71,807)	1,094	131,230	(346,943)
Unearned revenue	1,088	-	-	1,088	(1,040)
Due to other governments	(10,977)	17,853	37	6,913	53,152
Due to other funds	19,319	(2,709)	79	16,689	(1,175)
Deposits	(160)	7,650	-	7,490	1,769
Compensated absences	7,000	11	60	7,071	1,592
OPEB liability	2,186	1,041	1,228	4,455	245
Pension liability	(10,929)	(4,958)	(5,851)	(21,738)	(1,170)
NET CASH(USED) PROVIDED BY OPERATING ACTIVITIES	$ 157,927	$ 2,062	$ (236,117)	$ (76,128)	$(1,480,189)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Land contribution received	$ 122,000	-	-	$ 122,000	-
NONCASH INVESTING ACTIVITIES					
Interest in joint venture	-	$ 220,993	-	$ 220,993	-
Change in fair market value of investments	$ (450)	$ 1,210	$ 12,992	$ 13,752	$ 14,287

The accompanying notes are an integral part of the financial statements.

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 4,528,793
Accounts receivable	70,722
Due from other governments	944
Total assets	4,600,459
LIABILITIES	
Due to other governments	123,331
Deposits	4,456,794
Other liabilities	20,334
Total liabilities	4,600,459
Net position	$ -

The accompanying notes are an integral part of the financial statements.

NOTE 1 - Summary of Significant Accounting Policies:

Flagler County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Chapter 7 of the Florida Statutes. It is governed by an elected Board of County Commissioners (the Board) which is governed by state statutes and regulations. The Board has only those powers expressly vested in it by State Statute and its governmental powers cannot be delegated. The Board appoints an administrator to administer all policies emanating from its statutory powers and authority.

The accompanying financial statements present the financial position and results of operations of the governmental and business type activities of the Board and the five constitutional officers (collectively the Constitutional Officers) of the County. The Constitutional Officers are: Clerk of Circuit Court and Comptroller (Clerk), Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets which are combined with the Board for financial reporting purposes.

The accounting policies of the County conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of significant accounting policies of the County.

Reporting Entity

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, “The Financial Reporting Entity,” as subsequently amended, establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state or local level. Financial reporting by a state or local government should report the elected officials’ accountability for those organizations.

The Board is the legislative and governing body of Flagler County, Florida, established under the legal authority of the Constitution of the State of Florida, and consists of five elected officials. The Clerk of the Circuit Court, an elected official, serves as clerk and accountant of the Board pursuant to Florida law.

The County uses the criteria established in GASB No. 14 as subsequently amended, to define the reporting entity and identify component units. Component units are entities for which the County is considered to be financially accountable or entities that would be misleading to exclude.

As required by accounting principles generally accepted in the United States of America, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization’s governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

Additionally, a legally separate, tax-exempt organization should be reported as a component unit of the County if all of the following criteria are met: (a) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government or its constituents, (b) the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization, and (c) the economic

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Reporting Entity (continued)

resources received or held by an individual organization that the primary government is entitled to or has the ability to otherwise access are significant to the primary government.

Based on these criteria, County management examined all organizations which were legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that there are no organizations that should be included in the County's financial statements as component units.

During the 2014-15 fiscal year, the County was a participant in a joint venture. See Note 16.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. statement of net position and statement of activities) report information on all of the non-fiduciary activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

The accompanying financial statements of the County have been prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for units of local government.

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the county-wide financial statements. Fiduciary funds have also been removed from this presentation since the resources are not available for general government funding purposes.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources."

The operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days after year end. Grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made and the County considers amounts received within one year as available. Non-exchange transaction revenues are recognized in the period in which the underlying transaction occurred. Expenditures are generally recognized when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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

Agency funds are accounted for on the accrual basis of accounting. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations.

The County's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

Fund financial statements report detailed information about the County. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

General Fund - To account for and report all financial resources which are generated from operations of the Board and Constitutional Officers, not accounted for and reported in another fund.

Constitutional Gas Tax – A special revenue fund to account for 80 percent of the State two-cent gas tax used for the construction of roads and bridges.

Transportation Impact Fees East - A special revenue fund to account for and report proceeds from impact fees for transportation infrastructure improvements and equipment directly attributable to growth east of the Florida East Coast Railroad right of way.

Road Impact Fees-Palm Coast – A special revenue fund to account for impact fees collected for the construction and improvement of roads within the City of Palm Coast.

Capital Improvement Revenue Bonds, Series 2015 – A capital projects fund to account for and report capital projects as authorized under the Capital Improvement Revenue Bonds, Series 2015.

The County reports the following major enterprise funds:

Airport - To account for the operations and activities of the County's airport.

Utility - To account for the water and wastewater services in the Beverly Beach water and wastewater service area and the Eagle Lakes development and the County's investment in joint venture (Bunnell Flagler County Utility).

In addition to the General Fund, the County reports the following fund types:

Special Revenue Funds - The Special Revenue Funds of the County are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - The Debt Service Funds of the County are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Funds - The Capital Projects Funds of the County are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Enterprise Fund – The Enterprise Funds of the County are used to account for and report activities for which a fee is charged to external users for goods or services.

Internal Service Fund - The Internal Service Fund of the County accounts for the self-insurance services provided by the department or agency to other departments or agencies of the governmental unit or to other governmental units, on a cost reimbursement basis.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Fund Financial Statements (continued)

Fiduciary Funds - The Fiduciary Funds of the County are used to account for assets held by the County as an agent for individuals, private organizations, and other governments. Fiduciary funds administered by the County include Agency Funds, which are custodial in nature and do not measure the results of operations.

Capital Assets

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, capital assets costing more than $1,000 and having a useful life of more than one year are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the countywide financial statements, and in the Proprietary Fund Level Statements.

Depreciation on all capital assets is calculated using the straight-line method over the following useful lives:

Infrastructure	20-50 years
Buildings and improvements	5-50 years
Equipment	3-15 years
Vehicles	5-6 years

The County has artwork in various public facilities. The value of the art is inexhaustible; therefore, it is not depreciated.

Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the governmental funds, but rather are reported on the statement of net position of Flagler County, Florida. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Budgets and Budgetary Accounting

The County has taken the option of presenting the budgetary comparison schedules in the Required Supplementary Information section.

The following procedures are utilized by the County in establishing and /or amending the budgetary information contained in the required supplementary information:

(i) On or before June 1 of each year, the Clerk of the Circuit Court, Sheriff, Supervisor of Elections and Tax Collector each submit a proposed operating budget for the ensuing fiscal year to the Board.

(ii) The proposed operating budget of the Property Appraiser must be presented to the Board on or before June 1 of each year and is simultaneously submitted by the Property Appraiser to the State of Florida, Department of Revenue, from which the final approval of the budget of the Property Appraiser must estimate.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Budgets and Budgetary Accounting (continued)

(iii) On or before July 15 of each year, or within 15 days after the receipt of certified taxable property values from the Property Appraiser, whichever occurs last, the County Administrator presents to the Board a proposed budget for the fiscal year commencing the following October 1. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contain balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund required to be presented by law or by sound financial practices, including the General, Special Revenues, Debt Service, and Capital Projects funds.

(iv) Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are considered necessary, the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a Public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the proceeding year.

(v) Following successful completion of the above referenced Public hearings, the Board advertises and subsequently conducts a second Public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These Public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the adoption by resolution of the budget to the preceding year as an interim measure.

(vi) Pursuant to the provisions of Section 129.07, Florida Statutes, the County is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board or the County Administrator.

(vii) Subsequent to final adoption of the budget by the Board, changes to the budget, as enacted, are only required (by either statutory law or current management practices) when revenues not anticipated in the original budget document are received which management wishes to have appropriated during the current year, resulting in an increase to the total appropriations of a fund. Such increases can only be incorporated into the budget document following approval by the Board.

(viii) Adoption and execution of the budgets are governed in accordance with applicable provisions of the Florida Statutes.

(ix) Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the General, Special Revenue, Debt Service, and Capital Projects funds. The legal level of budgetary control is the department level.

(x) The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Municipal Services Fund is reported as part of the General Fund, but is not budgeted as part of the General Fund. Budgets for Special Revenue, Debt Service and Capital Projects funds are all on a GAAP basis.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Budgets and Budgetary Accounting (continued)

(xi) All appropriations lapse at the end of each fiscal year, although the County expects to honor purchase orders and contracts in-process, subject to authority provided in the subsequent year's budget.

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agents and short-term investments, including restricted assets, with original maturities of three months or less from acquisition date. Investments are stated at fair value. The County allocates investment earnings of the cash and investment pool to each participating fund on a monthly basis in accordance with the funds average balance in the pool for the month.

Investments

Investments for the County are reported at fair value, in accordance with GASB Statement No. 31. In addition to reporting investments at fair value, the County is reporting investments in accordance with the requirements of GASB 40.

Encumbrances

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 as an extension of formal budgetary integration in all governmental funds. Encumbrances outstanding at year-end are reported within the respective fund balances. Unexpended items which are encumbered at year end are reappropriated in the subsequent year.

Compensated Absences

The County's personnel policies allow a limited accumulation and vesting of unused employee vacation and sick leave time. The County follows accounting principles generally accepted in the United States of America in accounting for compensated absences. The portion of compensated absences of employees of governmental funds expected to be liquidated with current resources has been accrued. Liabilities that will not be liquidated with current resources are not reported in the governmental funds but rather are reported in the basic financial statements of Flagler County, Florida. Liabilities that will be liquidated with current resources have been reported in the appropriate governmental fund. Compensated absences of employees of proprietary funds are recorded as liabilities in the appropriate proprietary fund.

Inventory

Inventory of the proprietary funds is valued at (first-in, first-out). Inventory of the general fund is valued at cost, using the weighted average method. The cost of inventory of the general fund is recorded as an expenditure when consumed, rather than when purchased. An offsetting nonspendable fund balance is reported to indicate that the asset is not available for appropriation or expenditure.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in governmental funds are recognized using the consumption method.

Interfund Activity

Interfund activity within and among the County's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and nonreciprocal interfund activity. Reciprocal interfund resource flows between the funds with an expectation of repayment are reported as interfund receivables and payables. Reciprocal interfund resource flows, without an expectation of repayment within a reasonable time, are reported as transfers between funds. Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external value and are reported as revenues and expenditures (or expenses) in the funds. Nonreciprocal interfund activity are flows of assets between funds without an equivalent flow of assets in return or without a requirement for repayment are reported as transfers in governmental funds and nonoperating revenues and expenses in proprietary funds.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category, the value of two derivative hedging instruments, deferred bond refunding charges, and, the future pension plan payments.

In addition to liabilities, the statement of financial position and balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only two types of items that qualify for reporting in this category: unavailable revenues, which are reported only in the governmental funds balance sheet, and future pension plan inflows.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Landfill Closure Costs

The County recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection Agency, and GASB Statement No. 18, *"Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs."* The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and postclosure are recognized in the enterprise fund for the County's sanitary landfill operations over the active life of the landfill, based on capacity.

Fund Balance Reported

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are reported in classifications based on whether the amounts are nonspendable or spendable. Spendable amounts are further classified based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent. The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the County's highest decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the County removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the board of county commissioners or (b) a body or official to which the board of county commissioners has delegated the authority to assign amounts to be used for specific purposes. At this time, the commission has not delegated the authority.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The fund balance categories of the governmental funds are shown on the face of the Balance Sheet Governmental Funds in the Fund Financial Statements. The County uses restricted amounts first when both restricted and unrestricted fund balances are available, then committed, then assigned and finally unassigned.

NOTE 1 - Summary of Significant Accounting Policies: (continued)

Use of Estimates

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2016. The statements address: Fair value measurement and application; and GAAP hierarchy. Management is currently evaluating the effects that these statements will have on its 2016 financial statements.

NOTE 2 - Cash Deposits and Investments:

Deposits:

Any bank balance in excess of FDIC insurance is covered by collateral held by the County's custodian banks which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Chief Financial Officer or, with the approval of the State Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer.

As of September 30, 2015, the County had the following cash deposits balances:

	Maturity Date	Carrying Amounts
Cash and cash equivalents	N/A	$ 18,409,758
Cash and cash equivalents with trustee	N/A	4,528,793
Cash and cash equivalents with fiscal agent	N/A	529,677
Total		$ 23,468,228

Investments:

Flagler County's investment policy is pursuant to Section 218.415, Florida Statutes that updated permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the County's cash and investment assets. The County maintains a common cash and investment pool for the use of all funds.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy.

NOTE 2 - Cash Deposits and Investments: (continued)

The County's investment policy allows for the following investments: The Florida State Board of Administration's Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Non-Negotiable Interest Bearing Time Certificates of Deposit and Saving Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, Corporate Notes, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered investment companies money market mutual funds and Intergovernmental Investment Pools.

As of September 30, 2015, the County had the following investment types and weighted average duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration(Years)
Federal Instrumentalities Notes	$ 4,929,925	0.15
Federal Instrumentalities Discount Notes	9,197,964	0.15
U.S. Treasury Notes	14,516,237	0.27
Corporate Notes	1,300,078	0.03
Commercial Paper	799,744	0.13
PFM Funds - Prime Money Market Fund Institutional Class	10,493,299	50 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	6,088,878	17 days
TOTAL	$ 47,326,125	0.17

A Money Market Fund's duration is based on weighted average duration in days. Information source for PFM Funds Prime Series money market fund's weighted average duration was September 30, 2015 Fund Fact Sheet. Bloomberg was the source for the Wells Fargo Advantage Heritage Money Market Fund's weighted average duration.

A. Interest Rate Risk

The County's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five (5) years requires the Clerks approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreements. The County utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2015, the investment portfolio had a weighted average duration of .17 years.

The County has no Federal Instrumentalities that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate.

B. Credit Risk

The County's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below.

The Florida Local Government Surplus Funds Trust Fund ("SBA") shall be rated "AAA" by the Standard & Poor's or the equivalent by another rating agency.

Commercial paper of any United States company that is rated, at the time of the purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).

NOTE 2 - Cash Deposits and Investments: (continued)

Bankers' acceptances which are issued by a domestic bank which has at the time of purchase, an unsecured, uninsured and unguaranteed obligation rating of at least "Prime-1" by Moody's or "A-1" by Standard & Poor's.

Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's or "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's or "SP-2" by Standard & Poor's for short-term debt.

Intergovernmental investment pool shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

Mutual Fund shares in open-end and no-load funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. Money market mutual funds are rated "AAAm" by Standard and Poor's or equivalent by another recognized rating agency.

As of September 30, 2015, the County had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	Portfolio Asset Allocation
Federal Instrumentalities Notes	AA+	10.42%
Federal Instrumentalities Discount Notes	A-1+	19.44%
U.S. Treasury Notes	AA+	30.67%
Corporate Notes	AA	2.75%
Commercial Paper	A-1	1.69%
PFM Funds - Prime Money Market Fund Institutional Class	AAAm	22.17%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	12.87%
TOTAL		100%

Custodial Credit Risk

The County's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the County should be properly designated as an asset of the County. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

As of September 30, 2015, the County's investments were held with a third-party custodian as required by the County's investment policy.

C. Concentration of Credit Risk

The County's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the County's investment portfolio.

NOTE 2 - Cash Deposits and Investments: (continued)

A maximum of 25% of available funds may be invested in the SBA, 100% of available fund may be invested in United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 75% of available funds may be invested in Federal Instrumentalities with a 25% limit on individual issuers, 50% of available funds may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts with a 25% limit on individual issuers, 50% of available funds may be invested in Repurchase Agreements with a 25% limit on individual issuers, 25% of available funds may be invested in Commercial Paper with a 10% limit on individual issuers, 30% of available funds may be invested in Bankers' Acceptances with a 15% limit on individual issuers, 15% of available funds may be invested in Corporate Notes with a 5% limit on individual issuers, 20% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 10% limit on individual issuers, 50% of available funds may be invested in Money Market Mutual Funds with a 25% limit on individual issuers, a maximum of 25% may be invested in intergovernmental investment pools.

As of September 30, 2015, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Notes	$ 4,929,925	10.42%
Federal Instrumentalities Discount Notes	9,197,964	19.44%
U.S. Treasury Notes	14,516,237	30.67%
Corporate Notes	1,300,078	2.75%
Commercial Paper	799,744	1.69%
PFM Funds - Prime Money Market Fund Institutional Class	10,493,299	22.17%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	6,088,878	12.87%
TOTAL	$ 47,326,125	100%

NOTE 3 - Property Taxes:

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit counties to levy property taxes at a rate of up to 10 mills.

The tax levy of the County is established by the Board prior to October 1 of each year and the Tax Collector incorporates the millages into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statute.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for every payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Delinquent taxes on real property bear interest at 18% per year or as bid in a public sale of tax certificates.

NOTE 3 - Property Taxes: (continued)

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

Key dates in the property tax cycle are as follows:

Assessment roll certified	October 15
Beginning of fiscal year for which taxes have been levied	October 1
Property taxes levied	October 1
Tax bills issued	November 1
Property taxes due by:	
For maximum discount	November 3(
Delinquent after	March 31
Tax certificates (liens) sold on unpaid property taxes	May 31

NOTE 4 - Allowance for Doubtful Accounts:

Account receivables are reported net of an allowance for uncollectible accounts of $1,392,733 in the General Fund and, $15,272, $4,793 and $126,257 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

NOTE 5 - Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

Governmental activities:	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Capital assets, not being depreciated:				
Land	$ 96,880,917	$ 3,771,239	$ -	$100,652,156
Fine art collection	123,700	-	-	123,700
Construction in process	6,715,688	20,304,285	2,001,389	25,018,584
Total capital assets, not being depreciated	103,720,305	24,075,524	2,001,389	125,794,440
Capital assets, being depreciated:				
Buildings	77,809,928	986,438	-	78,796,366
Improvements other than buildings	18,901,108	1,448,416	-	20,349,524
Equipment	35,287,412	1,469,950	837,289	35,920,073
Vehicles	17,558,224	2,576,166	867,966	19,266,424
Infrastructure	150,542,707	5,065,569	-	155,608,276
Total capital assets being depreciated	300,099,379	11,546,539	1,705,255	309,940,663
Less accumulated depreciation for:				
Buildings	14,110,468	1,548,623	-	15,659,091
Improvements other than buildings	12,534,354	1,082,581	-	13,616,935
Equipment	26,025,384	1,997,478	720,967	27,301,895
Vehicles	12,061,448	1,784,977	832,225	13,014,200
Infrastructure	43,974,628	3,226,448	-	47,201,076
Total accumulated depreciation	108,706,282	9,640,107	1,553,192	116,793,197
Total capital assets being depreciated, net	191,393,097	1,906,432	152,063	193,147,466
	$ 295,113,402	$25,981,956	$ 2,153,452	$318,941,906

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 2,218,397
Public safety	2,693,269
Physical environment	48,522
Transportation	3,663,680
Economic environment	33,649
Human services	107,851
Culture/recreation	756,488
Court related	118,251
Total depreciation expense - governmental activities	$ 9,640,107

NOTE 6 - Capital Assets – Business-type Activities:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 834,459	$ 159,860	$ -	$ 994,319
Construction in process	390,010	514,993	18,500	886,503
Total capital assets, not being depreciated	1,224,469	674,853	18,500	1,880,822
Capital assets, being depreciated:				
Buildings	10,463,864	3,248,721	-	13,712,585
Improvements other than buildings	17,474,476	785,634	-	18,260,110
Equipment	1,076,673	1,975	281,345	797,303
Infrastructure	4,096,335	-	-	4,096,335
Total capital assets being depreciated	33,111,348	4,036,330	281,345	36,866,333
Less accumulated depreciation for:				
Buildings	2,325,682	251,729	-	2,577,411
Improvements other than buildings	6,809,846	1,280,281	-	8,090,127
Equipment	1,038,043	18,025	281,345	774,723
Infrastructure	149,156	197,990	-	347,146
Total accumulated depreciation	10,322,727	1,748,025	281,345	11,789,407
Total capital assets being depreciated, net	22,788,621	2,288,305	-	25,076,926
Business-type activities capital assets, net	$ 24,013,090	$ 2,963,158	$ 18,500	$ 26,957,748

Depreciation expense was charged as follows:

Business-type activities:	
Airport	$ 1,150,927
Utilities	583,094
Sanitary landfill	14,004
Total depreciation expense - business-type activities	$ 1,748,025

NOTE 7 - Long-Term Debt:

The balance of bonds and notes payable at September 30, 2015, are as follows:

Bonds and Notes Payable from Governmental Activities

Limited General Obligation Bonds, Series 2005 with an original face value of $6,665,000, were issued in February, 2005 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 3.000 – 3.625%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.163 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2017.	$ 1,270,000
Limited General Obligation Bonds, Series 2009 with an original face value of $10,000,000, were issued in August, 2009 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 5.110%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029.	7,990,000
Limited General Obligation Bonds, Series 2010 with an original face value of $4,500,000, were issued in October 2010 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 4.480%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029.	4,395,000
General Obligation Refunding Bonds, Series 2015 with an original face value of $25,500,000 were issued March, 2015 to current refund all of the County's outstanding General Obligation Bonds, Series 2005 along with closing costs incurred. This current refunding resulted in a reduction of total debt service payments over 20 years of approximately $3,892,300 and an economic gain of approximately $2,966,000. Interest is paid at 3.300%. The bonds are general obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2035.	25,500,000
Capital Improvement and Refunding Revenue Bonds, Series 2015 with an original face value of $42,775,000, were issued in February 2015 to advance refund all of the County's outstanding Capital Improvement Revenue Bonds, Series 2005 along with closing costs incurred, and to finance the costs of acquisition, construction and equipping of a consolidated Sheriff's Operations Center and expansion of the County's correctional facility. Interest is paid at 4.000%. This advance refunding resulted in a reduction of total debt service payments over 20 years of approximately $6,500,300 and an economic gain of approximately $4,950,200. The bonds are special obligations of the County. The payment of principal and interest on the bond is payable from Non-Ad Valorem revenues generated in the County's General Fund. Principal payments are due on Oct 1. Interest payments are due on April 1 and October 1 each year. Maturity is October 1, 2035.	42,775,000

NOTE 7 - Long-Term Debt: (continued)

Florida Local Government Finance Commission, Pooled Commercial Paper Note Series A-2 was issued September 11, 2013 in the amount of $2,300,000 to finance various capital improvements within the County. Payments are made from the General Fund using legally available non ad valorem revenues of the County. Interest payments, at a variable rate, are made monthly. The LOC rate is between 95 and 110 basis points. Four principal payments of $153,560 each are due yearly in June with a final balloon payment of $1,685,760 due in June of the fifth year. Maturity is June 5, 2018.	1,992,882
Note Payable - was issued on September 28, 2005 in the amount of $11,346,000 to finance the purchase and installation of an 800 megahertz communication system and the purchase of additional emergency services vehicles. Payments of principal and interest at 4.73% are due on October 1 and April 1 each year. Maturity is October 1, 2020. Principal and interest payments made during the year amounted to $951,647. Payments are to be made from legally available non ad valorem revenues of the County.	4,510,000
Note Payable - non-interest bearing note was issued August 27, 2012 as a repayment of Medicaid retrospective billing in the amount of $567,811. Payments are due monthly. Maturity date is October 1, 2017.	189,271
Bonds and notes payable from governmental activities	88,622,153
Note Payable from Business-Type Activities	
Water and Sewer System Revenue Bond, Series 2013 - was issued April 12, 2013 with an original face value of $3,254,000 to finance the acquisition, construction and equipping of improvements to the County's water and sewer system. Interest payable at a fixed rate of 3.5% per annum. The principal and interest are payable by a pledge of the net revenues derived from the operation of the System. Payments are due yearly on September 1st. Maturity date is September 1, 2052. The approximate amount of the pledge is equal to the remaining principal and interest of $5,777,080. Payments made during the fiscal year were for principal and interest amounted of $155,890.	3,212,000
Note Payable - was issued on November 30, 2004 in the amount of $3,500,000 to finance a portion of the development of the County's Airport Business Park. Interest is paid at a rate of $4.43%. Payments of principal and interest are due on January 1, April 1, July 1 and October 1 each year. Maturity is October 1, 2023. Principal and interest are payable from lawfully available non-ad valorem revenues.	783,218
Note Payable - was issued on July 2015 in the amount of $2,437,000 to refund the County's taxable capital improvement note issued to finance improvements to the County Airport. Interest is paid at a rate of 4.25%. Principal payments are due February 1. Interest payments are due on August 1 and February 1 of each year. Maturity is February 1, 2030. Principal and interest are payable from net revenues received by the Airport.	2,437,000
Note Payable - was issued in March 2015 in the amount of $2,850,000 to finance the purchase of two buildings located on to the County Airport. Interest is paid at a rate of 3.900%. Payments of principal and interest are due on January 1, April 1, July 1 and October 1 each year. Maturity is April 1, 2030. Principal and interest payments are to be made from revenues derived from leases and rents from tenants of the buildings..	2,815,000
Bonds and notes payable from business-type activities	9,247,218

NOTE 7 - Long-Term Debt: (continued)

Capital Lease Obligation from Governmental Activities	
Represents an agreement with a financial institution for vehicles and motorcycles with an interest rate of 2.10%. Aggregate historical cost of the vehicles and motorcycles is $960,000.	873,668
Accrued Compensated Absences	
Governmental Activities	2,772,168
Business-Type Activities	63,084
OPEB Liability	
Governmental Activities	1,897,433
Business-Type Activities	29,034
Net Pension Liability	
Governmental Activities	30,940,031
Business-Type Activities	274,883
Add Unamortized Premium	
Governmental Activities	6,720,206
Total Long-Term Obligations	$ 141,439,878

As of September 30, 2015, all reserve requirements had been met through maintenance of reserve accounts.

Debt service requirements to maturity on the County's long-term obligations at September 30, 2015, are as follows:

Governmental Activities:

	Bonds		Notes payable		Total Long-Term Obligations and Interest
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest	
2016	$ 2,580,000	$ 3,530,005	$ 987,194	$ 231,565	$ 7,328,764
2017	3,200,000	3,256,739	1,022,194	193,731	7,672,664
2018	2,890,000	3,138,045	2,494,765	154,677	8,677,487
2019	3,015,000	3,021,537	848,000	93,751	6,978,288
2020	3,125,000	2,899,679	886,000	53,170	6,963,849
2021-2025	20,355,000	11,915,411	454,000	10,743	32,735,154
2026-2030	25,050,000	6,425,321	-	-	31,475,321
2031-2035	20,260,000	2,096,213	-	-	22,356,213
2036-2040	1,455,000	29,100	-	-	1,484,100
Total principal and interest	81,930,000	36,312,050	6,692,153	737,637	125,671,840
Less interest to be paid	-	(36,312,050)	-	(737,637)	(37,049,687)
Total principal	81,930,000	-	6,692,153	-	88,622,153
Deferred amounts	6,720,206	-	-	-	6,720,206
Totals	$ 88,650,206	$ -	$ 6,692,153	$ -	$ 95,342,359

NOTE 7 - Long-Term Debt: (continued)

Business-type Activities:

Fiscal Year Ending September 30,	Bonds		Notes payable		Total Long-Term Obligations and Interest
	Principal	Interest	Principal	Interest	
2016	$ 44,000	$ 112,420	$ 322,389	$ 249,777	$ 728,586
2017	45,000	110,880	356,016	229,144	741,040
2018	47,000	109,305	371,718	213,844	741,867
2019	48,000	107,660	386,589	198,108	740,357
2020	50,000	105,980	403,583	181,884	741,447
2021-2025	280,000	502,250	2,113,923	642,981	3,539,154
2026-2030	331,000	449,750	2,081,000	218,252	3,080,002
2031-2035	392,000	387,730	-	-	779,730
2036-2040	466,000	314,125	-	-	780,125
2041-2045	554,000	226,660	-	-	780,660
2046-2050	658,000	122,640	-	-	780,640
2051-2052	297,000	15,680	-	-	312,680
Total principal and interest	3,212,000	2,565,080	6,035,218	1,933,990	13,746,288
Less interest to be paid	-	(2,565,080)	-	(1,933,990)	(4,499,070)
Totals	$ 3,212,000	$ -	$ 6,035,218	$ -	$ 9,247,218
Governmental Activities Long-term obligations not included above:					
Accrued compensated absences payable					2,772,168
OPEB liability					1,897,433
Net pension liability					30,940,031
Capitalized lease obligations					873,668
Business-type Activities Long-term obligations not included above:					
Accrued compensated absences payable					63,084
OPEB liability					29,034
Net pension liability					274,883
Total long-term obligations					$ 141,439,878

NOTE 7 - Long-Term Debt: (continued)

Changes in long-term liabilities for the fiscal year ended September 30, 2015, are summarized as follows:

Governmental activities:	Balance October 1, 2014, as restated	Additions	Reductions	Balance September 30, 2015	Due within one year
General long-term obligations:					
Bonds payable	66,150,000	68,275,000	52,495,000	81,930,000	2,580,000
Notes payable	7,646,347	-	954,194	6,692,153	987,194
Deferred amounts:					
Issuance premiums	710,236	6,200,144	190,174	6,720,206	-
Total bonds and notes payable	74,506,583	74,475,144	53,639,368	95,342,359	3,567,194
Accrued compensated absences	2,781,674	3,013,078	3,022,584	2,772,168	2,772,168
OPEB liability	1,628,550	268,883	-	1,897,433	-
Net pension liability	18,859,006	12,081,025		30,940,031	383,394
Arbitrage liability	7,445	-	7,445	-	-
Capitalized lease obligations	158,973	960,000	245,305	873,668	262,058
Total governmental activity long-term obligations	97,942,231	90,798,130	56,914,702	131,825,659	6,984,814
Business-type activities:					
Bonds payable	3,254,000	-	42,000	3,212,000	44,000
Notes payable	3,369,054	5,287,000	2,620,836	6,035,218	322,389
Total bonds and notes payable	6,623,054	5,287,000	2,662,836	9,247,218	366,389
Accrued compensated absences	56,013	53,471	46,400	63,084	63,084
OPEB liability	24,579	4,455	-	29,034	-
Net pension liability	167,551	107,332	-	274,883	3,406
Total business-type activity long-term obligations	6,871,197	5,452,258	2,709,236	9,614,219	432,879
TOTAL LONG-TERM LIABILITIES	$ 104,813,428	$96,250,388	$59,623,938	$ 141,439,878	$ 7,417,693

During 2015, the County implemented GASB Statement No. 68 and No. 71. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

For governmental activities, compensated absences are liquidated by the respective funds obligated for the related payroll cost, that is, 89 percent by the general fund, 7 percent by the county transportation fund, and the remaining 4 percent is liquidated by other governmental funds and the internal service fund. Net postemployment benefit obligations and pension liabilities are expected to be liquidated from the general fund.

Future minimum lease payments under the capital leases as of September 30, 2015 and for the remaining terms are as follows:

NOTE 7 - Long-Term Debt: (continued)

Fiscal Year Ending September 30	Amount
2016	$ 262,058
2017	$ 262,058
2018	$ 239,648
2019	144,826
Total principal and interest	908,590
Less amounts representing interest	(34,922)
Total principal	$ 873,668

On December 1, 2000, the County early retired four bond issues including accrued interest. These bonds were retired pursuant to an interlocal agreement, as amended (the Agreement), between Flagler County and several municipal corporations within Flagler County. Payment for the retirement of these bonds was made from the Landfill Debt Service Fund and the Landfill Capital Projects Fund in accordance with the Agreement.

The Agreement also required the establishment of reserves in the following amounts:

	Amount originally reserved	Amount used as of September 30, 2015	Remaining balance, September 30, 2015
Monitoring of existing and future landfills	$ 1,600,000	$ (1,600,000)	$ -
Future landfill capital purchases	1,380,000	(349,972)	1,030,028
Payments to the municipal corporations	1,250,000	(1,250,000)	-
Future purchase of fire suppression equipment and/or the construction of fire stations	2,314,654	(2,089,654)	225,000
Totals	$ 6,544,654	$ (5,289,626)	$ 1,255,028

The County is no longer required to meet the reserve requirement of monitoring of existing and future landfills.

The remaining balance at September 30, 2015 is included in equity on the accompanying statement of net position and balance sheet as follows:

General fund:	
Fund balance restricted for future capital outlay	$ 225,000
Enterprise funds:	
Net position restricted for future capital outlay	1,030,028
Totals	$ 1,255,028

Defeasance of Debt – On February 26, 2015 the County defeased the Capital Improvement Revenue Bonds, Series 2005 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds until a callable date of 10 1 2015. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At September 30, 2015 $23,790,000 of bonds outstanding are considered defeased.

Obligation for Bond Arbitrage Rebate – Pursuant to the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain bond proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of September 30, 2015, there was no arbitrage due.

NOTE 7 - Long-Term Debt: (continued)

Interest Rate Swaps - As a means of lowering its borrowing costs, when compared with fixed rate notes at the time of issuance in December 2004 and September 2005, the County entered into interest rate swap agreements with Bank of America. The intention of the swaps is to effectively change the County's variable interest rate note to a synthetic fixed rate.

Under the swap agreement, the County pays the counterparty interest calculated at a fixed rate. In return, the counterparty owes the County interest based on a variable rate per annum equal to a percentage of LIBOR plus a variable spread rate. Only the net difference in the payments is actually exchanged with the counterparty. The note principal is not exchanged; it is only the basis on which interest payments are calculated.

Bank of America - Airport Capital Improvements
Terms - Effective December 6, 2004, the County entered into a nineteen year floating receiver swap with Bank of America with a fixed rate of 4.43%. The notional amount of the swap as of September 30, 2015 was $783,218. The county receives payments quarterly and makes payments quarterly. The swap is related to the $3,500,000 construction of capital assets.

Fair Value - As of September 30, 2015, the underlying swaps had a negative fair value of $87,645. This fair value was obtained from the counter-parties' market-to-market reports provided to the County.

Bank of America -
Terms - Effective September 27, 2005, the County entered into a fifteen year structured trade swap with Bank of America with a fixed rate of 4.73%. The notional amount of the swap as of September 30, 2015 was $4,510,000. The county receives payments quarterly and makes payments semiannually. The swap is related to the $11,346,000 purchase of emergency equipment.

Fair Value - As of September 30, 2015, the underlying swaps had a negative fair value of $350,573. This fair value was obtained from the counter-parties' market-to-market reports provided to the County.

Changes in the fair value and ending fair value of the derivative instruments for the fiscal year ended September 30, 2015 were as follows:

	Changes in Fair Value		Ending Fair Value		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	61,645	Debt	(350,573)	$4,510,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	1,326	Debt	(87,645)	$ 783,218

NOTE 7 - Long-Term Debt: (continued)

Swap Payments and Associated Debt

Assuming that interest rated remain the same, at September 30, 2015, debt service requirements on the variable rate notes and interest swaps would be as follows:

Fiscal Year Ending September 30,	Variable Rate Notes Principal	Variable Rate Notes Interest	Interest Rate Swaps	Total
2016	816,388	87,068	151,820	238,888
2017	855,016	73,448	126,603	200,051
2018	893,718	59,184	99,886	159,070
2019	936,589	44,274	72,201	116,475
2020	978,583	28,648	72,201	100,849
2021-2024	812,924	14,507	70,494	85,001
	$ 5,293,218	$ 307,129	$ 593,205	$ 900,334

Credit risk – As of September 30, 2015 the County is not subject to credit risk from the swap agreements since the fair value of each swap was negative. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to credit risk.

Subsequent to year end the County issued the Limited Ad Valorem Refunding Bond, Series 2016 with a face value of $11,380,000 to refund the Limited General Obligation Bonds Series 2009 and Series 2010.

NOTE 8 - Short-term debt:

A summary of changes in governmental short-term debt as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Tax anticipation note	$ -	$ 3,000,000	$ 3,000,000	$ -

The Board entered into a short term note payable agreement to provide operating capital for its General Fund operations.

NOTE 9 - Landfill Closure and Postclosure Costs:

State and federal laws and regulations require the County to place a final cover on the Construction and Demolition Debris Landfill (C&D) Landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for five years after closure. The C&D Landfill facility was closed April 2006. All accrued costs for postclosure care have been amortized.

The County is no longer required by state and federal laws and regulations to establish escrow accounts for closure and postclosure costs of the three landfills.

NOTE 10 - Operating Lease Commitments:

The County has various operating leases for facilities, vehicles and equipment with maturities ranging from monthly to March 31, 2018. Monthly lease expense ranges from $93 to $8,597. During the year ended September 30, 2015, the lease payments totaled $464,971.

The future minimum lease payments for the remaining terms are as follows:

Year Ending September 30,		Amount
2016	$	233,641
2017		221,328
2018		190,743
2019		128,152
2020		113,050
	$	886,914

NOTE 11 – State of Florida Pension Plans:

Defined Benefit Pension Plan

The County participates in two defined pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the State of Florida Department of Management Services, Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000 or by calling (850) 488-6491.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, *Florida Statutes.* Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, *Florida Statutes,* or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, *Florida Statutes.* The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation if the average of the eight highest fiscal years' earnings.

NOTE 11 – State of Florida Pension Plans: (continued)

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, *Florida Statutes.*

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS. The County's contribution rates as of September 30, 2015 are as follows:

	FRS	HIS
Regular Employees	5.60%	1.66%
Elected County Officials	40.61%	1.66%
Senior Management	19.77%	1.66%
Deferred Retirement Option Programs Employees	11.22%	1.66%

The County's contributions to FRS and HIS for the year ended September 30, 2015, were $3,954,117 to the FRS and $425,713 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	$ 20,680,574	$ 10,534,340
Proportion at:		
Current measurement date	0.1601%	0.1033%
Prior measurement date	0.1550%	0.1023%
Pension expense (benefit)	$ 1,138,960	$ 772,336

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 11 – State of Florida Pension Plans: (continued)

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,183,256	$ 490,480	$ -	$ -
Changes of assumptions	1,372,639	-	828,778	-
Net difference between projected and actual earnings on pension plan investments	7,284,271	12,222,446	5,703	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,531,207	2,865,569	131,121	183,816
Employer contributions subsequent to the measurement date	966,174	-	124,317	-
TOTALS	$ 13,337,547	$ 15,578,495	$ 1,089,919	$ 183,816

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (907,929)	$ 126,601
2017	(907,929)	126,601
2018	(907,929)	126,601
2019	(907,928)	126,600
2020	326,615	125,175
Thereafter	97,978	150,206
TOTAL	$ (3,207,122)	$ 781,784

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with projection Scale BB.

NOTE 11 – State of Florida Pension Plans: (continued)

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

The following changes in key assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.20%	3.10%
Fixed income	18%	4.80%	4.70%
Global equity	53%	8.50%	7.20%
Real estate (property)	10%	6.80%	6.20%
Private equity	6%	11.90%	8.20%
Strategic investments	12%	6.70%	6.10%
	100%		

Discount rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to the changes in the discount rate. The sensitivity analysis shows the impact to the County's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

NOTE 11 – State of Florida Pension Plans: (continued)

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$53,588,045	$20,680,574	$(6,703,847)	$12,003,390	$10,534,340	$9,309,373

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $38,694

NOTE 12 - Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no significant reductions in insurance coverage from prior years. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

Employee life and health insurance is provided under an externally administered self-insured plan. Employees pay for cost of family health insurance coverage. The County pays all administrative fees and purchases insurance to absorb losses in excess of $150,000. Claims liabilities are reported at current dollar value and are comprised of unpaid claims on hand and a reserve for claims incurred but not reported. This estimate of approximately $1,105,444 at September 30, 2015 is based on historical experience, current trends and an actuarial study performed by an actuarial firm.

The self-insurance plan is accounted for in the Group Medical Benefit Internal Service Fund. The self-insurance plan includes the Constitutional Officers who contributed a total of $3,631,376 to the plan for the year ended September 30, 2015.

Changes in the Fund's claims liability were as follows:

	Liability October 1,	Claims incurred	Claims paid	Liability at September 30
2014 - 2015	1,452,390	6,688,237	7,035,183	1,105,444
2013 - 2014	1,669,889	5,208,415	5,425,914	1,452,390

NOTE 13 - Interfund Balances and Transfers:

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. Advances are not expected to be collected within one year. At September 30, 2015, interfund balances consisted of:

	Due from other funds	Due to other funds
General fund	$ 77,837	$ 96,185
General fund advances	1,880,000	-
Constitutional gas tax	6	-
Capital improvement revenue bonds, Series 2015	-	2,595
Nonmajor governmental funds	479,642	455,004
Airport	9,792	27,423
Utility	668	854
Utility fund advances	-	1,880,000
Nonmajor business-type funds	14,221	282
Internal services fund	177	-
	$ 2,462,343	$ 2,462,343

The advance balance of $1,880,000 due from the utilities fund for startup costs remains open.

The County makes routine transfers between its funds in the course of the fiscal year. The principal purposes of these transfers are to allocate resources for debt service, construction or other capital projects, and to provide operating subsidies. These transfers are consistent with the activities of the funds involved. A summary of the transfers follows:

	Transfer in	Transfer out
General fund	$ 520,812	$ 276,965
Constitutional gas tax	12,367	-
Transportation impact fees East	19,304	-
Nonmajor governmental funds	618,977	402,500
Nonmajor business-type funds	8,005	500,000
Total transfers	$ 1,179,465	$ 1,179,465

NOTE 14 - Commitments and Contingencies:

The County is involved in various other litigation matters arising from the normal operations of a local government. It is the opinion of management that none of those matters will have a material impact on the financial statements of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amount, if any, to be immaterial.

The County has active construction projects as of September 30, 2015. The projects include roadway improvements, and inmate facility expansion. At September 30, 2015 the County's significant construction commitments are as follows:

NOTE 14 - Commitments and Contingencies: (continued)

	Total Adjusted Contract Amounts	Remaining Commitments
Roadway Construction	15,617,262	10,513,275
Inmate Facility Expansion	14,275,178	9,249,526

NOTE 15 - Other Postemployment Benefits:

The County offers a self-funded health insurance plan that provides health, prescription drugs, dental, vision and life insurance coverage to its active employees, eligible retirees and dependents. Florida Statutes require local governments to offer the same health and hospitalization insurance coverage to retirees and their eligible dependents as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. Full time and regular part-time employees who work at least 20 hours per week are eligible to participate in the plan. Employees who are eligible for Normal or Early retirement under FRS are eligible to participate in the plan. For regular employees normal retirement age is the earlier of age 62 with 6 years of service, or any age with 30 years of service, employees can retire early with 6 years of service as long as they can receive a FRS benefit.

Special risk employees may become eligible for Normal Retirement after 25 years of special risk service or attainment of age 52 with 25 years of combined special risk and non-special risk service, employees can retire early with 6 years of service as long as they can receive an FRS benefit. Employees who become disabled in the line of duty are allowed to continue coverage. Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death for up to 36 months by paying the COBRA rates. The Board of County Commissioners can amend the benefit provisions.

The County has not established a separate GASB compliant Trust Fund or equivalent arrangement into which the County would make contributions to advance fund the obligation. Benefits are currently paid out on a pay-as-you-go basis.

The County's annual other postemployment benefit (OPEB) cost is calculated based on the required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed 30 years.

NOTE 15 - Other Postemployment Benefits: (continued)

Fiscal year ending	9/30/2015	9/30/2014	9/30/2013
Normal cost (service cost for one year)	$ 231,886	$ 292,302	$ 282,244
Amortization of UAAL	152,210	153,915	142,405
Interest on normal cost and amortization	15,364	17,849	16,986
Annual required contribution (ARC)	399,460	464,066	441,635
NOO at beginning of year	1,653,129	1,482,543	1,204,874
Annual required contribution (ARC)	399,460	464,066	441,635
Interest on NOO	71,365	60,732	48,195
Adjustment to ARC	(68,558)	(52,635)	(41,769)
Annual OPEB cost	402,267	472,163	448,061
Employer contribution	(128,929)	(301,577)	(170,392)
Increase in NOO	273,338	170,586	277,669
NOO at end of year	$ 1,926,467	$ 1,653,129	$ 1,482,543

The schedule of employer contributions was as follows:

Balance September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2013	448,061	170,392	38%	1,482,543
2014	472,163	301,577	64%	1,653,129
2015	402,267	128,929	32%	1,926,467

The funded status of the OPEB Plan as of October 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	$ 4,119,432
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 4,119,432
Funded Ratio	0.00%
Covered Payroll	$ 31,711,994
Ratio of UAAL to Covered Payroll	13.0%

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

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and program members) and include the types of benefits provided at the time

NOTE 15 - Other Postemployment Benefits: (continued)

of each evaluation and the historical pattern of sharing of benefit costs between the employer and program members to that point. The methods and assumptions used include techniques that are designed to reduce effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on historical and expected returns of the Employer's short-term investment portfolio, a discount rate of 4% was used. An inflation rate of 3.5% was assumed. In addition, the Entry Age Normal actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at October 1, 2012 is 30 years. Health insurance trends start at 8.5% for the fiscal year ending in 2012 and 8.5% for 2014, grading down to 4.0% - the ultimate trend rate in 2019.

NOTE 16 - Joint Venture:

Flagler County, Florida entered into an interlocal agreement with the City of Bunnell on February 6, 2013 to purchase and operate a potable water and sanitary wastewater utility system, ("Utility System") with the understanding that ownership and operation of the Utility System would be handled on a joint basis between the two parties. This joint venture, known as the Bunnell Flagler County Utility, purchased the assets of the existing water treatment plant on September 16, 2013 and received the wastewater assets through a donation at the closing.

The City and the County have equally shared legal responsibility for all aspects of the Utility, to include but not limited to: meeting all financial, regulatory, environmental and liability requirements; providing water, sewer and reuse service within the designated service area; and operating all other aspects of the Utility, regardless of whichever party is authorized to act.

The results of operations and cash flows are accounted for in total within the financial statement of the joint venture. The County's interest in equity is reported in the County's Utility Fund. As of September 30, 2015, the County's investment gain in the joint venture was $431,661. Complete financial statements for the joint venture may be obtained from the County at: Flagler County Clerk of Court and Comptroller, 1769 East Moody Boulevard – Building #1, Bunnell FL 32110.

On September 23, 2015, the County and the City amended and restated the Original Interlocal Agreement such that all rights and obligations concerning the operation, maintenance, financing, expansion, and control of BFCU, were transferred and assigned to the County by the City of Bunnell on October 1, 2015.

Summary financial statements for the Bunnell Flagler County Utility are as follows:

STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

ASSETS	$ 7,948,168
LIABILITIES	7,084,846
NET POSITION	
Net investment in capital assets	318,442
Unrestricted	544,880
TOTAL NET POSITION	$ 863,322

NOTE 16 - Joint Venture: (continued)

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

REVENUES	$ 2,013,953
EXPENSES	1,425,481
OPERATING INCOME	588,472
NONOPERATING REVENUES (EXPENSES), NET	(146,486)
CHANGE IN NET POSITION	441,986
NET POSITION BEGINNING OF YEAR	421,336
NET POSITION END OF YEAR	$ 863,322

As of September 30, 2015, the County's portion of contributions and net position in the joint venture are as follows:

County investment, at September 30, 2014	$ 210,668
ADD: 2015 County share of net gain	220,993
County investment in joint venture at September 30, 2015	$ 431,661

NOTE 17 – Change in Accounting Principle:

The beginning net positions of the governmental activities, business-type activities and certain enterprise funds were restated to implement the provisions of GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The effects of these restatements are summarized below:

	Governmental Activities	Airport Fund	Utility Fund	Nonmajor Enterprise Fund	Business-type Activities	Internal Service Fund
Net position, September 30, 2014, as previously reported	$ 261,002,649	$14,137,818	$2,813,767	$4,697,398	$21,648,983	$3,194,211
Net pension liability	(18,859,006)	(84,234)	(38,214)	(45,103)	(167,551)	(9,019)
Deferred outflows for contributions subsequent to measurement date	1,000,286	4,468	2,027	2,392	8,887	478
Deferred outflows for other than contributions subsequent to measurement date	2,997,943	13,390	6,075	7,170	26,635	1,434
Deferred inflows related to pensions	(19,849,139)	(88,655)	(40,221)	(47,472)	(176,348)	(9,492)
Restatement	(34,709,916)	(155,031)	(70,333)	(83,013)	(308,377)	(16,599)
Net position, October 1, 2014, as restated	$ 226,292,733	$13,982,787	$2,743,434	$4,614,385	$21,340,606	$3,177,612

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	**Final**		
REVENUES				
Taxes	$ 52,180,283	$ 52,180,283	$ 50,433,197	$ (1,747,086)
Licenses and permits	30,000	30,000	34,218	4,218
Intergovernmental	4,774,991	6,093,117	4,438,212	(1,654,905)
Charges for services	8,428,838	8,932,460	9,300,030	367,570
Fines and forfeitures	192,000	192,000	168,783	(23,217)
Miscellaneous revenue	406,523	663,278	1,065,637	402,359
Investment income	46,000	47,400	10,721	(36,679)
TOTAL REVENUES	66,058,635	68,138,538	65,450,798	(2,687,740)
EXPENDITURES				
Current				
County commission	510,150	518,150	513,355	4,795
County administration	12,178,648	12,607,149	11,134,188	1,472,961
County attorney	627,422	638,510	594,576	43,934
County engineering	569,764	586,766	576,019	10,747
Recreation, Fleet and Facilities	4,578,114	4,731,648	4,559,559	172,089
Emergency services	31,999,268	33,143,171	32,447,581	695,590
Transportation	1,466,828	1,480,562	1,386,288	94,274
Agriculture agent	231,355	240,140	227,369	12,771
Community services	3,591,052	3,591,494	3,253,903	337,591
Public library	1,078,248	1,111,653	1,064,759	46,894
Veteran services	120,470	129,401	114,378	15,023
Medical examiner	298,657	298,657	283,599	15,058
Pre-trial services	63,618	63,618	51,347	12,271
Judiciary	673,014	721,029	632,171	88,858
Pooled expenditures	3,891,724	4,008,989	3,770,869	238,120
Federal and State grants	1,257,534	3,005,710	1,449,883	1,555,827
Capital projects	574,768	779,075	342,632	436,443
Debt service				
Principal retirement	1,101,700	1,199,564	1,199,499	65
Interest and fiscal charges	293,184	304,757	291,036	13,721
TOTAL EXPENDITURES	65,105,518	69,160,043	63,893,011	5,267,032
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	953,117	(1,021,505)	1,557,787	2,579,292
OTHER FINANCING SOURCES (USES)				
Transfers in	658,220	935,968	520,812	(415,156)
Transfers out	(1,061,346)	(1,218,764)	(276,965)	941,799
Capital lease proceeds	-	960,000	960,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(403,126)	677,204	1,203,847	526,643
NET CHANGE IN FUND BALANCE	549,991	(344,301)	2,761,634	3,105,935
FUND BALANCES, BEGINNING OF YEAR	(549,991)	344,301	12,147,716	11,803,415
FUND BALANCES, END OF YEAR	$ -	$ -	14,909,350	$ 14,909,350
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	552,245	
FUND BALANCE, END OF YEAR - GAAP BASIS			$ 15,461,595	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL-
CONSTITUTIONAL GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	$ 15,582,354	$ 19,333,784	$ 9,544,926	$ (9,788,858)
Miscellaneous revenue	-	46,546	46,128	$ (418)
Investment income	5,000	5,000	4,978	(22)
Total revenues	15,587,354	19,385,330	9,596,032	(9,789,298)
EXPENDITURES				
Current				
Transportation	8,541,043	2,735,860	110,704	2,625,156
Capital Outlay	9,268,392	18,936,697	9,059,811	9,876,886
Total expenditures	17,809,435	21,672,557	9,170,515	12,502,042
Excess (deficiency) of revenues over expenditures	(2,222,081)	(2,287,227)	425,517	2,712,744
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12,482	12,367	(115)
Net change in fund balances	(2,222,081)	(2,274,745)	437,884	2,712,629
Fund balances-beginning	2,222,081	2,274,745	2,593,405	318,660
Fund balances-ending	$ -	$ -	$ 3,031,289	$ 3,031,289

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TRANSPORTATION IMPACT FEES EAST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 7,500,000	$ 10,282,855	$ 4,945,999	$ (5,336,856)
Investment income	6,000	6,000	11,525	5,525
Total revenues	7,506,000	10,288,855	4,957,524	(5,331,331)
EXPENDITURES				
Current				
Transportation	2,600,614	2,719,919	1,783	2,718,136
Capital outlay	7,600,000	10,282,855	4,945,999	5,336,856
Total expenditures	10,200,614	13,002,774	4,947,782	8,054,992
Excess (deficiency) of revenues over expenditures	(2,694,614)	(2,713,919)	9,742	2,723,661
OTHER FINANCING SOURCES (USES)				
Transfers in	-	19,305	19,304	(1)
Net change in fund balances	(2,694,614)	(2,694,614)	29,046	2,723,660
Fund balances-beginning	2,694,614	2,694,614	2,688,965	(5,649)
Fund balances-ending	$ -	$ -	$ 2,718,011	$ 2,718,011

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ROAD IMPACT FEES- PALM COAST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 13,664,293	$ 15,589,244	$ 7,583,940	$ (8,005,304)
Investment income	7,000	7,000	5,963	(1,037)
Total revenues	13,671,293	15,596,244	7,589,903	(8,006,341)
EXPENDITURES				
Current				
Transportation	14,285,823	10,996,235	6,615,524	4,380,711
Capital outlay	1,373,547	6,588,086	987,653	5,600,433
Total expenditures	15,659,370	17,584,321	7,603,177	9,981,144
Excess (deficiency) of revenues over expenditures	(1,988,077)	(1,988,077)	(13,274)	1,974,803
Fund balances-beginning	1,988,077	1,988,077	2,002,379	14,302
Fund balances-ending	$ -	$ -	$ 1,989,105	$ 1,989,105

FLAGLER COUNTY, FLORIDA
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

Florida Retirement System	2015
Employer's proportion of net pension liability (asset)	0.1601%
Employer's proportionate share of the net pension liability (asset)	20,680,574
Employer's covered-employee payroll **	31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.99%
Plan fiduciary net position as a percentage of the total pension liability	92.00%

Health Insurance Subsidy Program	2015
Employer's proportion of net pension liability (asset)	0.1033%
Employer's proportionate share of the net pension liability (asset)	10,534,340
Employer's covered-employee payroll **	31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.62%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:
* The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

** Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

FLAGLER COUNTY, FLORIDA
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

Florida Retirement System	2015
Contractually required contribution	$ 3,954,117
Contributions in relation to the contractually required contribution	3,954,117
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll **	$ 31,711,994
Contributions as a percentage of covered-employee payroll	12.47%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 425,713
Contributions in relation to the contractually required contribution	425,713
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll **	$ 31,711,994
Contributions as a percentage of covered-employee payroll	1.34%

Notes to schedules:
** Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

FLAGLER COUNTY, FLORIDA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POST EMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2010	$ -	$ 3,205,323	$ 3,205,323	0%	$ 30,300,796	11.0%
10/1/2012	-	4,272,162	4,272,162	0%	27,262,112	15.7%
10/1/2014	-	4,119,432	4,119,432	0%	31,711,994	13.0%

Schedule of Employer Contribution

Year End September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2013	448,061	170,392	38%	1,482,543
2014	472,163	301,577	64%	1,653,129
2015	402,267	128,929	32%	1,926,467

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose other than debt service or capital projects.

County Transportation Trust Fund

This fund was established to account for and report proceeds of local and state gas taxes. Expenditures in this fund are restricted for road and right of way maintenance within the County.

Legal Aid Fund

This fund was established to account for and report proceeds for 25% of the $65.00 criminal violation fines pursuant to Section 939.185, Florida Statutes. Expenditures in this fund are restricted to fund legal aid programs.

Law Enforcement Trust Fund

This fund was established to account for and report proceeds received from the sale of confiscated property. Expenditures in this fund are restricted for law enforcement.

Law Library

This fund was established to account for and report proceeds for 25% of the $65.00 criminal violation fines pursuant to Section 939.185, Florida Statutes. Expenditures in this fund are restricted to fund personnel and legal material for the public as part of a law library.

Court Facilities

This fund was established to account for and report proceeds from a surcharge on noncriminal traffic infractions or criminal violations pursuant to Section 318.17, Florida Statutes. Expenditures in this fund are restricted to fund State court facilities.

Tourist Development Tax – Capital

This fund was established to account for and report proceeds for 22.5% of the 4% local option tourist development tax on transient lodging within the County. Expenditures in this fund are restricted to capital projects that help promote the County as a strong visitor destination.

Tourist Development Tax – Promotion

This fund was established to account for and report proceeds for 66.25% of the 4% local option tourist development tax on transient lodging within the County. Expenditures in this fund are restricted to promotional and advertising activities that help promote the County as a strong visitor destination.

Tourist Development Tax – Beach Restoration

This fund was established to account for and report proceeds for 11.25% of the 4% local option tourist development tax on transient lodging within the County. Expenditures in this fund are restricted to beach restoration and maintenance activities that help promote the County as a strong visitor destination.

Environmentally Sensitive Lands

This fund was established to account for and report proceeds from the Limited General Obligation Bonds, Series 2005. Expenditures in this fund are restricted to acquire environmentally sensitive lands within the County.

SPECIAL REVENUE FUNDS: (continued)

Environmentally Sensitive Lands – 2008 Referendum

This fund was established to account for and report proceeds from the .25 mills voter approved ad valorem levy. Expenditures in this fund are restricted to acquire environmentally sensitive lands, recreation areas and water recharge areas within the County.

Utility Regulatory Authority

This fund was established to account for and report proceeds from the fee imposed by ordinance to be used by the County to regulate local water and wastewater utilities as per Chapter 367, Florida Statutes. The fee was temporarily reduced to 0% in 2002, rate that remains in effect until amended by the Board.

800 MGHZ Expansion

This fund was established to account for and report proceeds received from the City of Palm Coast for the purpose of future upgrade and expansion of the current 800 MGHZ system.

Transportation Impact Fees – West

This fund was established to account for and report proceeds from impact fees for transportation infrastructure improvements and equipment directly attributable to growth west of the Florida East Coast Railroad right of way.

New Transportation Impact Fees – East

This fund was established to account for and report proceeds from impact fees for transportation infrastructure improvements and equipment directly attributable to growth east of the Florida East Coast Railroad right of way.

Daytona North Service District

This fund was established to account for and report proceeds from a special assessment on benefited property for the maintenance of streets, recreational facilities and services within the boundaries of the Daytona North Service District.

Park Impact Fees

This fund was established to account for and report proceeds from impact fees for park land acquisition improvements and equipment directly attributed to growth. These fees are collected and expended within four delineated zones within the County. The four zones are accounted for within this fund.

Economic Development

This fund was established to account for and report proceeds from the repayment of CDBG funding. The balance remaining is being expended to fund the County's Economic Development Incentive Program.

State Housing Initiative

This fund was established to account for and report proceeds received from the distribution of State funds to local housing programs.

SPECIAL REVENUE FUNDS: (continued)

Community Redevelopment Block Grant (CDBG) Neighborhood Stabilization

This fund was established to account for and report proceeds received from grant funding under the Neighborhood Stabilization Program 3 (NSP3). Funds are expended for the acquisition and rehabilitation of eligible foreclosed properties to rent to qualified households.

Bimini Gardens Municipal Service

This fund was established to account for and report proceeds from a special assessment on benefited property for the acquisition, construction and improvements of roads and related drainage within the Bimini Gardens Service District.

Espanola Mosquito Control

This fund was established to account for and report proceeds from State grant revenues and a special assessment on benefited property for purpose of funding mosquito control services in the Espanola area.

Rima Ridge Mosquito Control

This fund was established to account for and report proceeds from State grant revenues and a special assessment on benefited property for purpose of funding mosquito control services in the Rima Ridge area.

Building Department

This fund was established to account for and report fees collected on building permits issued within the unincorporated area of Flagler County. The fees are used to fund the operations of the Building Department.

Domestic Violence

This fund was established to account for and report proceeds received from the surcharge levied pursuant to the provisions of Section 938.08, Florida Statutes to be used to defray to costs of incarceration of persons sentenced under Section 741.283, Florida Statutes and provide additional domestic violence training to law enforcement.

Alcohol and Other Drug Trust Fund

This fund was established to account for and report proceeds received from the fees imposed pursuant to the provisions of Section 893.165, Florida Statutes to be used to fund local substance abuse programs.

Court Technology

This fund was established to account for and report proceeds received from the recording fee collected pursuant to the provisions of Section 28.24(12)(e)1, Florida Statutes to be used to fund court related technology.

Juvenile Diversion

This fund was established to account for and report the portion of proceeds received from the fee collected pursuant to the provisions of Section 939.185, Florida Statutes to be used to fund juvenile programs.

Crime Prevention

This fund was established to account for and report proceeds received from the fee collected pursuant to the provisions of Section 775.083(2), Florida Statutes to be used to fund crime prevention programs.

SPECIAL REVENUE FUNDS: (continued)

Court Innovations

This fund was established to account for and report the portion of proceeds received from the fees imposed pursuant to the provisions of Section 939.185, Florida Statutes to be used to fund innovations to supplement state funding within the state court system.

Teen Court

This fund was established to account for and report the proceeds received from the fees imposed pursuant to the provisions of Section 939.19, Florida Statutes to be used to fund the operation and administration of a teen court program.

E911

This fund was established to account for and report the 911 fees imposed and collected from local telephone customers and wireless customers. Expenditures are restricted to the establishment and maintenance of 911 emergency services within the County.

Court Operations

This fund was established to account for all financial resources that are generated from court operations of the Clerk's Office. Said resources are to be used specifically as noted in 28.35(3)(a), Florida Statutes.

Clerk Court Technology

This fund was established to account for certain revenues as noted in FS 28.24 and FS 28.37(2) that are to be used exclusively for court related functions in accordance with FS 29.008 and FS 28.37(2), respectively.

Records Modernization

This fund was established to account for certain revenue that is to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment , personnel training and technical assistance in modernizing the public records system of the Clerk's Office in accordance with Section 28.24 (12)(d), Florida Statutes.

Law Enforcement Automation

This fund was established to account for and report funds received from a municipality restricted for the acquisition of public safety equipment.

Federal Equitable Sharing Fund

This fund was established to account for and report resources received under the U.S. Department of Justice's Equitable Sharing program.

Law Enforcement Education

This fund was established to account for and report revenues received pursuant to Section 943.25, Florida Statutes, to be used for expenditures related to law enforcement education.

SPECIAL REVENUE FUNDS: (continued)

Inmate Welfare

This fund was established to account for and report revenues and expenditures related to the commissary operations of the detention facility.

DEBT SERVICE FUNDS:

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to the expenditures for the payment of principal and interest related to general long-tern debt.

Colbert Lane

This fund was established to account for and report the proceeds received from a special assessment against benefited lands for the repayment of the Special Assessment Bond, Series 2002.

Capital Improvements & Refunding Series 2015

This fund was established to account for and report pledged revenues collected for the repayment of principal and interest associated with the Capital Improvements & Refunding Revenue Bonds, Series 2015, issued in February 2015.

ESL Bond Sinking

This fund was established to account for and report ad valorem taxes collected for the repayment of principal and interest associated with the Limited General Obligation Bonds, Series 2005, which were issued in February, 2005.

Capital Construction

This fund was established to account for and report pledged revenues collected for the repayment of principal and interest associated with the Capital Improvement Revenue Bonds, Series 2005, which were issued in September, 2005.

Capital Construction GO Issue

This fund was established to account for and report ad valorem taxes collected for the repayment of principal and interest associated with the General Obligation Bonds, Series 2005, which were issued in September, 2005.

ESL 2008 Referendum

This fund was established to account for and report ad valorem taxes collected for the repayment of principal and interest associated with the Limited General Obligation Bonds, Series 2009, and Limited General Obligation Bonds, Series 2010, which were issued in August 2009 and October 2010, respectively.

FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS AND MAJOR CAPITAL PROJECT
FUND DESCRIPTIONS

CAPITAL PROJECTS FUNDS:

Capital projects are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

MAJOR

Capital Improvement Revenue Bonds, Series 2015

This fund was established to account for and report capital projects as authorized under the Capital Improvement Revenue Bonds, Series 2015

NONMAJOR

Beach Front Parks

This fund was established to account for and report the revenues and expenditures of a contribution received from a developer to be used for capital improvements to the Malacompra Beachfront Park Area.

Park Maintenance Trust

This fund was established to account for and report a $600,000 developer contribution to be held in an interest bearing trust fund for the maintenance of the Malacompra Beachfront Park Area. The maintenance is to be provided from the interest generated on the Trust Fund. In the event these monies are insufficient in any given year to cover the maintenance costs, up to 10% of the principal may be used to cover these costs.

Capital Projects

This fund was established to account for and report proceeds from the County's ½ Cent Discretionary Sales Tax to be used for the construction, reconstruction, or improvement of public facilities, including but not limited to public safety facilities, roads, bridges and stormwater projects, beach restoration, recreational improvements and general public infrastructure.

2008 ESL Referendum

This fund was established to account for and report proceeds received from the Limited General Obligation Bonds, Series 2009, and Series 2010, to be used to fund the acquisition of environmentally sensitive lands within the County.

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
ASSETS					
Cash and cash equivalents	$ 638,419	$ 17,434	$ 40,547	$ 41	$ 45,938
Cash with fiscal agent	-	-	-	-	-
Investments	266,277	-	-	-	923,428
Accounts receivable	28,775	15	-	14	1,467
Due from other funds	1,832	1,278	-	1,284	16,491
Due from other governments	231,630	-	42,089	-	-
Other assets	-	-	-	-	-
Total assets	$ 1,166,933	$ 18,727	$ 82,636	$ 1,339	$ 987,324
LIABILITIES					
Accounts payable and accrued liabilities	$ 114,317	$ 11,295	$ 90	$ 1,335	$ 13,094
Deposits	47,953	-	-	-	-
Due to other funds	6,361	-	8,000	-	23
Due to other governments	43	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	168,674	11,295	8,090	1,335	13,117
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	998,259	7,432	74,546	4	974,207
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	998,259	7,432	74,546	4	974,207
Total liabilities and fund balances (deficits)	$ 1,166,933	$ 18,727	$ 82,636	$ 1,339	$ 987,324

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ 176,356	$ 518,740	$ 173,509	$ 16,197	$ 2,687	$ 21,649
-	-	-	-	-	-
1,842,769	1,302,954	1,097,017	130,421	997,082	-
2,423	1,948	1,505	184	1,279	17
-	-	-	-	162	-
36,005	113,641	17,276	-	-	-
-	-	-	-	-	-
$ 2,057,553	$ 1,937,283	$ 1,289,307	$ 146,802	$ 1,001,210	$ 21,666
$ 422	$ 54,081	$ 149	$ 81	$ 316	$ -
-	-	-	-	-	-
150,000	3	-	-	-	-
-	15,000	-	-	-	-
-	-	-	-	-	-
150,422	69,084	149	81	316	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,907,131	1,868,199	1,289,158	-	-	-
-	-	-	-	-	-
-	-	-	146,721	1,000,894	-
-	-	-	-	-	-
-	-	-	-	-	21,666
1,907,131	1,868,199	1,289,158	146,721	1,000,894	21,666
$ 2,057,553	$ 1,937,283	$ 1,289,307	$ 146,802	$ 1,001,210	$ 21,666

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)			
	800 MGHZ Expansion	Transportation Impact Fees West	New Transportation Impact Fees- East	Daytona North Service District
ASSETS				
Cash and cash equivalents	$ 3,590	$ 4,810	$ 6,726	$ (5,292)
Cash with fiscal agent	-	-	-	-
Investments	901,560	125,879	788,418	633,591
Accounts receivable	1,154	165	1,015	858
Due from other funds	-	-	-	10,308
Due from other governments	-	-	-	11,019
Other assets	-	-	-	-
Total assets	$ 906,304	$ 130,854	$ 796,159	$ 650,484
LIABILITIES				
Accounts payable and accrued liabilities	$ 96	$ 45	$ 1,511	$ 987
Deposits	900,000	-	-	-
Due to other funds	-	-	-	175
Due to other governments	-	-	-	1,287
Unearned revenue	-	-	-	-
Total liabilities	900,096	45	1,511	2,449
FUND BALANCES (DEFICITS)				
Nonspendable				
Parks and recreation	-	-	-	-
Prepaids	-	-	-	-
Restricted for				
Bond covenants or debt service	-	-	-	-
Grant programs and projects	-	-	-	-
Federal and state law	-	-	-	-
Capital projects and acquisitions	6,208	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	130,809	794,648	-
Other purposes	-	-	-	648,035
Total fund balances (deficits)	6,208	130,809	794,648	648,035
Total liabilities and fund balances (deficits)	$ 906,304	$ 130,854	$ 796,159	$ 650,484

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ 66,515	$ 232,022	$ 38,877	$ 21,852	$ 16,660
-	-	-	-	-
-	-	-	-	-
312	-	-	-	14
-	-	-	-	34
41,501	-	-	-	-
-	-	-	-	-
$ 108,328	$ 232,022	$ 38,877	$ 21,852	$ 16,708
$ 50,998	$ 240	$ 1,253	$ -	$ 31
-	-	-	-	-
-	-	554	-	-
-	-	-	-	-
-	-	-	21,852	-
50,998	240	1,807	21,852	31
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	231,782	37,070	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
57,330	-	-	-	-
-	-	-	-	16,677
57,330	231,782	37,070	-	16,677
$ 108,328	$ 232,022	$ 38,877	$ 21,852	$ 16,708

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)				
	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
ASSETS					
Cash and cash equivalents	$ 30,869	$ 65,315	$ 166,807	$ 2,885	$ 17,817
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	869,851	-	-
Accounts receivable	13	24	5,753	6	14
Due from other funds	107	15	152	505	292
Due from other governments	-	-	2,750	-	-
Other assets	-	-	-	-	-
Total assets	$ 30,989	$ 65,354	$ 1,045,313	$ 3,396	$ 18,123
LIABILITIES					
Accounts payable and accrued liabilities	$ 32	$ 31	$ 40,731	$ -	$ -
Deposits	-	-	-	-	-
Due to other funds	2	-	1,072	-	-
Due to other governments	264	110	4,685	-	-
Unearned revenue	15,241	36,264	-	-	-
Total liabilities	15,539	36,405	46,488	-	-
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	998,825	3,396	18,123
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	15,450	28,949	-	-	-
Total fund balances (deficits)	15,450	28,949	998,825	3,396	18,123
Total liabilities and fund balances (deficits)	$ 30,989	$ 65,354	$ 1,045,313	$ 3,396	$ 18,123

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ 78,102	$ -	$ 13,833	$ 29,309	$ 14,961	$ 56,567
-	-	-	-	-	-
777,402	-	44,855	-	-	608,374
1,030	13	67	6	16	844
19,622	1,274	1,811	1,264	1,725	359
-	-	-	-	-	49,440
-	-	-	-	-	-
$ 876,156	$ 1,287	$ 60,566	$ 30,579	$ 16,702	$ 715,584
$ 25,480	$ 1,287	$ 3,289	$ 6,866	$ 1,514	$ 6,350
-	-	-	-	-	-
10	-	1,835	-	8	304
2,877	-	3,540	-	-	39
-	-	-	-	-	-
28,367	1,287	8,664	6,866	1,522	6,693
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
847,789	-	51,902	23,713	15,180	708,891
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
847,789	-	51,902	23,713	15,180	708,891
$ 876,156	$ 1,287	$ 60,566	$ 30,579	$ 16,702	$ 715,584

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)				
	Court Operations	Clerk Court Technology	Records Modernization	Law Enforcement Automation	Federal Equitable Sharing Fund
ASSETS					
Cash and cash equivalents	$ 188,378	$ 184,754	$ 89,077	$ -	$ 98,254
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	1,280	10	-	-	-
Due from other funds	2,694	-	-	-	-
Due from other governments	22,793	-	-	-	-
Other assets	944	39,311	28,005	-	-
Total assets	$ 216,089	$ 224,075	$ 117,082	$ -	$ 98,254
LIABILITIES					
Accounts payable and accrued liabilities	$ 27,342	$ 661	$ 125	$ -	$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	24,012
Due to other governments	188,747	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	216,089	661	125	-	24,012
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	39,311	28,005	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	184,103	88,952	-	74,242
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	-	223,414	116,957	-	74,242
Total liabilities and fund balances (deficits)	$ 216,089	$ 224,075	$ 117,082	$ -	$ 98,254

Special Revenue Funds (Continued)			Debt Service Funds	
Law Enforcement Education	Inmate Welfare	Total	Colbert Lane	Capital Improvements & Refunding Series 2015
$ 427	$ 44,256	$ 3,118,888	$ -	$ 1,992,495
-	-	-	-	-
-	-	11,309,878	-	100,217
-	14,642	64,863	-	578
-	200	61,409	6	258,315
-	-	568,144	-	303,373
-	-	68,260	-	-
$ 427	$ 59,098	$ 15,191,442	$ 6	$ 2,654,978
$ -	$ -	$ 364,049	$ -	$ 43
-	-	947,953	-	-
-	-	192,359	6	-
-	-	216,592	-	-
-	9,440	82,797	-	-
-	9,440	1,803,750	6	43
-	-	-	-	-
-	-	67,316	-	-
-	-	-	-	2,654,935
-	-	268,852	-	-
427	49,658	10,184,137	-	-
-	-	6,208	-	-
-	-	1,147,615	-	-
-	-	982,787	-	-
-	-	730,777	-	-
427	49,658	13,387,692	-	2,654,935
$ 427	$ 59,098	$ 15,191,442	$ 6	$ 2,654,978

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Debt Service Funds (Continued)				
	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
ASSETS					
Cash and cash equivalents	$ 19,827	$ 33,368	$ 66,169	$ 22,117	$ 2,133,976
Cash with fiscal agent	-	-	-	452,823	452,823
Investments	-	224,740	200,577	-	525,534
Accounts receivable	18	311	304	29	1,240
Due from other funds	1,506	-	5,656	2,750	268,233
Due from other governments	-	-	-	-	303,373
Other assets	-	-	-	-	-
Total assets	$ 21,351	$ 258,419	$ 272,706	$ 477,719	$ 3,685,179
LIABILITIES					
Accounts payable and accrued liabilities	$ 60	$ 104	$ 25,667	$ 71	$ 25,945
Deposits	-	-	-	-	-
Due to other funds	-	258,315	-	-	258,321
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	60	258,419	25,667	71	284,266
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	21,291	-	247,039	477,648	3,400,913
Grant programs and projects	-	-	-		-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	21,291	-	247,039	477,648	3,400,913
Total liabilities and fund balances (deficits)	$ 21,351	$ 258,419	$ 272,706	$ 477,719	$ 3,685,179

	Capital Projects Funds					
Beach Front Parks	Park Maintenance Trust	Capital Projects	ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
$ 7,615	$ 9,022	$ 696,283	$ 16,856	$ 729,776	$ 5,982,640
-	-	-	76,854	76,854	529,677
381,046	809,744	3,653,653	524,992	5,369,435	17,204,847
493	1,039	5,166	687	7,385	73,488
-	-	150,000	-	150,000	479,642
-	-	153,009	-	153,009	1,024,526
-	-	-	-	-	68,260
$ 389,154	$ 819,805	$ 4,658,111	$ 619,389	$ 6,486,459	$ 25,363,080
$ 90	$ 137	$ 84,107	$ 99	$ 84,433	$ 474,427
-	-	-	-	-	947,953
-	1,047	3,277	-	4,324	455,004
-	-	-	-	-	216,592
-	-	-	-	-	82,797
90	1,184	87,384	99	88,757	2,176,773
-	540,000	-	-	540,000	540,000
-	-	-	-	-	67,316
-	-	-	-	-	3,400,913
-	-	-	-	-	268,852
-	-	-	-	-	10,184,137
389,064	-	4,570,727	-	4,959,791	4,965,999
-	-	-	619,290	619,290	1,766,905
-	-	-	-	-	982,787
-	278,621	-	-	278,621	1,009,398
389,064	818,621	4,570,727	619,290	6,397,702	23,186,307
$ 389,154	$ 819,805	$ 4,658,111	$ 619,389	$ 6,486,459	$ 25,363,080

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds				
	County Transportation Trust	**Legal Aid**	**Law Enforcement Trust**	**Law Library**	**Court Facilities**
REVENUES					
Taxes	$ 808,486	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	781,488	-	-	-	-
Charges for services	600,140	-	-	-	-
Fines and forfeitures	-	16,151	60,984	16,128	241,712
Miscellaneous revenue	27,354	-	-	-	238
Investment income	692	37	114	25	4,336
Total revenues	2,218,160	16,188	61,098	16,153	246,286
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	40,317	-	-
Physical environment	-	-	-	-	-
Transportation	1,713,766	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,176	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	10,191	213,135
Capital Outlay	106,730	-	-	-	221,803
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	1,820,496	45,176	40,317	10,191	434,938
Excess (deficiency) of revenues over expenditures	397,664	(28,988)	20,781	5,962	(188,652)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	34,000	-	-	-
Transfers out	(19,304)	-	-	(17,576)	-
Long term debt issued	-	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	(19,304)	34,000	-	(17,576)	-
Net change in fund balances	378,360	5,012	20,781	(11,614)	(188,652)
Fund balances-beginning	619,899	2,420	53,765	11,618	1,162,859
Fund balances-ending	$ 998,259	$ 7,432	$ 74,546	$ 4	$ 974,207

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ 438,365	$ 1,383,584	$ 210,342	$ -	$ 162	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,515	2,839	2,019	2,544	3,835	33
444,880	1,386,423	212,361	2,544	3,997	33
-	-	-	-	-	-
-	-	-	-	-	-
-	-	773	3,114	8,951	-
-	-	-	-	-	-
-	1,178,020	-	-	-	-
-	-	-	-	-	-
182,682	-	-	-	-	-
-	-	-	-	-	-
150,000	24,487	-	485,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
332,682	1,202,507	773	488,114	8,951	-
112,198	183,916	211,588	(485,570)	(4,954)	33
-	-	-	-	-	-
-	-	-	-	(50,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(50,000)	-
112,198	183,916	211,588	(485,570)	(54,954)	33
1,794,933	1,684,283	1,077,570	632,291	1,055,848	21,633
$ 1,907,131	$ 1,868,199	$ 1,289,158	$ 146,721	$ 1,000,894	$ 21,666

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)			
	800 MGHZ Expansion	Transportation Impact Fees West	New Transportation Impact Fees- East	Daytona North Service District
REVENUES				
Taxes	$ -	$ -	$ -	$ 64,701
Special assessments/Impact fees	-	-	-	253,616
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous revenue	-	-	-	-
Investment income	3,358	289	2,712	2,420
Total revenues	3,358	289	2,712	320,737
EXPENDITURES				
Current				
General government	-	-	-	25,473
Public safety	618	-	-	-
Physical environment	-	-	-	-
Transportation	-	201	656	227,555
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	618	201	656	253,028
Excess (deficiency) of revenues over expenditures	2,740	88	2,056	67,709
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,560
Transfers out	-	-	-	-
Long term debt issued	-	-	-	-
Premium on long term debt issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	-	-	1,560
Net change in fund balances	2,740	88	2,056	69,269
Fund balances-beginning	3,468	130,721	792,592	578,766
Fund balances-ending	$ 6,208	$ 130,809	$ 794,648	$ 648,035

Special Revenue Funds (Continued)

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ -	$ -	$ -	$ -	$ -
19	-	-	-	5,520
-	-	-	-	-
404,678	-	506,960	867	-
-	-	-	-	-
-	-	-	-	-
-	-	20,171	-	-
529	217	315	-	25
405,226	217	527,446	867	5,545
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,472
-	961	556,671	867	-
-	-	-	-	-
122	-	-	-	-
-	-	-	-	-
500,920	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
501,042	961	556,671	867	2,472
(95,816)	(744)	(29,225)	-	3,073
57,138	-	-	-	34
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
57,138	-	-	-	34
(38,678)	(744)	(29,225)	-	3,107
96,008	232,526	66,295	-	13,570
$ 57,330	$ 231,782	$ 37,070	$ -	$ 16,677

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)				
	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	1,341	2,440	-	-	-
Licenses and permits	-	-	768,197	-	-
Intergovernmental	561	497	-	-	-
Charges for services	-	-	3,275	-	-
Fines and forfeitures	-	-	3,990	6,238	3,264
Miscellaneous revenue	-	-	2,156	-	-
Investment income	23	45	2,495	10	24
Total revenues	1,925	2,982	780,113	6,248	3,288
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	556,130	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	916	887	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	48,803	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	916	887	604,933	-	-
Excess (deficiency) of revenues over expenditures	1,009	2,095	175,180	6,248	3,288
OTHER FINANCING SOURCES (USES)					
Transfers in	8	15	-	-	-
Transfers out	-	-	-	(5,812)	-
Long term debt issued	-	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	8	15	-	(5,812)	-
Net change in fund balances	1,017	2,110	175,180	436	3,288
Fund balances-beginning	14,433	26,839	823,645	2,960	14,835
Fund balances-ending	$ 15,450	$ 28,949	$ 998,825	$ 3,396	$ 18,123

Special Revenue Funds (Continued)

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	441,449
-	-	-	-	-	197
215,430	16,112	22,588	16,080	24,661	-
-	-	-	-	-	3,750
2,505	23	185	39	42	2,108
217,935	16,135	22,773	16,119	24,703	447,504
-	-	-	-	-	-
-	-	18,928	-	-	350,489
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
111,576	-	-	116,683	64,111	-
42,978	-	-	-	-	6,856
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
154,554	-	18,928	116,683	64,111	357,345
63,381	16,135	3,845	(100,564)	(39,408)	90,159
9,792	-	-	130,206	39,007	-
-	(24,126)	(15,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,792	(24,126)	(15,000)	130,206	39,007	-
73,173	(7,991)	(11,155)	29,642	(401)	90,159
774,616	7,991	63,057	(5,929)	15,581	618,732
$ 847,789	$ -	$ 51,902	$ 23,713	$ 15,180	$ 708,891

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds (Continued)				
	Court Operations	Clerk Court Technology	Records Modernization	Law Enforcement Automation	Federal Equitable Sharing Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	268,080	-	-	-	-
Charges for services	1,274,112	204,659	70,127	135,000	-
Fines and forfeitures	161,516	48,418	-	-	80,845
Miscellaneous revenue	722	-	-	-	-
Investment income	-	4,991	471	-	-
Total revenues	1,704,430	258,068	70,598	135,000	80,845
EXPENDITURES					
Current					
General government	-	-	59,230	-	-
Public safety	-	-	-	135,000	21,180
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	1,743,332	260,882	-	-	-
Capital Outlay	-	41,249	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	1,743,332	302,131	59,230	135,000	21,180
Excess (deficiency) of revenues over expenditures	(38,902)	(44,063)	11,368	-	59,665
OTHER FINANCING SOURCES (USES)					
Transfers in	38,902	-	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	38,902	-	-	-	-
Net change in fund balances	-	(44,063)	11,368	-	59,665
Fund balances-beginning	-	267,477	105,589	-	14,577
Fund balances-ending	$ -	$ 223,414	$ 116,957	$ -	$ 74,242

Special Revenue Funds (Continued)			Debt Service Funds	
Law Enforcement Education	Inmate Welfare	Total	Colbert Lane	Capital Improvements & Refunding Series 2015
$ -	$ -	$ 2,905,640	$ -	$ 87,599
-	-	262,936	6	-
-	-	768,197	-	-
-	-	2,404,580	-	2,308,170
9,880	67,442	2,364,832	-	-
-	-	934,117	-	-
-	-	54,391	-	-
-	-	45,815	48	951
9,880	67,442	9,740,508	54	2,396,720
-	-	84,703	-	-
9,880	74,130	1,206,672	-	-
-	-	12,838	-	-
-	-	1,944,650	-	-
-	-	1,736,519	-	-
-	-	46,979	-	-
-	-	182,804	-	-
-	-	2,519,910	-	-
-	-	1,628,826	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	154	100
9,880	74,130	9,363,901	154	100
-	(6,688)	376,607	(100)	2,396,620
-	-	310,662	-	258,315
-	-	(131,818)	(12,367)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	178,844	(12,367)	258,315
-	(6,688)	555,451	(12,467)	2,654,935
427	56,346	12,832,241	12,467	-
$ 427	$ 49,658	$ 13,387,692	$ -	$ 2,654,935

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Debt Service Funds (Continued)				
	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
REVENUES					
Taxes	$ 531,907	$ 119,797	$ 1,985,990	$ 1,049,045	$ 3,774,338
Special assessments/Impact fees	-	-	-	-	6
Licenses and permits	-	-	-	-	-
Intergovernmental	-	271,402	-	-	2,579,572
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	87	1,439	(406)	499	2,618
Total revenues	531,994	392,638	1,985,584	1,049,544	6,356,534
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	605,000	2,818,338	26,990,000	415,000	30,828,338
Interest and fiscal charges	66,431	564,385	1,306,839	626,201	2,563,856
Other debt service costs	427	332,859	558,262	473	892,275
Total expenditures	671,858	3,715,582	28,855,101	1,041,674	34,284,469
Excess (deficiency) of revenues over expenditures	(139,864)	(3,322,944)	(26,869,517)	7,870	(27,927,935)
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	-	-	-	308,315
Transfers out	-	(258,315)	-	-	(270,682)
Long term debt issued	-	20,965,000	25,500,000	-	46,465,000
Premium on long term debt issued	-	2,120,073	1,544,546	-	3,664,619
Payments to refunded bond escrow agent	-	(22,753,259)	-	-	(22,753,259)
Total other financing sources (uses)	50,000	73,499	27,044,546	-	27,413,993
Net change in fund balances	(89,864)	(3,249,445)	175,029	7,870	(513,942)
Fund balances-beginning	111,155	3,249,445	72,010	469,778	3,914,855
Fund balances-ending	$ 21,291	$ -	$ 247,039	$ 477,648	$ 3,400,913

Capital Projects Funds					
Beach Front Parks	Park Maintenance Trust	Capital Projects	ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
$ -	$ -	$ 2,317,690	$ -	$ 2,317,690	$ 8,997,668
-	-	-	-	-	262,942
-	-	-	-	-	768,197
-	-	-	-	-	4,984,152
-	-	-	-	-	2,364,832
-	-	-	-	-	934,117
-	-	18,194	-	18,194	72,585
3,961	3,136	13,386	2,066	22,549	70,982
3,961	3,136	2,349,270	2,066	2,358,433	18,455,475
-	-	296	-	296	84,999
-	-	-	-	-	1,206,672
-	-	-	1,409	1,409	14,247
-	-	-	-	-	1,944,650
-	-	-	-	-	1,736,519
-	-	-	-	-	46,979
4,770	19,094	-	525	24,389	207,193
-	-	-	-	-	2,519,910
576,277	-	1,299,999	-	1,876,276	3,505,102
-	-	-	-	-	30,828,338
-	-	-	-	-	2,563,856
-	-	-	-	-	892,275
581,047	19,094	1,300,295	1,934	1,902,370	45,550,740
(577,086)	(15,958)	1,048,975	132	456,063	(27,095,265)
-	-	-	-	-	618,977
-	-	-	-	-	(402,500)
-	-	-	-	-	46,465,000
-	-	-	-	-	3,664,619
-	-	-	-	-	(22,753,259)
-	-	-	-	-	27,592,837
(577,086)	(15,958)	1,048,975	132	456,063	497,572
966,150	834,579	3,521,752	619,158	5,941,639	22,688,735
$ 389,064	$ 818,621	$ 4,570,727	$ 619,290	$ 6,397,702	$ 23,186,307

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 788,331	$ 788,331	$ 808,486	$ 20,155
Intergovernmental	757,434	757,434	781,488	24,054
Charges for services	320,000	320,000	600,140	280,140
Miscellaneous revenue	8,000	8,000	27,354	19,354
Investment income	600	600	692	92
Total revenues	1,874,365	1,874,365	2,218,160	343,795
EXPENDITURES				
Current				
Public works	2,013,673	1,994,368	1,713,766	280,602
Capital outlay	113,884	113,884	106,730	7,154
Total expenditures	2,127,557	2,108,252	1,820,496	287,756
Excess (deficiency) of revenues over expenditures	(253,192)	(233,887)	397,664	631,551
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,500)	(29,805)	(19,304)	10,501
Net change in fund balances	(263,692)	(263,692)	378,360	642,052
Fund balances-beginning	263,692	263,692	619,899	356,207
Fund balances-ending	$ -	$ -	$ 998,259	$ 998,259

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 12,000	$ 12,000	$ 16,151	$ 4,151
Investment income		-	37	37
Total revenues	12,000	12,000	16,188	4,188
EXPENDITURES				
Current				
Legal aid	45,927	45,927	45,176	751
Excess (deficiency) of revenues over expenditures	(33,927)	(33,927)	(28,988)	4,939
OTHER FINANCING SOURCES (USES)				
Transfers in	34,000	34,000	34,000	-
Net change in fund balances	73	73	5,012	4,939
Fund balances-beginning	(73)	(73)	2,420	2,493
Fund balances-ending	$ -	$ -	$ 7,432	$ 7,432

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 45,000	$ 45,000	$ 60,984	$ 15,984
Investment income	200	200	114	(86)
Total revenues	45,200	45,200	61,098	15,898
EXPENDITURES				
Current				
Public safety	72,988	72,988	40,317	32,671
Excess (deficiency) of revenues over expenditures	(27,788)	(27,788)	20,781	48,569
Fund balances-beginning	27,788	27,788	53,765	25,977
Fund balances-ending	$ -	$ -	$ 74,546	$ 74,546

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 10,000	$ 16,128	$ 16,128	$ -
Investment income	-	25	25	-
Total revenues	10,000	16,153	16,153	-
EXPENDITURES				
Current				
Public library	12,500	10,196	10,191	5
Excess (deficiency) of revenues over expenditures	(2,500)	5,957	5,962	5
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(17,576)	(17,576)	-
Net change in fund balances	(2,500)	(11,619)	(11,614)	5
Fund balances-beginning	2,500	11,619	11,618	(1)
Fund balances-ending	$ -	$ -	$ 4	$ 4

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 250,000	$ 250,000	$ 241,712	$ (8,288)
Miscellaneous revenue	-	-	238	238
Investment income	4,000	4,000	4,336	336
Total revenues	254,000	254,000	246,286	(7,714)
EXPENDITURES				
Current				
Judiciary	1,005,125	1,001,321	213,135	788,186
Capital Outlay		221,804	221,803	1
Total expenditures	1,005,125	1,223,125	434,938	788,187
Excess (deficiency) of revenues over expenditures	(751,125)	(969,125)	(188,652)	780,473
Fund balances-beginning	751,125	969,125	1,162,859	193,734
Fund balances-ending	$ -	$ -	$ 974,207	$ 974,207

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 350,000	$ 350,000	$ 438,365	$ 88,365
Investment income	3,000	3,000	6,515	3,515
Total revenues	353,000	353,000	444,880	91,880
EXPENDITURES				
Current				
Tourist development	1,768,620	1,768,620	332,682	1,435,938
Excess (deficiency) of revenues over expenditures	(1,415,620)	(1,415,620)	112,198	1,527,818
OTHER FINANCING SOURCES (USES)				
Transfers out	(328,370)	(328,370)	-	328,370
Net change in fund balances	(1,743,990)	(1,743,990)	112,198	1,856,188
Fund balances-beginning	1,743,990	1,743,990	1,794,933	50,943
Fund balances-ending	$ -	$ -	$ 1,907,131	$ 1,907,131

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- PROMOTION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,105,000	$ 1,105,000	$ 1,383,584	$ 278,584
Investment income	2,000	2,000	2,839	839
Total revenues	1,107,000	1,107,000	1,386,423	279,423
EXPENDITURES				
Current				
Tourist development	2,251,750	2,251,750	1,202,507	1,049,243
Excess (deficiency) of revenues over expenditures	(1,144,750)	(1,144,750)	183,916	1,328,666
Fund balances-beginning	1,144,750	1,144,750	1,684,283	539,533
Fund balances-ending	$ -	$ -	$ 1,868,199	$ 1,868,199

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- BEACH RESTORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 168,000	$ 168,000	$ 210,342	$ 42,342
Intergovernmental	-	-	-	-
Investment income	1,200	1,200	2,019	819
Total revenues	169,200	169,200	212,361	43,161
EXPENDITURES				
Current				
Tourist development	950,301	950,301	773	949,528
Excess (deficiency) of revenues over expenditures	(781,101)	(781,101)	211,588	992,689
Fund balances-beginning	781,101	781,101	1,077,570	296,469
Fund balances-ending	$ -	$ -	$ 1,289,158	$ 1,289,158

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 2,544	$ 1,544
EXPENDITURES				
Current				
Land management	20,800	20,800	3,114	17,686
Capital outlay	608,622	608,622	485,000	123,622
Total expenditures	629,422	629,422	488,114	141,308
Excess (deficiency) of revenues over expenditures	(628,422)	(628,422)	(485,570)	142,852
Fund balances-beginning	628,422	628,422	632,291	3,869
Fund balances-ending	$ -	$ -	$ 146,721	$ 146,721

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS - 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ -	$ 162	$ 162
Intergovernmental	-	-	-	-
Investment income	2,000	2,000	3,835	1,835
Total revenues	2,000	2,000	3,997	1,997
EXPENDITURES				
Current				
Land management	474,761	479,761	8,951	470,810
Capital outlay	415,573	410,573	-	410,573
Total expenditures	890,334	890,334	8,951	881,383
Excess (deficiency) of revenues over expenditures	(888,334)	(888,334)	(4,954)	883,380
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(50,000)	-
Net change in fund balances				
Fund balances-beginning	938,334	938,334	1,055,848	117,514
Fund balances-ending	$ -	$ -	$ 1,000,894	$ 1,000,894

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 70	$ 70	$ 33	$ (37)
EXPENDITURES				
Current				
Physical environment	-	-	-	-
Excess (deficiency) of revenues over expenditures	70	70	33	(37)
Fund balances-beginning	(70)	(70)	21,633	21,703
Fund balances-ending	$ -	$ -	$ 21,666	$ 21,666

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ -	$ -	$ 3,358	$ 3,358
EXPENDITURES				
Current:				
Public safety	904,569	904,569	618	903,951
Excess (deficiency) of revenues over expenditures	(904,569)	(904,569)	2,740	907,309
Fund balances-beginning	904,569	904,569	3,468	(901,101)
Fund balances-ending	$ -	$ -	$ 6,208	$ 6,208

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TRANSPORTATION IMPACT FEES- WEST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ 10,000	$ 10,000	$ -	$ (10,000)
Investment income	300	300	289	(11)
Total revenues	10,300	10,300	289	(10,011)
EXPENDITURES				
Current				
Transportation	140,627	140,627	201	140,426
Excess (deficiency) of revenues over expenditures	(130,327)	(130,327)	88	130,415
Fund balances-beginning	130,327	130,327	130,721	394
Fund balances-ending	$ -	$ -	$ 130,809	$ 130,809

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- NEW TRANSPORTATION IMPACT FEES- EAST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 50,000	$ 50,000	$ -	$ (50,000)
Investment income	2,000	2,000	2,712	712
Total revenues	52,000	52,000	2,712	(49,288)
EXPENDITURES				
Current				
Transportation	843,017	843,017	656	842,361
Excess (deficiency) of revenues over expenditures	(791,017)	(791,017)	2,056	793,073
Fund balances-beginning	791,017	791,017	792,592	1,575
Fund balances-ending	$ -	$ -	$ 794,648	$ 794,648

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DAYTONA NORTH SERVICE DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 62,828	$ 62,828	$ 64,701	$ 1,873
Special assessments	264,080	264,080	253,616	(10,464)
Investment income	1,000	1,000	2,420	1,420
Total revenues	327,908	327,908	320,737	(7,171)
EXPENDITURES				
Current				
Public works	786,138	786,138	253,028	533,110
Excess (deficiency) of revenues over expenditures	(458,230)	(458,230)	67,709	525,939
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	1,560	60
Net change in fund balances	(456,730)	(456,730)	69,269	525,999
Fund balances-beginning	456,730	456,730	578,766	122,036
Fund balances-ending	$ -	$ -	$ 648,035	$ 648,035

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 12,000	$ 4,500	$ 19	$ (4,481)
Intergovernmental	376,350	408,661	404,678	(3,983)
Investment income	318	218	529	311
Total revenues	388,668	413,379	405,226	(8,153)
EXPENDITURES				
Current				
Recreation	56,312	56,312	122	56,190
Capital outlay	481,350	500,934	500,920	14
Total expenditures	537,662	557,246	501,042	56,204
Excess (deficiency) of revenues over expenditures	(148,994)	(143,867)	(95,816)	48,051
OTHER FINANCING SOURCES (USES)				
Transfers in	49,900	57,138	57,138	-
Net change in fund balances	(99,094)	(86,729)	(38,678)	48,051
Fund balances-beginning	99,094	86,729	96,008	9,279
Fund balances-ending	$ -	$ -	$ 57,330	$ 57,330

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 400	$ 400	$ 217	$ (183)
EXPENDITURES				
Current				
CDBG grant	232,800	232,800	961	231,839
Excess (deficiency) of revenues over expenditures	(232,400)	(232,400)	(744)	231,656
Fund balances-beginning	232,400	232,400	232,526	126
Fund balances-ending	$ -	$ -	$ 231,782	$ 231,782

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 473,577	$ 504,462	$ 506,960	$ 2,498
Charges for services	-	-	-	-
Miscellaneous revenue	-	-	20,171	20,171
Investment income	7,000	7,000	315	(6,685)
Total revenues	480,577	511,462	527,446	15,984
EXPENDITURES				
Current				
SHIP program	527,000	576,885	556,671	20,214
Excess (deficiency) of revenues over expenditures	(46,423)	(65,423)	(29,225)	36,198
Fund balances-beginning	46,423	65,423	66,295	872
Fund balances-ending	$ -	$ -	$ 37,070	$ 37,070

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 10,000	$ 10,000	$ 867	$ (9,133)
EXPENDITURES				
Current				
CDBG grant	10,000	10,000	867	9,133
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BIMINI GARDENS MUNICIPAL SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 5,600	$ 5,600	$ 5,520	$ (80)
Investment income	20	20	25	5
Total revenues	5,620	5,620	5,545	(75)
EXPENDITURES				
Current				
Public works	16,619	16,619	2,472	14,147
Excess (deficiency) of revenues over expenditures	(10,999)	(10,999)	3,073	14,072
OTHER FINANCING SOURCES (USES)				
Transfers in	40	40	34	(6)
Net change in fund balances	(10,959)	(10,959)	3,107	14,066
Fund balances-beginning	10,959	10,959	13,570	2,611
Fund balances-ending	$ -	$ -	$ 16,677	$ 16,677

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 1,200	$ 1,200	$ 1,341	$ 141
Intergovernmental	-	-	561	561
Investment income	-	-	23	23
Total revenues	1,200	1,200	1,925	725
EXPENDITURES				
Current				
Mosquito control	9,185	9,185	916	8,269
Excess (deficiency) of revenues over expenditures	(7,985)	(7,985)	1,009	8,994
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8	8
Net change in fund balances	(7,985)	(7,985)	1,017	9,002
Fund balances-beginning	7,985	7,985	14,433	6,448
Fund balances-ending	$ -	$ -	$ 15,450	$ 15,450

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RIMA RIDGE MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 2,400	$ 2,400	$ 2,440	$ 40
Intergovernmental	-	-	497	497
Investment income	-	-	45	45
Total revenues	2,400	2,400	2,982	582
EXPENDITURES				
Current				
Mosquito control	24,445	24,445	887	23,558
Excess (deficiency) of revenues over expenditures	(22,045)	(22,045)	2,095	24,140
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15	15
Net change in fund balances	(22,045)	(22,045)	2,110	24,155
Fund balances-beginning	22,045	22,045	26,839	4,794
Fund balances-ending	$ -	$ -	$ 28,949	$ 28,949

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Licenses and permits	$ 457,000	$ 457,000	$ 768,197	$ 311,197
Charges for services	600	600	3,275	2,675
Fines and forfeitures	1,000	1,000	3,990	2,990
Miscellaneous revenue	500	500	2,156	1,656
Investment income	-	-	2,495	2,495
Total revenues	459,100	459,100	780,113	321,013
EXPENDITURES				
Current				
Building	1,075,194	1,022,748	556,130	466,618
Capital outlay	-	52,446	48,803	3,643
Total expenditures	1,075,194	1,075,194	604,933	470,261
Excess (deficiency) of revenues over expenditures	(616,094)	(616,094)	175,180	791,274
Fund balances-beginning	616,094	616,094	823,645	207,551
Fund balances-ending	$ -	$ -	$ 998,825	$ 998,825

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 3,000	$ 3,000	$ 6,238	$ 3,238
Investment income	-	-	10	10
Total revenues	3,000	3,000	6,248	3,248
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,356)	(5,812)	(5,812)	-
Net change in fund balances	(356)	(2,812)	436	3,248
Fund balances-beginning	356	2,812	2,960	148
Fund balances-ending	$ -	$ -	$ 3,396	$ 3,396

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ALCOHOL AND DRUG TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 2,000	$ 2,000	$ 3,264	$ 1,264
Investment income	-	-	24	24
Total revenues	2,000	2,000	3,288	1,288
EXPENDITURES				
Current				
Judiciary	15,668	15,668	-	15,668
Excess (deficiency) of revenues over expenditures	(13,668)	(13,668)	3,288	16,956
Fund balances-beginning	13,668	13,668	14,835	1,167
Fund balances-ending	$ -	$ -	$ 18,123	$ 18,123

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 162,000	$ 162,000	$ 215,430	$ 53,430
Investment income	1,800	1,800	2,505	705
Total revenues	163,800	163,800	217,935	54,135
EXPENDITURES				
Current				
Judiciary	777,464	757,196	111,576	645,620
Capital outlay	32,700	62,761	42,978	19,783
Total expenditures	810,164	819,957	154,554	665,403
Excess (deficiency) of revenues over expenditures	(646,364)	(656,157)	63,381	719,538
OTHER FINANCING SOURCES (USES)				
Transfers in		9,793	9,792	(1)
Net change in fund balances	(646,364)	(646,364)	73,173	719,537
Fund balances-beginning	646,364	646,364	774,616	128,252
Fund balances-ending	$ -	$ -	$ 847,789	$ 847,789

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Budget**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,200	$ 16,111	$ 16,112	$ 1
Investment income	-	23	23	-
Total revenues	13,200	16,134	16,135	1
EXPENDITURES				
Current				
Judiciary	5,540	-	-	-
Excess (deficiency) of revenues over expenditures	7,660	16,134	16,135	1
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,000)	(24,126)	(24,126)	-
Net change in fund balances	(7,340)	(7,992)	(7,991)	1
Fund balances-beginning	7,340	7,992	7,991	(1)
Fund balances-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 22,588	$ 2,588
Investment income	250	250	185	(65)
Total revenues	20,250	20,250	22,773	2,523
EXPENDITURES				
Current				
Public safety	45,359	45,359	18,928	26,431
Excess (deficiency) of revenues over expenditures	(25,109)	(25,109)	3,845	28,954
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,700)	(20,700)	(15,000)	5,700
Net change in fund balances	(45,809)	(45,809)	(11,155)	34,654
Fund balances-beginning	45,809	45,809	63,057	17,248
Fund balances-ending	$ -	$ -	$ 51,902	$ 51,902

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,000	$ 13,000	$ 16,080	$ 3,080
Investment income	100	100	39	(61)
Total revenues	13,100	13,100	16,119	3,019
EXPENDITURES				
Current				
Judiciary	118,311	151,147	116,683	34,464
Excess (deficiency) of revenues over expenditures	(105,211)	(138,047)	(100,564)	37,483
OTHER FINANCING SOURCES (USES)				
Transfers in	103,504	138,702	130,206	(8,496)
Net change in fund balances	(1,707)	655	29,642	28,987
Fund balances-beginning	1,707	(655)	(5,929)	(5,274)
Fund balances-ending	$ -	$ -	$ 23,713	$ 23,713

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 23,000	$ 23,000	$ 24,661	$ 1,661
Investment income	-	-	42	42
Total revenues	23,000	23,000	24,703	1,703
EXPENDITURES				
Current				
Judiciary	67,604	70,604	64,111	6,493
Excess (deficiency) of revenues over expenditures	(44,604)	(47,604)	(39,408)	8,196
OTHER FINANCING SOURCES (USES)				
Transfers in	39,007	39,007	39,007	-
Net change in fund balances	(5,597)	(8,597)	(401)	8,196
Fund balances-beginning	5,597	8,597	15,581	6,984
Fund balances-ending	$ -	$ -	$ 15,180	$ 15,180

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 330,136	$ 330,136	$ 441,449	$ 111,313
Charges for services	-	-	197	197
Miscellaneous revenue			3,750	3,750
Investment income	1,300	1,300	2,108	808
Total revenues	331,436	331,436	447,504	116,068
EXPENDITURES				
Current				
Public safety	1,021,285	1,021,285	350,489	670,796
Capital outlay	10,000	10,000	6,856	3,144
Total expenditures	1,031,285	1,031,285	357,345	673,940
Excess (deficiency) of revenues over expenditures	(699,849)	(699,849)	90,159	790,008
Fund balances-beginning	699,849	699,849	618,732	(81,117)
Fund balances-ending	$ -	$ -	$ 708,891	$ 708,891

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 286,199	$ 238,896	$ 268,080	$ 29,184
Charges for services	1,357,273	1,291,673	1,274,112	(17,561)
Fines and forfeitures	131,670	161,470	161,516	46
Miscellaneous revenue	-	700	722	22
Total revenues	1,775,142	1,692,739	1,704,430	11,691
EXPENDITURES				
Current				
Judiciary	1,801,939	1,668,541	1,668,308	233
Excess (deficiency) of revenues over expenditures	(26,797)	24,198	36,122	11,924
OTHER FINANCING SOURCES (USES)				
Reversions to other governments	-	(63,100)	(75,024)	(11,924)
Transfers in	26,797	38,902	38,902	-
TOTAL OTHER FINANCING SOURCES (USES)	26,797	(24,198)	(36,122)	(11,924)
Net change in fund balances	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CLERK COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 195,000	$ 204,500	$ 204,659	$ 159
Fines and forfeitures	65,000	48,500	48,418	(82)
Investment income	-	-	4,991	4,991
Total revenues	260,000	253,000	258,068	5,068
EXPENDITURES				
Current				
Judiciary	184,965	261,260	260,882	378
Capital outlay	-	41,250	41,249	1
Total expenditures	184,965	302,510	302,131	379
Excess (deficiency) of revenues over expenditures	75,035	(49,510)	(44,063)	5,447
Fund balances-beginning	(75,035)	49,510	267,477	217,967
Fund balances-ending	$ -	$ -	$ 223,414	$ 223,414

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 68,000	$ 66,500	$ 70,127	$ 3,627
Investment revenue	-	500	471	(29)
Total revenues	68,000	67,000	70,598	3,598
EXPENDITURES				
Current				
General government	182,000	162,000	59,230	102,770
Excess (deficiency) of revenues over expenditures	(114,000)	(95,000)	11,368	106,368
Fund balances-beginning	114,000	95,000	105,589	10,589
Fund balances-ending	$ -	$ -	$ 116,957	$ 116,957

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT AUTOMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ -	$ 135,000	$ 135,000	$ -
EXPENDITURES				
Current				
Public safety	-	135,000	135,000	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- FEDERAL EQUITABLE SHARING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ -	$ 80,845	$ 80,845	$ -
EXPENDITURES				
Current				
Public safety	-	80,845	21,180	59,665
Excess (deficiency) of revenues over expenditures	-	-	59,665	59,665
Fund balances-beginning	-	-	14,577	14,577
Fund balances-ending	$ -	$ -	$ 74,242	$ 74,242

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 10,000	$ 10,000	$ 9,880	$ (120)
EXPENDITURES				
Current				
Public safety	10,000	10,000	9,880	120
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances-beginning	-	-	427	427
Fund balances-ending	$ -	$ -	$ 427	$ 427

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- INMATE WELFARE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 60,000	$ 67,442	$ 67,442	$ -
EXPENDITURES				
Current				
Public safety	60,000	74,130	74,130	-
Excess (deficiency) of revenues over expenditures	-	(6,688)	(6,688)	-
Fund balances-beginning	-	6,688	56,346	49,658
Fund balances-ending	$ -	$ -	$ 49,658	$ 49,658

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COLBERT LANE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ -	$ -	$ 6	$ 6
Investment income	-	-	48	48
Total revenues	-	-	54	54
EXPENDITURES				
Debt service				
Principal retirement				-
Interest and fiscal charges				-
Other debt service costs		260	154	106
Total expenditures	-	260	154	106
Excess (deficiency) of revenues over expenditures	-	(260)	(100)	160
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(12,482)	(12,367)	115
Net change in fund balance	-	(12,742)	(12,467)	275
Fund balance-beginning		12,742	12,467	(275)
Fund balance-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL IMPROVEMENTS & REFUNDING SERIES 2015
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ 86,717	$ 87,599	$ 882
Intergovernmental	-	2,234,430	2,308,170	73,740
Investment income	-	-	951	951
Total revenues	-	2,321,147	2,396,720	75,573
EXPENDITURES				
Debt service				
Other debt service costs	-	560	100	460
Total expenditures	-	560	100	460
Excess (deficiency) of revenues over expenditures	-	2,320,587	2,396,620	76,033
OTHER FINANCING SOURCES (USES)				
Transfers in	-	260,000	258,315	(1,685)
Net change in fund balance	-	2,580,587	2,654,935	74,348
Fund balance-beginning	-	(2,580,587)	-	2,580,587
Fund balance-ending	$ -	$ -	$ 2,654,935	$ 2,654,935

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 550,265	$ 550,265	$ 531,907	$ (18,358)
Investment income	1,500	1,500	87	(1,413)
Total revenues	551,765	551,765	531,994	(19,771)
EXPENDITURES				
Debt service				
Principal retirement	612,302	612,302	605,000	7,302
Interest and fiscal charges	67,256	67,257	66,431	826
Other debt service costs	900	899	427	472
Total expenditures	680,458	680,458	671,858	8,600
Excess (deficiency) of revenues over expenditures	(128,693)	(128,693)	(139,864)	(11,171)
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Net change in fund balance	(78,693)	(78,693)	(89,864)	(11,171)
Fund balance-beginning	78,693	78,693	111,155	32,462
Fund balance-ending	$ -	$ -	$ 21,291	$ 21,291

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 206,514	$ 119,797	$ 119,797	$ -
Intergovernmental	1,646,879	271,403	271,402	(1)
Investment income	8,000	7,195	1,439	(5,756)
Total revenues	1,861,393	398,395	392,638	(5,757)
EXPENDITURES				
Debt service				
Principal retirement	3,822,594	1,731,741	2,818,338	(1,086,597)
Interest and fiscal charges	1,115,094	1,651,159	564,385	1,086,774
Other debt service costs	3,500	336,753	332,859	3,894
Total expenditures	4,941,188	3,719,653	3,715,582	4,071
Excess (deficiency) of revenues over expenditures	(3,079,795)	(3,321,258)	(3,322,944)	(1,686)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(260,000)	(258,315)	1,685
Long term debt issued	-	20,965,000	20,965,000	-
Premium on long term debt issued	-	2,120,073	2,120,073	-
Payments to refunded bond escrow agent	-	(22,753,259)	(22,753,259)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	71,814	73,499	1,685
Net change in fund balance	(3,079,795)	(3,249,444)	(3,249,445)	(1)
Fund balance-beginning	3,079,795	3,249,444	3,249,445	1
Fund balance-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION GO ISSUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 2,054,496	$ 2,054,496	$ 1,985,990	$ (68,506)
Investment income	500	500	(406)	(906)
Total revenues	2,054,996	2,054,996	1,985,584	(69,412)
EXPENDITURES				
Debt service				
Principal retirement	820,000	26,990,000	26,990,000	-
Interest and fiscal charges	1,157,778	1,308,014	1,306,839	1,175
Other debt service costs	1,000	658,714	558,262	100,452
Total expenditures	1,978,778	28,956,728	28,855,101	101,627
Excess (deficiency) of revenues over expenditures	76,218	(26,901,732)	(26,869,517)	32,215
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	25,500,000	25,500,000	-
Premium on long term debt issued	-	1,544,547	1,544,546	(1)
TOTAL OTHER FINANCING SOURCES (USES)	-	27,044,547	27,044,546	(1)
Net change in fund balance	76,218	142,815	175,029	32,214
Fund balance-beginning	(76,218)	(142,815)	72,010	214,825
Fund balance-ending	$ -	$ -	$ 247,039	$ 247,039

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,085,481	$ 1,085,481	$ 1,049,045	$ (36,436)
Investment income	1,500	1,500	499	(1,001)
Total revenues	1,086,981	1,086,981	1,049,544	(37,437)
EXPENDITURES				
Debt service				
Principal retirement	871,611	871,611	415,000	456,611
Interest and fiscal charges	626,203	626,204	626,201	3
Other debt service costs	600	599	473	126
Total expenditures	1,498,414	1,498,414	1,041,674	456,740
Excess (deficiency) of revenues over expenditures	(411,433)	(411,433)	7,870	419,303
Fund balance-beginning	411,433	411,433	469,778	58,345
Fund balance-ending	$ -	$ -	$ 477,648	$ 477,648

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL IMPROVEMENT REVENUE BONDS SERIES 2015
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ -	$ -	$ 25,108	$ 25,108
EXPENDITURES				
Current				
Capital projects	-	24,345,525	11,909,031	12,436,494
Excess (deficiency) of revenues over expenditures	-	(24,345,525)	(11,883,923)	12,461,602
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	21,810,000	21,810,000	-
Premium on long term debt issued	-	2,535,525	2,535,525	-
TOTAL OTHER FINANCING SOURCES (USES)	-	24,345,525	24,345,525	-
Net change in fund balances	-	-	12,461,602	12,461,602
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 12,461,602	$ 12,461,602

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,500	$ 1,500	$ 3,961	$ 2,461
EXPENDITURES				
Current				
Recreation	149,132	99,132	4,770	94,362
Capital outlay	694,340	744,340	576,277	168,063
Total expenditures	843,472	843,472	581,047	262,425
Excess (deficiency) of revenues over expenditures	(841,972)	(841,972)	(577,086)	264,886
Fund balances-beginning	841,972	841,972	966,150	124,178
Fund balances-ending	$ -	$ -	$ 389,064	$ 389,064

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,500	$ 1,500	$ 3,136	$ 1,636
EXPENDITURES				
Current				
Recreation	812,587	812,587	19,094	793,493
Excess (deficiency) of revenues over expenditures	(811,087)	(811,087)	(15,958)	795,129
Fund balances-beginning	811,087	811,087	834,579	23,492
Fund balances-ending	$ -	$ -	$ 818,621	$ 818,621

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,973,399	$ 1,973,399	$ 2,317,690	$ 344,291
Miscellaneous income	-	-	18,194	18,194
Investment income	-	-	13,386	13,386
Total revenues	1,973,399	1,973,399	2,349,270	375,871
EXPENDITURES				
Current				
Capital outlay	4,849,040	5,119,040	1,300,295	3,818,745
Excess (deficiency) of revenues over expenditures	(2,875,641)	(3,145,641)	1,048,975	4,194,616
OTHER FINANCING SOURCES (USES)				
Transfers in	1,149,552	1,149,552	-	(1,149,552)
Net change in fund balances	(1,726,089)	(1,996,089)	1,048,975	3,045,064
Fund balances-beginning	1,726,089	1,996,089	3,521,752	1,525,663
Fund balances-ending	$ -	$ -	$ 4,570,727	$ 4,570,727

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS - ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 2,066	$ 1,066
EXPENDITURES				
Land management	616,096	616,096	1,934	614,162
Excess (deficiency) of revenues over expenditures	(615,096)	(615,096)	132	615,228
Fund balances-beginning	615,096	615,096	619,158	4,062
Fund balances-ending	$ -	$ -	$ 619,290	$ 619,290

ENTERPRISE FUNDS:

Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public and a continuing bases be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The County maintains the following non-major Enterprise Funds:

Landfill

This fund was established to account for the operations, closure and postclosure care costs of the County's three landfills as well as the costs associated with the household hazardous materials and oil collection materials center.

Waste Management Fund

This fund was established to account for the collection and disposal of residential solid waste in unincorporated areas of the County

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION -
- NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Landfill Fund	Waste Management	Total
ASSETS			
Current assets			
Cash and equivalents	$ 1,696,309	$ 30,920	$ 1,727,229
Investments	1,815,816	410,204	2,226,020
Accounts receivable, net	3,760	6,209	9,969
Due from other funds	99	14,122	14,221
Total current assets	3,515,984	461,455	3,977,439
Noncurrent assets			
Land and construction in progress	203,404	-	203,404
Other capital assets, net of accumulated depreciation	41,304	-	41,304
Total noncurrent assets	244,708	-	244,708
Total assets	3,760,692	461,455	4,222,147
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	22,586	11,615	34,201
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 3,884	$ 108,475	$ 112,359
Due to other governmental agencies	70	-	$ 70
Due to other funds	160	122	282
Compensated absences	9,624	1,945	11,569
Net pension liability	613	272	885
Total current liabilities	14,351	110,814	125,165
Noncurrent liabilities			
OPEB liability	6,038	1,323	7,361
Net pension liability	48,254	24,857	73,111
Total noncurrent liabilities	54,292	26,180	80,472
Total liabilities	68,643	136,994	205,637
DEFERRED INFLOWS OF RESOURCES			
Pension related	24,676	12,689	37,365
NET POSITION			
Net investment in capital assets	244,708	-	244,708
Restricted for			
Future capital outlay	1,225,758	-	1,225,758
Unrestricted	2,219,493	323,387	2,542,880
Total net position	$ 3,689,959	$ 323,387	$ 4,013,346

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION- NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Landfill Fund	Waste Management	Total
OPERATING REVENUES			
Charges for services	$ 2,563	$ 1,334,618	$ 1,337,181
OPERATING EXPENSES			
Personal services	130,922	66,057	196,979
Vehicle fuel	1,716	-	1,716
Contractual services	17,176	1,331,780	1,348,956
Repairs and maintenance	10,745	4,914	15,659
Professional services	66,269	706	66,975
Utilities	3,078	-	3,078
Insurance	2,995	-	2,995
Rentals and leases	1,190	-	1,190
Depreciation	14,004	-	14,004
Miscellaneous	3,503	656	4,159
Total operating expenses	251,598	1,404,113	1,655,711
Operating income (loss)	(249,035)	(69,495)	(318,530)
Nonoperating revenues (expenses)			
Intergovernmental	64,950	-	64,950
Franchise fees	-	129,303	129,303
Interest income	12,850	2,383	15,233
Total nonoperating revenues (expenses)	77,800	131,686	209,486
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(171,235)	62,191	(109,044)
Transfers in	-	8,005	8,005
Transfers out	-	(500,000)	(500,000)
Change in net position	(171,235)	(429,804)	(601,039)
Net position-beginning, as previously reported	3,916,016	781,382	4,697,398
Restatement, GASB 68	(54,822)	(28,191)	(83,013)
Net position-beginning, as restated	3,861,194	753,191	4,614,385
Net position-ending	$ 3,689,959	$ 323,387	$ 4,013,346

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Landfill	Waste Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 76,259	$ 1,332,817	$ 1,409,076
Payments to suppliers	(114,240)	(1,329,357)	(1,443,597)
Payments to employees	(134,376)	(67,166)	(201,542)
Increase (decrease) in due from other funds	(99)	(34)	(133)
Increase (decrease) in due to other funds	78	1	79
Net cash provided (used) by operating activities	(172,378)	(63,739)	(236,117)
NON-CAPITAL FINANCING ACTIVITIES			
Franchise fees	-	129,303	129,303
Transfers in	-	8,005	8,005
Transfers out	-	(500,000)	(500,000)
Net cash provided(used) by non-capital financing activities	-	(362,692)	(362,692)
INVESTING ACTIVITIES			
Investment purchases	-	(599,263)	(599,263)
Proceeds from sale of investments	180,679	850,000	1,030,679
Interest on investments	3,415	(1,175)	2,240
Net cash provided by investing activities	184,094	249,562	433,656
Net increase(decrease) in cash and equivalents	11,716	(176,869)	(165,153)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,684,594	207,788	1,892,382
CASH AND EQUIVALENTS, END OF YEAR	$ 1,696,310	$ 30,919	$ 1,727,229
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (249,035)	$ (69,495)	$ (318,530)
Adjustment to reconcile operating loss to net cash used in operations:			
Depreciation	14,004	-	14,004
Changes in assets and liabilities:			
Accounts receivable	1,121	(1,801)	(680)
Due from other governments	72,575	-	72,575
Due from other funds	(99)	(34)	(133)
Accounts payable and accrued expenses	(7,605)	8,699	1,094
Due to other governments	37	-	37
Due to other funds	78	1	79
Compensated absences	(401)	461	60
OPEB liability	811	417	1,228
Net pension liability	(3,864)	(1,987)	(5,851)
Net cash provided (used) by operating activities	$ (172,378)	$ (63,739)	$ (236,117)

FLAGLER COUNTY, FLORIDA
FIDUCIARY FUNDS DESCRIPTIONS

FIDUCIARY AGENCY FUNDS:

Fiduciary Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Clerk of the Circuit Court and Comptroller Agency

These funds were established to account for funds received and held by the Clerk of the Circuit Court and Comptroller in a fiduciary capacity.

Sheriff Agency

These funds were established to account for funds received and held by the Sheriff in a fiduciary capacity.

Tax Collector Agency

These funds were established to account for funds received and held by Tax Collector in a fiduciary capacity.

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
SEPTEMBER 30, 2015

	Clerk Agency	Sheriff Agency	Tax Collector Agency	Total Agency Funds
ASSETS				
Cash and cash equivalents	$ 2,367,315	$ 11,803	$ 2,149,675	$ 4,528,793
Accounts receivable	318	-	70,404	70,722
Due from other governments	944	-	-	944
Total assets	2,368,577	11,803	2,220,079	4,600,459
LIABILITIES				
Due to other governments	123,317	14	-	123,331
Deposits	2,224,926	11,789	2,220,079	4,456,794
Other liabilities	20,334	-		20,334
Total liabilities	2,368,577	11,803	2,220,079	4,600,459
Net position	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
CLERK OF COURT:				
ASSETS				
Cash and cash equivalents	$ 3,365,869	$ 16,856,966	$ 17,855,520	$ 2,367,315
Accounts receivable	0	842	524	318
Due from other governments	875	2,546	2,477	944
Total assets	$ 3,366,744	$ 16,860,354	$ 17,858,521	$ 2,368,577
LIABILITIES				
Due to other governments	$ 169,347	$ 1,819,335	$ 1,865,365	$ 123,317
Deposits	3,184,036	13,592,391	14,551,501	2,224,926
Other liabilities	13,361	974,407	967,434	20,334
Total liabilities	$ 3,366,744	$ 16,386,133	$ 17,384,300	$ 2,368,577

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
SHERIFF:				
ASSETS				
Cash and cash equivalents	$ 3,629	$ 465,869	$ 457,695	$ 11,803
LIABILITIES				
Due to other governments	$ -	$ 14	$ -	$ 14
Deposits	3,629	465,855	457,695	11,789
Total liabilities	$ 3,629	$ 465,869	$ 457,695	$ 11,803

(Continued)

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2015

(Continued)

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
TAX COLLECTOR:				
ASSETS				
Cash and cash equivalents	$ 1,939,752	$ 246,511,167	$ 246,301,244	$ 2,149,675
Accounts receivable	46,885	10,011,053	9,987,534	70,404
Total assets	$ 1,986,637	$ 256,522,220	$ 256,288,778	$ 2,220,079
LIABILITIES				
Deposits	$ 1,986,637	$ 17,560,810	$ 17,327,368	$ 2,220,079

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
TOTAL ALL AGENCY:				
ASSETS				
Cash and cash equivalents	$ 5,309,250	$ 263,834,002	$ 264,614,459	$ 4,528,793
Accounts receivable	46,885	10,011,895	9,988,058	70,722
Due from other governments	875	2,546	2,477	944
	$ 5,357,010	$ 273,848,443	$ 274,604,994	$ 4,600,459
LIABILITIES				
Due to other governments	$ 169,347	$ 1,819,349	$ 1,865,365	$ 123,331
Deposits	5,174,302	31,619,056	32,336,564	4,456,794
Other liabilities	13,361	974,407	967,434	20,334
Total liabilities	$ 5,357,010	$ 34,412,812	$ 35,169,363	$ 4,600,459

FLAGLER COUNTY, FLORIDA
OVERVIEW OF STATISTICAL SECTION CONTENTS

This part of Flagler County's comprehensive annual financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the County's overall financial health.

Financial Trends Information 150

These schedules show trend information to help the reader understand how the County's financial condition and performance changed over time.

Revenue Capacity Information 155

These schedules provide information to help the reader assess the County's most significant local revenue source, property taxes.

Debt Capacity Information 159

These schedules present information to help the reader assess the County's current debt load and its ability to issue additional debt in the future.

Demographic and Economic Information 164

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County operates.

Operating Information 166

These schedules provide service and infrastructure data related to County services and activities in order to help the reader better understand the information presented in the financial statements.

Sources: Unless otherwise indicated, the data in these schedules is derived from the comprehensive annual financial reports of Flagler County, Florida.

Schedule 1

FLAGLER COUNTY, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	$ 238,538,145	$ 221,697,440	$ 216,372,923	$ 213,605,993	$ 213,691,965	$ 196,914,786	$ 194,512,681	$ 191,390,020	$ 191,162,668	$ 99,707,441
Restricted	32,761,805	33,747,894	32,671,605	33,400,791	33,635,981	29,646,675	29,472,617	30,977,964	29,871,462	26,386,449
Unrestricted	(24,714,327)	5,557,315	5,724,481	5,045,355	9,467,544	15,322,370	17,335,254	14,723,913	12,729,343	8,646,548
Total governmental activities net position	$ 246,585,623	$ 261,002,649	$ 254,769,009	$ 252,052,139	$ 256,795,490	$ 241,883,831	$ 241,320,552	$ 237,091,897	$ 233,763,473	$ 134,740,438
Business-type activities										
Net investment in capital assets	$ 17,710,530	$ 17,390,035	$ 14,817,197	$ 11,134,385	$ 10,610,540	$ 11,789,339	$ 12,343,562	$ 10,575,049	$ 10,630,062	$ 12,842,167
Restricted	1,225,758	1,225,758	2,752,617	2,684,645	3,136,296	3,414,533	2,886,910	2,966,720	2,865,876	2,519,430
Unrestricted	1,677,820	3,033,190	3,091,607	3,846,637	2,030,517	758,909	29,485	869,822	(82,599)	(2,311,082)
Total business-type activities net position	$ 20,614,108	$ 21,648,983	$ 20,661,421	$ 17,665,667	$ 15,777,353	$ 15,962,781	$ 15,259,957	$ 14,411,591	$ 13,413,339	$ 13,050,515
Primary government:										
Net investment in capital assets	$ 256,248,675	$ 239,087,475	$ 231,190,120	$ 224,740,378	$ 224,302,505	$ 208,704,125	$ 206,856,243	$ 201,965,069	$ 201,792,730	$ 112,549,608
Restricted	33,987,563	34,973,652	35,424,222	36,085,436	36,772,277	33,061,208	32,359,527	33,944,684	32,737,338	28,905,879
Unrestricted	(23,036,507)	8,590,505	8,816,088	8,891,992	11,498,061	16,081,279	17,364,739	15,593,735	12,646,744	6,335,466
Total primary government net position	$ 267,199,731	$ 282,651,632	$ 275,430,430	$ 269,717,806	$ 272,572,843	$ 257,846,612	$ 256,580,509	$ 251,503,488	$ 247,176,812	$ 147,790,953

Schedule 2

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
General government	$ 19,330,615	$ 19,061,399	$ 18,856,737	$ 17,990,618	$ 18,105,429	$ 18,578,279	$ 18,807,803	$ 20,122,637	$ 16,460,958	$ 9,951,304
Public safety	34,622,939	34,583,622	34,381,551	34,781,700	35,871,670	35,250,421	33,835,370	33,674,664	32,693,617	28,153,910
Physical environment	516,579	303,418	648,364	1,003,943	346,520	649,192	1,892,271	1,949,824	1,521,490	359,813
Transportation	17,338,674	13,445,435	10,476,921	7,439,036	8,831,545	7,656,643	6,667,065	6,221,288	5,940,787	4,661,009
Economic environment	2,318,736	1,913,323	2,401,918	1,537,127	1,189,775	1,150,551	1,702,816	2,705,033	1,773,907	1,659,131
Human services	4,259,922	4,073,002	3,705,985	4,267,718	3,675,585	3,540,641	3,588,317	3,701,214	4,121,870	3,886,789
Culture and recreation	3,830,443	3,981,558	3,426,442	4,008,612	3,757,755	3,519,266	3,411,038	3,637,872	3,537,779	6,768,999
Court related	3,461,918	3,521,907	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,520,582	6,333,174	3,565,579
Interest on long-term debt	4,356,038	3,335,340	3,487,841	3,724,866	3,713,901	3,478,079	4,220,394	4,198,924	4,004,325	3,472,139
Total governmental activities expenses	90,035,864	84,219,004	80,556,726	77,807,344	78,651,755	77,054,319	77,686,383	80,732,038	76,387,907	62,478,673
Business-type expenses										
Airport	6,429,248	2,718,394	2,567,228	2,404,906	2,465,923	2,073,284	2,214,368	3,187,031	3,086,839	2,528,475
Landfill	251,598	121,762	169,182	99,637	128,813	163,604	325,308	348,303	286,841	1,062,473
Transportation	-	-	-	-	-	-	-	1,506,139	1,585,720	1,350,100
Utilities	1,215,817	675,084	579,164	373,945	364,742	388,864	497,798	484,163	626,751	522,593
Waste management	1,404,113	1,354,836	1,354,381	1,459,886	1,486,230	1,393,540	1,391,493	1,349,298	979,644	-
Total business-type activities expenses	9,300,776	4,870,076	4,669,955	4,338,374	4,445,708	4,019,292	4,428,967	6,874,934	6,565,795	5,463,641
Total primary government expenses	$ 99,336,640	$ 89,089,080	$ 85,226,681	$ 82,145,718	$ 83,097,463	$ 81,073,611	$ 82,115,350	$ 87,606,972	$ 82,953,702	$ 67,942,314
Program revenues										
Governmental activities										
Charges for services										
General government	$ 3,608,043	$ 4,986,693	$ 4,137,828	$ 3,370,077	$ 3,251,896	$ 3,152,491	$ 4,604,628	$ 5,708,953	$ 7,401,733	$ 8,766,229
Public safety	7,160,915	6,044,959	6,437,972	5,952,540	6,947,645	6,458,469	6,508,766	5,603,971	7,040,215	6,714,711
Physical environment	28,000	400	1,709	-	-	-	-	173	702	346
Transportation	944,076	738,142	633,123	758,879	564,018	727,150	810,898	1,306,985	-	-
Economic environment	75	937	2,991	3,868	5,059	8,846	-	-	-	-
Human services	154,925	134,013	98,245	129,147	145,142	187,208	248,130	134,549	199,094	132,774
Culture and recreation	270,548	257,028	260,942	219,078	221,838	198,594	198,075	118,310	58,130	78,572
Court related	2,245,473	578,464	587,258	523,567	506,937	508,639	445,278	521,458	761,870	930,983
Operating grants and contributions	4,786,509	4,146,497	5,443,849	5,868,779	4,739,002	5,353,623	3,671,556	2,871,147	1,661,281	1,811,281
Capital grants and contributions	25,093,290	12,233,926	4,671,396	3,474,297	5,510,130	4,732,716	5,375,671	5,966,307	3,589,612	13,367,302
Total governmental activities program revenues	44,291,854	29,121,059	22,275,313	20,300,232	21,891,667	21,327,736	21,863,002	22,231,853	20,712,637	31,802,198
Business-type activities										
Charges for services										
Airport	1,731,271	1,524,369	1,617,467	1,385,312	1,413,536	1,105,953	1,616,801	2,730,277	2,963,690	2,410,450
Landfill	2,563	1,802	2,721	708	2,557	1,737	464	378	182	160,286
Transportation	-	-	-	-	-	-	-	601,488	798,688	731,994
Utilities	789,757	845,327	532,878	357,586	486,326	464,158	470,463	455,524	477,731	456,412
Waste management	1,334,618	1,325,745	1,458,893	1,447,290	1,436,211	1,420,202	1,420,415	1,493,527	969,535	-
Operating grants and contributions	3,856,840	83,200	70,588	70,588	70,588	77,207	211,960	681,428	575,060	792,806
Capital grants and contributions	1,152,691	1,758,995	3,943,563	2,784,811	524,882	154,965	2,343,298	479,531	472,292	1,083,246
Total business-type activities program revenues	8,867,740	5,539,438	7,626,110	6,046,295	3,934,100	3,224,222	6,063,401	6,442,153	6,257,178	5,635,194
Total primary government program revenues	$ 53,159,594	$ 34,660,497	$ 29,901,423	$ 26,346,527	$ 25,825,767	$ 24,551,958	$ 27,926,403	$ 28,674,006	$ 26,969,815	$ 37,437,392

(Continued)

Schedule 2 (Continued)

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Net (Expense)/Revenue										
Governmental activities	$ (45,744,010)	$ (55,097,945)	$ (58,281,413)	$ (57,507,112)	$ (56,760,088)	$ (55,726,583)	$ (55,823,381)	$ (58,500,185)	$ (55,675,270)	$ (30,676,475)
Business-type activities	(433,036)	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434	(432,781)	(308,617)	171,553
Total primary government net expense	$ (46,177,046)	$ (54,428,583)	$ (55,325,258)	$ (55,799,191)	$ (57,271,696)	$ (56,521,653)	$ (54,188,947)	$ (58,932,966)	$ (55,983,887)	$ (30,504,922)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 53,995,582	$ 51,456,258	$ 45,785,795	$ 43,172,111	$ 44,628,028	$ 47,562,219	$ 49,187,744	$ 51,244,622	$ 50,450,153	$ 37,705,838
Tourist and franchise taxes	2,462,937	2,293,162	2,096,962	1,994,230	1,684,069	1,328,338	1,223,580	1,411,239	1,375,159	1,242,292
Sales and fuel taxes	7,171,065	6,740,672	6,224,280	5,487,079	5,192,255	5,090,787	5,166,863	5,354,821	5,424,451	5,803,563
Intergovernmental	1,312,209	1,206,660	1,125,939	1,061,327	1,007,655	1,556,921	1,430,225	1,890,713	1,517,433	1,435,387
Miscellaneous	603,112	479,136	2,478,766	1,058,991	19,272,714	1,161,642	2,035,834	2,930,641	5,432,983	6,734,950
Transfers	491,995	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790	(1,003,427)	(141,862)	(236,728)
Total governmental activities	66,036,900	62,168,037	57,862,603	52,763,761	$ 71,671,747	$ 56,289,862	$ 60,052,036	$ 61,828,609	$ 64,058,317	$ 52,685,302
Business-type activities										
Tourist and franchise taxes	129,303	131,475	132,843	141,113	145,047	$ 139,656	$ 138,915	$ 126,198	$ 101,372	$ 38,013
Miscellaneous	69,230	210,761	57,617	29,303	68,159	36,695	82,807	301,408	428,207	662,480
Settlement proceeds	-	-	-	-	-	911,498	-	-	-	-
Transfers	(491,995)	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)	1,003,427	141,862	236,728
Total business-type activities	(293,462)	350,087	39,599	180,393	$ 326,180	$ 1,497,894	$ (786,068)	$ 1,431,033	$ 671,441	$ 937,221
Total primary government	$ 65,743,438	$ 62,518,124	$ 57,902,202	$ 52,944,154	$ 71,997,927	$ 57,787,756	$ 59,265,968	$ 63,259,642	$ 64,729,758	$ 53,622,523
Changes in Net Position										
Governmental activities	$ 20,292,890	$ 7,070,092	$ (418,810)	$ (4,743,351)	$ 14,911,659	$ 563,279	$ 4,228,655	$ 3,328,424	$ 8,383,047	$ 22,008,827
Business-type activities	(726,498)	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366	998,252	362,824	1,108,774
Total primary government	$ 19,566,392	$ 8,089,541	$ 2,576,944	$ (2,855,037)	$ 14,726,231	$ 1,266,103	$ 5,077,021	$ 4,326,676	$ 8,745,871	$ 23,117,601

Schedule 3

FLAGLER COUNTY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Nonspendable	$ 2,150,126	$ 2,228,600	$ 2,136,457	$ 2,103,642	$ 2,186,759	$ -	$ -	$ -	$ -	$ -
Restricted	2,710,663	2,400,364	2,277,224	2,706,337	2,315,329	-	-	-	-	-
Committed	-	-	-	134,865	-	-	-	-	-	-
Assigned	4,723,032	2,184,591	3,545,789	3,710,120	8,830,592	-	-	-	-	-
Unassigned	5,877,774	5,734,847	3,266,220	1,706,182	709,007	-	-	-	-	-
Reserved	-	-	-	-	-	2,863,096	2,807,040	3,298,004	3,163,471	4,285,209
Unreserved										
Designated for future use	-	-	-	-	-	503,179	-	680,537	401,585	1,594,120
Undesignated	-	-	-	-	-	14,166,178	15,520,379	10,600,667	9,109,708	3,580,500
Total general fund	$ 15,461,595	$ 12,548,402	$ 11,225,690	$ 10,361,146	$ 14,041,687	$ 17,532,453	$ 18,327,419	$ 14,579,208	$ 12,674,764	$ 9,459,829
All other governmental funds										
Nonspendable	$ 607,316	$ 585,295	$ 643,485	$ 673,638	$ 600,000	$ -	$ -	$ -	$ -	$ -
Restricted	42,778,998	29,388,189	28,463,165	29,099,483	30,079,190	-	-	-	-	-
Committed	-	-	-	-	57,190	-	-	-	-	-
Reserved	-	-	-	-		6,440,808	6,510,851	6,825,065	6,933,469	6,567,176
Unreserved										
Special revenue funds	-	-	-	-		18,713,003	18,970,258	21,191,931	26,036,191	27,790,994
Capital projects funds	-	-	-	-		2,321,454	4,913,837	2,426,814	4,713,309	28,356,708
Total all other governmental funds	$ 43,386,314	$ 29,973,484	$ 29,106,650	$ 29,773,121	$ 30,736,380	$ 27,475,265	$ 30,394,946	$ 30,443,810	$ 37,682,969	$ 62,714,878

Fiscal years 2006 through 2010 reflect fund balance classifications used prior to the implementation of GASB 54.

Schedule 4

FLAGLER COUNTY, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	$ 59,693,807	$ 56,813,780	$ 50,575,169	$ 47,800,451	$ 49,285,251	$ 51,411,403	$ 53,043,253	$ 55,539,097	$ 54,712,668	$ 42,804,966
Licenses and permits	820,475	643,420	607,419	426,238	1,444,784	406,499	444,458	569,025	720,696	1,302,314
Intergovernmental	31,788,609	19,003,823	14,920,746	13,265,388	12,613,588	14,761,945	12,871,920	17,043,138	10,534,206	12,850,621
Charges for services	11,996,339	10,717,792	10,214,986	9,291,170	9,903,511	9,692,585	11,551,549	12,116,436	13,772,304	14,124,247
Fines and forfeitures	1,102,940	1,015,635	917,761	805,024	986,177	939,516	813,887	700,985	968,744	1,197,054
Miscellaneous revenue	1,191,050	637,999	2,109,741	1,296,411	1,353,404	847,086	2,177,910	2,355,450	2,764,583	3,138,171
Investment income	130,572	134,085	121,705	106,378	109,267	163,704	(234,367)	1,015,979	3,291,748	4,657,589
Total revenues	106,723,792	88,966,534	79,467,527	72,991,060	75,695,982	78,222,738	80,668,610	89,340,110	86,764,949	80,074,962
Expenditures										
General government	17,396,316	16,854,655	15,725,105	15,276,384	15,795,997	15,991,259	16,730,009	17,865,886	17,818,663	15,547,531
Public safety	32,201,120	31,783,043	31,148,783	31,594,668	32,731,844	31,854,497	31,182,618	30,803,611	31,103,361	25,982,701
Physical environment	474,282	321,073	404,571	955,307	283,302	566,661	1,407,037	1,920,368	1,589,356	385,208
Transportation	10,639,384	8,216,321	5,962,034	4,115,598	4,592,657	4,662,055	3,580,104	3,397,583	3,807,161	4,360,796
Economic environment	2,281,882	1,914,978	2,376,560	1,516,411	1,189,153	1,137,271	1,573,588	2,197,253	1,985,868	1,725,957
Human services	4,166,654	3,973,728	3,625,748	4,191,561	3,583,382	3,456,174	3,450,346	3,639,652	4,086,916	3,857,896
Culture and recreation	3,139,968	3,234,780	2,689,107	2,972,073	2,929,935	2,691,785	2,967,346	3,917,456	3,517,749	3,096,170
Court related	3,415,285	3,409,564	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,316,066	3,704,970	2,901,546
Capital Outlay	33,749,424	9,963,954	9,127,279	5,777,879	9,472,482	10,984,683	15,679,605	11,434,297	34,976,779	67,178,864
Debt service										
Principal	32,027,837	3,921,868	4,390,810	5,483,814	4,184,872	4,249,670	4,649,766	11,128,073	4,875,145	3,580,911
Interest and fiscal charges	2,854,892	3,415,173	3,538,010	3,752,775	3,801,138	3,727,783	3,503,985	4,114,750	4,365,334	2,957,260
Bond issuance costs	1,224,605	-	-	-	-	-	50,326	-	-	1,212
Total expenditures	143,571,649	87,009,137	82,158,974	78,690,194	81,724,337	82,553,085	88,336,039	94,734,995	111,831,302	131,576,052
Excess of revenues over (under) expenditures	$ (36,847,857)	$ 1,957,397	$ (2,691,447)	$ (5,699,134)	$ (6,028,355)	$ (4,330,347)	$ (7,667,429)	$ (5,394,885)	$ (25,066,353)	$ (51,501,090)
Other Financing Sources (Uses)										
Transfers in	$ 1,171,460	$ 253,692	$ 1,178,791	$ 257,780	$ 857,401	$ 1,796,393	$ 1,604,980	$ 2,877,726	$ 7,486,550	$ 6,129,449
Transfers out	(679,465)	(261,543)	(589,271)	(270,257)	(970,375)	(1,606,438)	(254,184)	(3,647,585)	(5,019,709)	(6,726,372)
Insurance recovery	-	-	-	-	-	13,745	15,980	80,029	-	-
Long term debt issued	68,275,000	-	2,300,000	567,811	5,500,000	-	10,000,000	-	-	-
Premium on long term debt issued	6,200,144	-	-	-	-	-	-	-	-	-
Capital lease	960,000	240,000	-	500,000	411,678	412,000	-	750,000	782,538	1,189,758
Payments to refunded bond escrow agent	(22,753,259)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	53,173,880	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776	60,170	3,249,379	592,835
Net change in fund balances	$ 16,326,023	$ 2,189,546	$ 198,073	$ (4,643,800)	$ (229,651)	$ (3,714,647)	$ 3,699,347	$ (5,334,715)	$ (21,816,974)	$ (50,908,255)
Debt service as a percentage of noncapital expenditures	25.84%	9.35%	10.60%	12.70%	10.94%	11.18%	11.16%	18.58%	12.10%	10.38%

Schedule 5

FLAGLER COUNTY, FLORIDA

ASSESSED VALUE OF TAXABLE PROPERTY (5)
LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation (1)	Tax Exempt Properties (2)	Save Our Homes Exemptions (3)	Other Exemptions (4)	Total Exempt	Real Property Taxable Valuation	Personal Property Taxable Valuation	Centrally Assessed Property	Taxable Assessed Value	Total Direct Tax Rate	Percentage of Taxable Value to Assessed Value
2015	10,615,189,321	841,856,152	778,488,066	2,007,080,360	3,627,424,578	6,656,085,711	311,394,360	20,065,848	6,987,545,919	8.5390	65.8%
2014	9,845,628,311	831,140,903	510,570,486	1,965,410,798	3,307,122,187	6,244,441,461	276,777,081	17,288,286	6,538,506,828	8.5753	66.4%
2013	9,063,324,273	790,176,725	139,646,192	1,929,051,092	2,858,874,009	5,905,080,330	284,677,625	14,692,309	6,204,450,264	7.6620	68.5%
2012	8,967,256,546	809,537,659	88,037,723	1,914,733,524	2,812,308,906	5,850,747,157	289,403,554	14,796,929	6,154,947,640	6.7814	68.6%
2011	9,491,634,943	803,802,045	130,052,142	1,996,422,009	2,930,276,196	6,240,360,413	304,054,485	16,943,849	6,561,358,747	6.0550	69.1%
2010	10,784,264,640	822,981,655	240,011,388	2,063,506,136	3,126,499,179	7,304,829,176	336,625,866	16,310,419	7,657,765,461	5.2479	71.0%
2009	13,276,936,467	1,129,596,741	645,098,557	2,166,142,487	3,940,837,785	8,966,544,251	353,116,104	16,438,327	9,336,098,682	4.5445	70.3%
2008	15,816,035,892	1,162,193,077	1,237,240,752	2,269,445,399	4,668,879,228	10,795,694,787	329,608,884	21,852,993	11,147,156,664	4.3346	70.5%
2007	17,329,405,998	1,654,055,086	1,847,523,684	1,642,909,904	5,144,488,674	11,825,830,139	337,622,917	21,464,268	12,184,917,324	4.7716	70.3%
2006	14,821,292,314	911,134,786	1,717,916,865	1,288,879,455	3,917,931,106	10,566,257,509	318,757,556	18,346,143	10,903,361,208	4.9838	73.6%

(1) The Flagler County Property Appraiser shall assess all property at market or just value. In arriving at just valuation as required under s. 4 Article VII of the State Constitution, the Property Appraiser takes into consideration the factors listed in Section 193.011, Florida Statutes.
(2) Governmental and Institutional Exemptions.
(3) "Save Our Homes" (FS 193.155), limits annual increases in property value assessments on real property qualifying for and receiving Homestead Exemption.
(4) Other exemptions includes $25,000 homestead exemption, Disability, Widows/Widowers, Agricultural, land taxes, and Age 65 & older.
(5) Information on estimated actual value is not provided because it cannot be reasonably estimated based on assessed values.

Source: Flagler County Property Appraiser

Schedule 6

FLAGLER COUNTY, FLORIDA

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(MILLS PER $1,000 OF ASSESSED VALUE)
LAST TEN YEARS

	County Direct Rates			Overlapping Rates								
Fiscal Year	General Purposes	Debt Service	Total	School District	City of Palm Coast	City of Flagler Beach	City of Bunnell	East Flagler Mosquito Control District	SJWMD	FL Inland Navigation District	Town of Marineland	Town of Beverly Beach
2015	7.9750	0.5640	8.5390	7.4460	4.2450	5.0573	7.4500	0.2423	0.3164	0.0345	10.0000	2.3000
2014	7.9906	0.5847	8.5753	7.4420	4.2705	5.3350	6.9506	0.2533	0.3283	0.0345	10.0000	2.3000
2013	7.0800	0.5820	7.6620	7.9430	4.2958	5.1244	6.9506	0.2540	0.3313	0.0345	9.3912	2.3000
2012	6.2232	0.5582	6.7814	8.0310	3.9900	4.8500	6.9506	0.2390	0.3313	0.0345	7.3823	2.3000
2011	5.5905	0.4645	6.0550	8.0130	3.5000	4.2023	6.0544	0.2038	0.4158	0.0345	3.0896	2.3000
2010	4.8894	0.3585	5.2479	7.7680	3.5000	3.4643	6.0544	0.2038	0.4158	0.0345	1.7931	2.0456
2009	4.2962	0.2483	4.5445	7.3100	2.9623	3.0199	6.0544	0.1730	0.4158	0.0345	1.5797	2.0456
2008	4.0762	0.2584	4.3346	7.6180	2.9623	2.6790	5.8216	0.1550	0.4158	0.0345	1.5996	2.0456
2007	4.6655	0.1061	4.7716	7.7110	3.2500	3.0000	5.9000	0.1680	0.4620	0.0385	1.7660	2.3198
2006	4.8361	0.1477	4.9838	8.3360	3.4000	3.0000	5.9000	0.1860	0.4620	0.0385	4.3551	2.3198

(1) Not all residents in the unincorporated areas for the County are levied taxes for Flagler Mosquito Control

Source: Flagler County Tax Collector, Flagler County Property Appraiser

Schedule 7

FLAGLER COUNTY, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2015				2006		
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank
Florida Power & Light Company	$ 2,712,247	1.88%	1	Florida Power & Light Company	$ 1,286,318	0.77%	1
KRG Palm Coast Landing LLC	485,210	0.34%	2	Bell South Telecommunications	577,114	0.34%	2
Bell South Telecommunications	421,023	0.29%	3	Centex Homes	474,772	0.28%	3
Bright House Networks	340,347	0.24%	4	Intervest At Palm Coast	440,368	0.26%	4
Integra Woods LLC	324,511	0.23%	5	Centex Hospitality Group LLC	435,796	0.26%	5
Florida Landmark Communities	317,494	0.22%	6	Seagate Homes Inc	242,973	0.15%	6
Palm Coast Holdings Inc	271,235	0.19%	7	Hammock Dunes Club, Inc	233,639	0.14%	7
Palm Coast Medical Specialists	261,606	0.18%	8	Bright House Networks	228,287	0.14%	8
Target Corporation	260,311	0.18%	9	Harbor Club Owners Assn, Inc	222,478	0.13%	9
Brunswick Boat Group	252,122	0.18%	10	Palm Coast Holdings Inc	212,787	0.13%	10
Total	$ 5,646,106	3.92%		Total	$ 4,354,532	2.60%	
Total Taxes Levied	$ 143,956,373			Total Taxes Levied	$ 167,299,238		

Source: Flagler County Tax Collector

Schedule 8

FLAGLER COUNTY, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Total Tax Levied	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage Tax Collected
2015	$ 143,956,373	$ 134,024,728	93.10%	N/A	$ 134,024,728	93.10%
2014	137,584,994	118,554,639	86.17%	2,266,389	120,821,028	87.82%
2013	130,450,977	114,959,269	88.12%	1,584,914	116,544,183	89.34%
2012	126,473,783	116,590,891	92.19%	2,103,838	118,694,729	93.85%
2011	128,442,873	117,033,392	91.12%	2,893,685	119,927,077	93.37%
2010	140,050,887	127,261,198	90.87%	3,255,665	130,516,863	93.19%
2009	157,540,003	140,967,345	89.48%	4,368,325	145,335,670	92.25%
2008	168,742,630	148,004,450	87.71%	2,584,694	150,589,144	89.24%
2007	180,414,992	162,511,553	90.08%	5,778,208	168,289,761	93.28%
2006	167,299,238	152,610,204	91.22%	3,867,279	156,477,483	93.53%

(1) Property taxes are due and payable as of November 1 and become delinquent on April 1st. A tax certificate sale is held on or before June 1st on all delinquent real estate taxes. Once tax certificate is purchased, a lien is placed on the property; therefore, real estate taxes are fully collected prior to the end of the County's fiscal year.

Source: Flagler County Tax Collector

Schedule 9

FLAGLER COUNTY, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities				
Fiscal Year	General Obligation Bonds (2)	Revenue Bonds (2)	Notes (2)	Capital Leases (2)	Revenue Bonds	Notes (2)	Total	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 39,155,000	$ 42,775,000	$ 6,692,153	$ 873,668	$ 3,212,000	$ 6,035,218	$ 98,743,039	2.56%	964
2014	41,665,000	24,485,000	7,646,347	158,973	3,254,000	3,369,054	80,578,374	2.14%	806
2013	43,425,000	25,150,000	8,895,541	166,647	3,254,000	3,603,394	84,494,582	2.30%	845
2012	45,105,000	26,570,000	7,722,811	330,187	-	3,829,638	83,557,636	2.38%	850
2011	46,715,000	27,935,000	9,080,000	414,001	-	4,047,800	88,191,801	2.73%	906
2010	43,770,000	29,255,000	9,116,000	276,195	-	3,181,160	85,598,355	2.82%	894
2009	45,215,000	30,530,000	10,260,000	249,865	-	3,355,858	89,610,723	3.13%	946
2008	36,930,000	31,765,000	11,461,459	750,558	-	3,536,913	84,443,930	2.81%	903
2007	38,590,000	32,965,000	18,750,676	971,413	-	3,283,401	94,560,490	3.38%	1,045
2006	40,195,000	34,105,000	20,121,590	948,106	-	1,491,439	96,861,135	3.81%	1,166

(1) Refer to Table 14 for details of population, personal income, and per capita income.
(2) Details regarding Flagler County's outstanding debt can be found in Note 7 of the financial statements
(3) Florida Statues do not provide a legal debt margin for Florida counties

Schedule 10

FLAGLER COUNTY, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt (1)	Ratio of Net General Bonded Debt To Estimated Actual Taxable Value (2)	Net Bonded Debt per Capita (3)
2015	$ 39,155,000	$ 761,513	$ 38,393,487	0.55%	365.93
2014	41,665,000	644,215	41,020,785	0.52%	403.83
2013	43,425,000	872,679	42,552,321	0.39%	425.71
2012	45,105,000	1,020,914	44,084,086	0.36%	448.20
2011	46,715,000	1,174,704	45,540,296	0.41%	467.67
2010	43,770,000	728,449	43,041,551	0.46%	449.77
2009	45,215,000	832,594	44,382,406	0.58%	468.66
2008	36,930,000	1,381,722	35,548,278	0.54%	380.01
2007	38,590,000	1,500,622	37,089,378	0.60%	409.75
2006	40,195,000	1,521,282	38,673,718	0.62%	465.48

(1) Net General Bonded Debt consists of bonds secured by and payable from ad valorem taxes less amounts available in the related debt service funds for retirement of those obligations.
(2) See the Schedule of Assessed Value of Taxable Property.
(3) Population data can be found in the Schedule of Demographic Statistics

Schedule 11

FLAGLER COUNTY, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2015

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
School District	$ 64,284,000	100%	$ 64,284,000
City of Palm Coast	9,666,000	59.13%	5,715,506
Subtotal, overlapping debt			69,999,506
Flagler County direct debt			89,495,821
Total direct and overlapping debt			$ 159,495,327

Sources: Countywide taxable value amounts were used to estimate applicable percentages. Outstanding debt balances as reported in governmental units financial reports.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Flagler County. This process recognizes that, when considering the governments ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 12

FLAGLER COUNTY, FLORIDA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

The Constitution of the State of Florida, the Florida Statutes 200.181 and Flagler County, Florida have no set legal debt margin.

Schedule 13

FLAGLER COUNTY, FLORIDA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Capital Improvement Revenue Bonds, Series 2005 (1)

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	$ 391,199	$ -	$ 391,199	$ 695,000	$ 563,563	0.31
2014	3,535,516	-	3,535,516	665,000	1,141,256	1.96
2013	3,702,853	-	3,702,853	1,420,000	1,183,788	1.42
2012	4,372,403	-	4,372,403	1,365,000	1,239,488	1.68
2011	4,127,364	-	4,127,364	1,320,000	1,287,247	1.58
2010	4,002,203	-	4,002,203	1,275,000	1,330,020	1.54
2009	4,066,967	-	4,066,967	1,235,000	1,372,401	1.56
2008	4,354,392	-	4,354,392	1,200,000	1,411,970	1.67
2007	4,410,703	-	4,410,703	1,140,000	1,454,270	1.70
2006	4,635,612	-	4,635,612	-	750,844	6.17

Note: Bonds were issued in September 2005

(1) The pledged revenues includes the local government 1/2 cent sales tax, discretionary sales surtax, communication services tax, and revenue sharing.
(2) In 2015 debt service was accomplished with pledged revenues reserve balance. Debt was refunded in February 2015.

Special Assessment Revenue Note, Series 2002 (2)

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	$ -	$ -	$ -	$ 310,000	$ 11,873	0.00
2013	379	-	379	310,000	23,746	0.00
2012	365,136	-	365,136	310,000	35,684	1.06
2011	384,061	-	384,061	310,000	47,525	1.07
2010	377,043	-	377,043	310,000	59,365	1.02
2009	385,938	-	385,938	310,000	71,076	1.01
2008	401,529	-	401,529	310,000	83,241	1.02
2007	414,138	-	414,138	310,000	94,919	1.02
2006	427,493	-	427,493	310,000	106,857	1.03
2005	395,107	-	395,107	310,000	118,730	0.92

(1) The pledged revenues are the proceeds of special assessment levied against all benefited property.
(2) In 2013 and 2014 debt service was accomplished with pledged revenues reserve balance. Debt was paid off as 9/30/14.

Water and Sewer System Revenue Bond, Series 2013

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	$ 662,544	$ 519,422	$ 143,122	$ 42,000	$ 113,890	0.92
2014	821,894	675,084	146,810	-	113,890	1.29
2013	529,333	426,709	102,624	-	44,308	2.32

(1) Bonds were issued in April 2013

Taxable Airport Revenue Note, Series 2015

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	$ 243,237	$ 33,507	$ 209,730	$ 35,000	$ 57,109	2.28

(1) Note was issued in March 2015

Schedule 14

FLAGLER COUNTY, FLORIDA

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income (in thousands) (1)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (1)
2015	104,920	3,855,100	36,743	12,607	6.2%
2014	102,408	3,763,284	36,748	12,508	7.5%
2013	99,956	3,673,655	36,753	12,687	10.2%
2012	98,359	3,516,641	35,753	12,758	11.6%
2011	97,376	3,229,939	33,170	12,829	13.5%
2010	95,696	3,033,691	31,595	12,975	15.1%
2009	94,700	2,864,943	30,253	12,770	14.5%
2008	93,546	3,009,888	32,175	12,580	9.6%
2007	90,516	2,801,197	31,800	12,015	6.3%
2006	83,084	2,541,927	30,892	11,049	4.2%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2015 based on 2014 amounts.
(2) Source: Flagler County School District and Florida Department of Education

Schedule 15

FLAGLER COUNTY, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2005		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Flagler County Schools	1,741	1	4.27%	1,500	1	5.32%
Florida Hospital-Flagler	1,057	2	2.59%	532	4	1.89%
Palm Coast Data Ltd.	721	3	1.77%	900	2	3.19%
Sea Ray Boats	700	4	1.71%	-		0.00%
Publix Supermarket	690	5	1.69%	175	8	-
Hammock Beach Resort	467	6	1.14%	-		-
Wal-Mart	461	7	1.13%	600	3	2.13%
City of Palm Coast	404	8	0.99%	283	6	1.00%
Flagler County	280	9	0.69%	327	5	1.16%
Flagler County Sheriffs Office	270	10	0.66%	201	7	0.71%
Albertson's	-	-	-	165	9	0.58%
Winn-Dixie Stores	-	-	-	160	10	0.57%
Total	6,791			4,843		

Source: Flagler County Chamber of Commerce, Florida Research and Economic Database, Enterprise Flagler and Flagler County OMB.
Note: information for 2006 is unavailable.

Schedule 16

FLAGLER COUNTY, FLORIDA

FULL TIME EQUIVALENT EMPLOYEES BY PROGRAM/FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program/Function:										
General Government										
Legistative and Executive	11.0	11.0	11.2	11.2	12.0	12.0	11.0	11.0	9.0	9.0
Financial and Administrative	22.0	17.0	17.0	18.0	18.0	18.0	18.0	21.0	24.7	11.7
Other General Government	42.0	42.5	35.5	35.5	34.0	36.0	42.0	46.5	36.0	34.0
Legal Counsel	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Comprehensive Planning	6.9	6.5	6.5	7.5	6.0	7.0	11.0	14.0	29.0	23.0
Court-Related	4.0	4.3	2.8	2.8	2.5	2.5	2.5	2.5	1.5	1.5
Public Safety										
Fire/Rescue & Fire Inspection	86.0	83.0	83.0	83.0	84.0	79.0	79.0	80.0	80.0	75.0
Emergency Management	10.0	9.5	10.3	10.3	10.0	11.0	12.0	17.0	16.0	14.0
Building Inspections	7.2	6.5	5.5	5.5	6.0	6.0	9.0	11.0	9.5	8.0
Code Enforcement	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Physical Environment	11.8	10.8	11.0	11.0	11.0	10.0	10.0	12.0	13.5	16.5
Transportation	61.3	60.3	59.8	57.4	54.5	46.5	48.5	64.0	58.0	64.5
Economic Environment	5.0	4.5	4.0	4.0	2.0	2.0	2.0	2.0	2.4	2.4
Human Services	15.4	15.4	15.4	16.8	15.8	15.8	17.5	18.5	20.5	20.0
Culture/Recreation										
Libraries	17.1	16.3	15.5	16.5	18.0	18.5	19.0	19.0	19.5	19.5
Parks and Recreation	20.5	17.5	17.5	17.5	18.5	18.0	17.5	24.5	25.5	23.5
Total	326.1	311.0	300.9	302.9	298.3	288.3	305.0	349.0	351.0	328.5
Constitutional Officers:										
Clerk of Court	57.0	52.0	50.5	50.5	51.5	47.5	57.0	69.0	60.0	44.0
Sheriff	278.0	278.0	285.0	285.0	279.0	279.0	279.0	279.0	277.0	244.0
Tax Collector	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	23.0	22.0
Property Appraiser	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0	32.0	27.0
Supervisor of Elections	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.8
Total	400.0	394.0	399.5	399.5	397.5	393.5	403.0	415.0	398.0	342.8

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17

FLAGLER COUNTY, FLORIDA

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Number of Building Permits Reviewed and Issued	2,033	1,914	1,931	1,560	1,940	1,555	1,313	1,830	1,521	1,827
Number of Registered Voters	73,296	69,290	70,337	66,515	65,814	62,869	61,826	55,197	50,571	49,961
Public Safety										
Physical Arrests by Sheriff's Department	2,794	2,845	2,759	3,350	3,616	3,202	3,143	3,100	2,978	3,248
Total Fire	5,301	1,258	962	793	1,010	950	1,447	(1)	(1)	1,807
Total EMS Runs	10,100	14,143	11,887	11,005	10,411	10,154	8,366	(1)	(1)	11,544
Flight Operations-Air Ambulance Transports	22	21	41	41	25	20	30	38	46	75
Human Services										
Number of acres sprayed by Mosquito Control	1,200	2,345	1,418	6,073	3,200	655	7,088	(1)	3,384	1,735
Meals on Wheels	21,449	25,245	27,775	30,630	27,590	36,499	21,792	20,253	34,924	29,027
Number of applicants for assistance	507	804	808	1,011	916	1,011	813	803	732	556
Culture Recreation										
Collection items circulated in County Libraries	418,053	428,284	443,261	447,450	451,741	479,294	514,124	552,648	502,560	527,610
Number of persons who visited County Libraries	289,846	318,039	318,039	337,659	360,561	407,444	487,707	487,541	383,149	383,149
Transportation										
Number of Trips	101,896	97,995	93,906	91,518	83,430	79,666	72,669	92,757	98,082	87,320
Physical Environment										
Wastewater flow, in millions of gallons	17.679	15.677	17.114	15.969	14.986	14.640	12.223	6.798	15.212	15.190
Drinking water flow, in millions of gallons	23.316	22.467	22.842	21.890	20.669	19.618	19.136	13.501	23.787	23.739
Number of water customers serviced	522	482	497	465	458	462	466	467	432	431

(1) Information is unavailable

Source: Various Departments

Schedule 18

FLAGLER COUNTY, FLORIDA

CAPITAL ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Program/Function:										
Public Safety										
Fire/Rescue Vehicles	52	48	45	44	44	40	40	44	44	42
Fire Stations	7	7	7	7	7	7	7	7	7	7
Flight Operations Vehicles	2	2	2	2	2	2	2	2	2	2
Physical Environment										
Sanitary Landfill Site Acres	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92
Transportation										
Miles of road maintained:										
Paved	95.52	95.52	95.52	95.52	95.52	92.98	92.62	91.87	91.47	88.92
Unpaved	133.70	133.70	133.70	131.70	131.70	131.70	131.70	132.20	132.60	132.98
Public Works Vehicles	27	28	27	27	30	28	28	27	35	35
Public Works Heavy Machinery	65	52	50	54	47	49	49	48	54	55
Transit Vehicles	41	38	40	39	34	31	32	28	30	28
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	9,599	6,400	6,400	6,400	6,400	6,400	6,400	5,299	5,299
Number of Parks	21	21	20	20	20	20	20	20	17	17
Number of Playgrounds	12	12	12	12	12	12	12	12	12	12
Number of Community Centers	7	7	7	7	7	7	7	7	7	7
Libraries	2	2	2	2	2	2	2	2	2	2

Source: Various departments

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
Passed though Florida Department of Economic Opportunity:			
Neighborhood Stabilization Program	14.228	12DB-Q5-04-28-01-F03	$ 867
U.S. Department of Justice			
Direct Assistance:			
Equitable Sharing Program	16.922		20,000
Passed through Florida Department of Law Enforcement:			
Bulletproof Vest Partnership Program	16.607		12,514
Street Level Narcotics Unit IX	16.738	2015-JAGC-FLAG-1-R3-032	39,527
Crime Prevention Equipment Project	16.738	2013-DJ-BX-1109	1,513
			41,040
Violence Against Women's Office			
Safe Havens: Supervised Visitation and Safe Exchange	16.527	2011-CW-AX-K014	95,563
Passed through Florida Office of the Attorney General:			
Crime Victim Assistance	16.575	V13034	29,654
U.S. Department of Transportation			
Direct Assistance:			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-12-0009-013-2011	380,189
Airport Improvement Program	20.106	3-12-0009-014-2012	59,249
Airport Improvement Program	20.106	3-12-0009-015-2013	9,000
Airport Improvement Program	20.106	3-12-0009-016-2015	1,350
			449,788
Federal Transit Administration			
Rural Areas - Section 5311 Operating Assistance	20.509	ARA98; 422633-2-84-32	207,626
Section 5310 - Capital Projects	20.513	FL-16-X009	285,714
Section 5310 - Operating Assistance with disabilities	20.513	ARR23; 436945-1-84-01	188,379
			474,093
Passed through the Florida Department of Transportation			
Highway Planning and Construction	20.205	AQP08; 430626-2-58-01	404,688
Highway Planning and Construction	20.205	AQX86; 428042-1-38-01	1,019
Highway Planning and Construction	20.205	AR310; 415963-1-58/68-01	2,611,200
Highway Planning and Construction	20.205	ARG69; 428042-1-58/68-01	2,067,072
Highway Planning and Construction	20.205	ARC32; 407463-5-58/68-01	1,420,556
Highway Planning and Construction	20.205	ARD53; 430276-1-58/68-01	544,781
Highway Planning and Construction	20.205	ARD51; 428040-1-58/68-01	348,443
			7,397,759
Passed through the Florida Department of Transportation			
National Priority Safety Programs	20.616	M5HVE-14-06-28	52,722
Environmental Protection Agency			
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	00D13013	245,173

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Health and Human Services			
Passed through the Northeast Florida Agency on Aging			
Older Americans Act Title III B	93.044	A014FCBCC	86,096
Older Americans Act Title III B	93.044	A015FCBCC	101,551
Older Americans Act Title III C1	93.045	A014FCBCC	15,417
Older Americans Act Title III C1	93.045	A015FCBCC	30,406
Older Americans Act Title III C2	93.045	A014FCBCC	31,830
Older Americans Act Title III C2	93.045	A015FCBCC	91,571
Nutrition Services Incentives	93.053	U014FCBCC	857
Nutrition Services Incentives	93.053	U015FCBCC	20,203
			377,931
Older Americans Act Title III E	93.052	A014FCBCC	8,026
Older Americans Act Title III E	93.052	A015FCBCC	21,792
			29,818
Emergency Home Energy Assistance	93.568	P014FCBCC	5,398
Emergency Home Energy Assistance	93.568	P015FCBCC	5,410
			10,808
Administration for Community Living			
Voting Access for Individuals with Disabilities	93.617		3,159
Passed through the Florida Commission for the			
Medical Assistance Program	93.778	BDM65; 41604318201	19,856
Executive Office of The President			
Office of National Drug Control and Policy			
Passed through St. Johns County			
High Intensity Drug Trafficking Areas Program	95.001		3,815
Passed through the Florida Department of Revenue			
Title IV-D	93.563	COC18	127,074
Department of Homeland Security			
Passed through Florida Division of Emergency			
EMPG Base Grant	97.042	15-FG-4D-04-28-01-085	49,409
EMPG Base Grant	97.042	15-CI-N2-04-28-01-288	5,440
EMPG Base Grant	97.042	15-CC-N2-04-28-01-290	5,419
EMPG Base Grant	97.042	16-FG-5A-04-28-01-084	16,466
			76,734
Pre-Disaster Mitigation Grant	97.047	15DM-K1-04-28-01-275	33,054
State Homeland Security Grant Program	97.067	15-DS-L5-04-28-01-167	10,900
State Homeland Security Grant Program	97.067	15-DS-P4-04-28-01-449	2,500
State Homeland Security Grant Program	97.067	15-DS-P4-04-28-01-248	11,176
			24,576
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 9,733,624

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Executive Office of the Governor			
Emergency Management Programs	31.063	15-BG-83-04-28-01-018	$ 71,374
Emergency Management Programs	31.063	16-BG-83-04-28-01-017	32,727
			104,101
Residential Construction Mitigation Project	31.066	15RC-E6-04-28-01-461	21,777
Department of Environmental Protection			
Small County Consolidated Grant	37.012	507SC	64,950
Department of Agriculture and Consumer Services			
Mosquito Control	42.003	16082	1,058
The Florida Agricultural Museum	42.032	021785	29,250
Department of State and Secretary of State			
State Aid to Libraries	45.030	15-ST-10	35,515
Florida Housing Finance Corporation			
State Housing Initiative Partnership (SHIP) Program	52.901	2014-2015	506,960
Florida Department of Transportation			
Trip and Equipment Grant Program	55.001	ARF24; 43202718401/ 43202818401	208,269
Trip and Equipment Grant Program	55.001	G0144; 43202718401/43202818401	64,357
Shirley Conroy Rural Area Capital Assistance Grant	55.001	ARP73; 41065618401	72,805
			345,431
Aviation Development Grant	55.004	AQO67; 404969-2-94-01	6,544
Aviation Development Grant	55.004	ARF63; 404965-1-94-01	2,161,270
Aviation Development Grant	55.004	ARK30; 436218-1-94-01	6,256
Aviation Development Grant	55.004	ARR79; 404964-1-94-01	1,563,518
Aviation Development Grant	55.004	G0046; 437531-1-94-01	27,780
			3,765,368
County Incentive Grant Program	55.008	AQN99; 424354-1-38/58-01	168,504
County Incentive Grant Program	55.008	AR310; 415963-1-58/68-01	3,087,644
County Incentive Grant Program	55.008	AR105; 415962-1-38-01	689,929
County Incentive Grant Program	55.008	AR106; 415964-1-38-01	834,991
County Incentive Grant Program	55.008	ARP27; 411959-2-58-01/02	4,945,999
County Incentive Grant Program	55.008	ARQ81; 415962-2-58-01	360,176
			10,087,243
Small County Outreach Program	55.009	AQN99; 424354-1-38-01/58-01	1,625,873
Small County Outreach Program	55.009	ARR70; 435302-1-58-01	73,860
			1,699,733
Small County Road Assistance Program	55.016	AQW86; 428444-1-58-01	1,596,913
Small County Road Assistance Program	55.016	ARB94; 428445-1-58-01	158,475
Small County Road Assistance Program	55.016	ARB93; 433614-1-58-01	129,720
			1,885,108
Department of Children and Families			
Public Safety, Mental Health, & Substance Abuse	60.115	LHZ38	354,971

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Department of Elder Affairs			
Passed through the Northeast Florida Agency on Aging			
Home Care for the Elderly	65.001	H014FCBCC	1,597
Home Care for the Elderly	65.001	H015FCBCC	512
			2,109
Alzheimer's Respite Services	65.004	Z014FCBCC	75,313
Alzheimer's Respite Services	66.004	Z015FCBCC	31,713
			107,026
Community Care for the Elderly	65.010	C014FCBCC	147,547
Community Care for the Elderly	65.010	C015FCBCC	27,990
			175,537
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 19,186,137

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State award activity of Flagler County, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Section 215.97, Florida Statutes, *Florida Single Audit Act*.

(2) **Transfers to Subrecipients:**

During the year ended September 30, 2015, the following amounts were provided to subrecipients outside of Flagler County, Florida from each Federal and State Program:

Name of Federal Program:	CFDA	Amount
Criminal Justice, Mental Health and Substance Abuse Grant	60.115	$354,971

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

The Honorable County Commissioners
Flagler County, Florida

Report on Compliance for Each Major Federal Program and State Project.

We have audited Flagler County, Florida's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirement referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

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

Report on Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures that are appropriate in the circumstances, for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year

ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 24, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

PART I – SUMMARY OF AUDITOR'S RESULTS

(i) The independent auditor's report on the financial statements expressed an unmodified opinion.

(ii) The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.

(iii) The audit did not disclose any noncompliance considered material to the financial statements.

(iv) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal award programs or state projects.

(v) The report on compliance for the major federal programs and state projects was unmodified.

(vi) The audit disclosed no findings relative to the major federal programs or state projects.

(vii) The County's major programs/projects were:

Federal Programs	CFDA Number
Highway Planning and Construction	20.205
Airport Improvement Program	20.106
Transit Services Program Cluster	20.513/516/521
Brownfields Assessment and Cleanup Cooperative Agreements	66.818

State Projects	CSFA Number
County Incentive Grant	55.008
Small County Outreach Program	55.009
Small County Road Assistance Program	55.016

(viii) A threshold of $300,000 was used to distinguish between Type A and Type B programs for federal programs, and $575,584 was used for state projects.

(ix) The County did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to the major federal programs.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to the major state projects.

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

The Honorable County Commissioners
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Flagler County, Florida (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we have reported in separately-issued reports for the County's constitutional officers.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

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MANAGEMENT LETTER

The Honorable County Commissioners
Flagler County, Florida

We have audited the financial statements of Flagler County, Florida (the "County") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 24, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The County has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes, that are indicative of a financial emergency.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2015, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2015.

Other Matters

As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. Our reports included in those separately-issued audits should be considered in conjunction with this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable County Commissioners
Flagler County, Florida

We have examined Flagler County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES

The Honorable County Commissioners
Flagler County, Florida

We have examined Flagler County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds,* during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 24, 2016

CLERK OF THE CIRCUIT COURT & COMPTROLLER

FLAGLER COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2015

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 18, 2016

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,324,479	$ 188,378	$ 184,754	$ 89,077	$ 1,786,688
Accounts receivable	13,423	1,280	10	-	14,713
Due from other funds	-	2,694	-	-	2,694
Due from Board of County Commissioners	188	-	-	-	188
Due from other governments	8,947	22,793	-	-	31,740
Prepaids	-	-	39,311	28,005	67,316
Other assets	58,537	944	-	-	59,481
TOTAL ASSETS	$ 1,405,574	$ 216,089	$ 224,075	$ 117,082	$ 1,962,820
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 103,399	$ 27,342	$ 661	$ 125	$ 131,527
Due to Board of County Commissioners	111,352	-	-	-	111,352
Due to other governments	312,052	188,747	-	-	500,799
Deposits	878,771	-	-	-	878,771
TOTAL LIABILITIES	1,405,574	216,089	661	125	1,622,449
FUND BALANCES					
Nonspendable:					
Prepaids	-	-	39,311	28,005	67,316
Restricted for					
Court related technology	-	-	184,103	-	184,103
Records modernization	-	-	-	88,952	88,952
TOTAL FUND BALANCES	-	-	223,414	116,957	340,371
TOTAL LIABILITIES AND FUND BALANCES	$ 1,405,574	$ 216,089	$ 224,075	$ 117,082	$ 1,962,820

The accompanying notes are an integral part of the financial statements.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Court Operations	Court Technology	Records Modernization	Governmental Funds
REVENUES					
Intergovernmental	$ -	$ 268,080	$ -	$ -	$ 268,080
Charges for services	617,186	1,274,112	204,659	70,127	2,166,084
Fines and forfeitures	-	161,516	48,418	-	209,934
Miscellaneous revenue	13,758	722	-	-	14,480
Investment income	7,403	-	4,991	471	12,865
TOTAL REVENUES	638,347	1,704,430	258,068	70,598	2,671,443
EXPENDITURES					
Current					
General government					
Personal services	1,548,695	-	-	-	1,548,695
Operating expenses	175,396	-	-	59,230	234,626
Capital outlay	53,869	-	-	-	53,869
Court related					
Personal services	-	1,585,123	91,653	-	1,676,776
Operating expenses	9,930	83,185	169,229	-	262,344
Capital Outlay	-	-	41,249	-	41,249
TOTAL EXPENDITURES	1,787,890	1,668,308	302,131	59,230	3,817,559
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,149,543)	36,122	(44,063)	11,368	(1,146,116)
OTHER FINANCING SOURCES (USES)					
Transfers in- Board of County Commissioners	1,280,175	-	-	-	1,280,175
Transfers in- other funds	-	38,902	-	-	38,902
Reversion to other governments	-	(75,024)	-	-	(75,024)
Reversion to Board of County Commissioners	(91,730)	-	-	-	(91,730)
Transfers out- other funds	(38,902)	-	-	-	(38,902)
TOTAL OTHER FINANCING SOURCES (USES)	1,149,543	(36,122)	-	-	1,113,421
NET CHANGE IN FUND BALANCES	-	-	(44,063)	11,368	(32,695)
FUND BALANCES, BEGINNING OF YEAR	-	-	267,477	105,589	373,066
FUND BALANCES, END OF YEAR	$ -	$ -	$ 223,414	$ 116,957	$ 340,371

The accompanying notes are an integral part of the financial statements.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
SEPTEMBER 30, 2015

		Agency Funds
ASSETS		
Cash and cash equivalents	$	2,404,010
Accounts receivable		318
Due from other governments		944
TOTAL ASSETS	$	2,405,272
LIABILITIES		
Accounts payable	$	20,334
Due to other funds		2,694
Due to Board of County Commissioners		34,001
Due to constitutional officers		1,348
Due to other governments		121,969
Deposits		2,224,926
TOTAL LIABILITIES		2,405,272
NET POSITION	$	-

The accompanying notes are an integral part of the financial statements.

NOTE 1 - Summary of Significant Accounting Policies:

The accounting policies of the Flagler County Clerk of the Circuit Court & Comptroller (the "Clerk") conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the significant accounting policies.

Reporting Entity

The Clerk, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Clerk's Office is operationally autonomous from the Board of County Commissioners (the Board), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Clerk's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement, rather than duplicate, the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its asset, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Clerk reports the following governmental funds:

General Fund – The General Fund of the Clerk is used to account for and report all financial resources which are generated from non-court related operations of the Clerk's Office, appropriations from the Board of County Commissioners, and any other resources not required to be accounted for and reported in another fund.

Court Operations – The Court Operations Fund of the Clerk is used primarily to account for all financial resources that are generated from court operations of the Clerk's Office. Said resources are to be used specifically as noted in FS 28.35(3)(a).

Court Technology – The Court Technology Fund of the Clerk is used to account for certain revenues as noted in FS 28.24 and FS 28.37(2) that are to be used exclusively for court related functions in accordance with FS 29.008 and FS 28.37(2) respectively.

Records Modernization – The Records Modernization Fund of the Clerk is used to account for certain revenue that is to be "held in trust by the clerk and used exclusively for

NOTE 1 - Summary of Significant Accounting Policies: (Continued)

equipment and maintenance of equipment , personnel training and technical assistance in modernizing the public records system in the Office in accordance with FS 28.24 (12)(d).

Additionally, the Clerk also reports the following fiduciary funds:

Agency Funds – The Agency Funds of the Clerk are used to account for assets held by the Clerk in a custodial capacity.

Fund Balance

The Clerk follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Clerk is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Clerk's highest decision-making authority, which is a policy of the Clerk. Committed amounts cannot be used for any other purpose unless the Clerk removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Clerk's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Clerks policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. This reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing

NOTE 1 - Summary of Significant Accounting Policies: (Continued)

sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Chapter 218, Florida Statutes provide that the amount by which the General Fund revenue and transfers exceed annual expenditures be remitted to the Board of County Commissioners immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. The amount of this distribution is recorded as a liability and as other financing uses in the accompanying financial statements.

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds at year end September 30, 2015 have been included in a fund liability, Due to Other Governments.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Clerk are recorded and accounted for by the Flagler County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash and Equivalents

All cash and equivalents 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 depository is required by law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Prepaids

Certain payments to vendors for software maintenance agreements applicable to future accounting periods are recorded as prepaids in the accompanying financial statements. An offsetting

NOTE 1 - Summary of Significant Accounting Policies: (Continued)

nonspendable fund balance is reported in the fund financial statements to indicate that prepaids do not represent available spendable resources.

Compensated Absences

Earned leave time is determined by employees' length of service. Vacation and sick leave payments are included in operating costs when the payments are made to the employees. The Clerk does not, nor is she legally required to accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of Flagler County, Florida.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates and assumptions. Actual amounts could differ from those estimates.

NOTE 2 - Lease Commitments:

The Clerk has four operating leases for office equipment. The leases expire at varying dates from December 27, 2016 to July 5, 2018. Monthly payments range from $93 to $1,646. Lease payments for the year ended September 30, 2015 was $38,777. The future minimum lease payments for the next three years are as follows:

Year Ending September 30,	Amount
2016	$ 36,944
2017	33,061
2018	3,113
	$ 73,118

NOTE 3 - Changes in Long-Term Liabilities:

A summary of changes in the Clerk's long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liability	$ 1,215,129	$ 913,305	$ -	$ 2,128,434	$ 28,100
Compensated absences	216,157	241,952	254,416	203,693	203,693
Total long-term liabilities	$ 1,431,286	$ 1,155,257	$ 254,416	$ 2,332,127	$ 231,793

During 2015, the Clerk implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 - State of Florida Pension Plans:

Defined Benefit Pension Plan

The Clerk participates in two defined pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the State of Florida Department of Management Services, Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000 or by calling (850) 488 6491.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, *Florida Statutes.* Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, state university, state community college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, *Florida Statutes,* or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, *Florida Statutes.* The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

NOTE 4 - State of Florida Pension Plans: (Continued)

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, *Florida Statutes.*

Contributions

The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS. The Clerk's contribution rates are as follows:

	FRS	HIS
Regular Employees	5.60%	1.66%
Elected County Officials	40.61%	1.66%
Senior Management	19.77%	1.66%
Deferred Retirement Option Programs Employees	11.22%	1.66%

The Clerk's contributions to FRS and HIS for the year ended September 30, 2015, were $255,437 to the FRS and $31,019 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Clerk reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Clerk's proportions of the net pension liabilities were based on the Clerk's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 4 – State of Florida Pension Plans: (Continued)

	FRS	HIS
Net Pension Liability	$ 1,362,897	$ 765,538
Proportion at:		
Current measurement date	0.0106%	0.0075%
Prior measurement date	0.0089%	0.0072%
Pension expense (benefit)	$ 222,424	$ 65,564

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 143,882	$ 32,324	$ -	$ -
Changes of assumptions	90,460	-	60,228	-
Net difference between projected and actual earnings on pension plan investments	480,050	805,487	414	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	578,952	-	48,148	-
Employer contributions subsequent to the measurement date	62,583	-	9,531	-
TOTALS	$ 1,355,927	$ 837,811	$ 118,321	$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 4 – State of Florida Pension Plans: (Continued)

Year ending September 30,	FRS	HIS
2016	$ 65,993	$ 17,584
2017	65,993	17,584
2018	65,993	17,584
2019	65,992	17,584
2020	147,352	17,480
Thereafter	44,210	20,976
TOTAL	$ 455,533	$ 108,792

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with projection Scale BB.

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

The following changes in key assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

NOTE 4 – State of Florida Pension Plans: (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.20%	3.10%
Fixed income	18%	4.80%	4.70%
Global equity	53%	8.50%	7.20%
Real estate (property)	10%	6.80%	6.20%
Private equity	6%	11.90%	8.20%
Strategic investments	12%	6.70%	6.10%
	100%		

Discount rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to the changes in the discount rate. The sensitivity analysis shows the impact to the Clerk's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 3,531,574	$ 1,362,897	$ (441,799)	$872,294	$765,538	$676,518

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

NOTE 4 – State of Florida Pension Plans: (Continued)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $38,694.

NOTE 5 - Interfund Balances:

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. At September 30, 2015, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
Governmental funds:		
Court Operations Fund	$ 2,694	$ -
Agency funds:		
Child Support	-	2,694
Totals	$ 2,694	$ 2,694

NOTE 6 - Due From/To Entities of Flagler County:

At September 30, 2015, the amounts due from/to entities of Flagler County consist of the following:

General Fund	
Due from Board of County Commissioners	$ 188
General Fund	
Due to Board of County Commissioners	$ 111,352
Agency Funds	
Due to Sheriff	1,348
Due to Board of County Commissioners	34,001
Due to entities of Flagler County	$ 146,701

There were $91,730 of excess revenues reverted to the Board of County Commissioners.

NOTE 7 - Risk Management:

The Clerk participates in the Flagler County risk management program. The Board of County Commissioners maintains a Group Medical Benefit Internal Service Fund for life and health insurance. During the current year, the Clerk remitted $522,970 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves and program administration can be found in the basic financial statements of the Flagler County Board of County Commissioners for the year ended September 30, 2015.

NOTE 8 - Other Postemployment Benefits:

The Clerk participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 582,600	$ 617,250	$ 617,186	$ (64)
Miscellaneous revenue	7,778	13,628	13,758	130
Investment income	6,000	7,400	7,403	3
TOTAL REVENUES	596,378	638,278	638,347	69
EXPENDITURES				
Current				
General government				
Personal services	1,652,661	1,548,668	1,548,695	(27)
Operating expenses	169,090	175,380	175,396	(16)
Capital outlay	-	61,415	53,869	7,546
Court related				
Operating expenses	15,900	9,913	9,930	(17)
TOTAL EXPENDITURES	1,837,651	1,795,376	1,787,890	7,486
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,241,273)	(1,157,098)	(1,149,543)	7,555
OTHER FINANCING SOURCES (USES)				
Transfers in- Board of County Commissioners	1,280,175	1,280,175	1,280,175	-
Reversion to Board of County Commissioners	-	(84,175)	(91,730)	(7,555)
Transfer out- other funds	(38,902)	(38,902)	(38,902)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,241,273	1,157,098	1,149,543	(7,555)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

Note to schedule:
The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 286,199	$ 238,896	$ 268,080	$ 29,184
Charges for services	1,357,273	1,291,673	1,274,112	(17,561)
Fines and forfeitures	131,670	161,470	161,516	46
Miscellaneous revenue	-	700	722	22
TOTAL REVENUES	1,775,142	1,692,739	1,704,430	11,691
EXPENDITURES				
Court related				
Personal services	1,718,115	1,585,627	1,585,123	504
Operating expenses	83,824	82,914	83,185	(271)
TOTAL EXPENDITURES	1,801,939	1,668,541	1,668,308	233
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,797)	24,198	36,122	11,924
OTHER FINANCING SOURCES (USES)				
Transfers in- other funds	26,797	38,902	38,902	-
Reversion to other governments	-	(63,100)	(75,024)	(11,924)
TOTAL OTHER FINANCING SOURCES (USES)	26,797	(24,198)	(36,122)	(11,924)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

Notes to schedule:
The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles. Pursuant to Section 28.36. Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level on control.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 195,000	$ 204,500	$ 204,659	$ 159
Fines and forfeitures	65,000	48,500	48,418	(82)
Investment income	-	-	4,991	4,991
TOTAL REVENUES	260,000	253,000	258,068	5,068
EXPENDITURES				
Court related				
Personal services	88,377	91,700	91,653	47
Operating expenses	96,588	169,560	169,229	331
Capital outlay	-	41,250	41,249	1
TOTAL EXPENDITURES	184,965	302,510	302,131	379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,035	(49,510)	(44,063)	5,447
NET CHANGE IN FUND BALANCES	75,035	(49,510)	(44,063)	5,447
FUND BALANCES, BEGINNING OF YEAR	372,035	254,490	267,477	12,987
FUND BALANCES, END OF YEAR	$ 447,070	$ 204,980	$ 223,414	$ 18,434

Note to schedule:
The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 68,000	$ 70,000	$ 70,127	$ 127
Investment income	-	450	471	21
TOTAL REVENUES	68,000	70,450	70,598	148
EXPENDITURES				
Current				
General government				
Operating expenses	182,000	182,000	59,230	122,770
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(114,000)	(111,550)	11,368	122,918
NET CHANGE IN FUND BALANCES	(114,000)	(111,550)	11,368	122,918
FUND BALANCES, BEGINNING OF YEAR	114,000	111,550	105,589	(5,961)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 116,957	$ 116,957

Note to schedule:
The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

Florida Retirement System	2015
Employer's proportion of net pension liability (asset)	0.0106%
Employer's proportionate share of the net pension liability (asset)	1,362,897
Employer's covered-employee payroll **	2,277,305
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.85%
Plan fiduciary net position as a percentage of the total pension liability	92.00%

Health Insurance Subsidy Program	2015
Employer's proportion of net pension liability (asset)	0.0075%
Employer's proportionate share of the net pension liability (asset)	765,538
Employer's covered-employee payroll **	2,277,305
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.62%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:
* The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

** Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS*

Florida Retirement System	2015
Contractually required contribution	$ 255,437
Contributions in relation to the contractually required contribution	255,437
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll **	$ 2,279,367
Contributions as a percentage of covered-employee payroll	11.21%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 31,019
Contributions in relation to the contractually required contribution	31,019
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll **	$ 2,279,367
Contributions as a percentage of covered-employee payroll	1.36%

Notes to schedules:
** Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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MANAGEMENT LETTER

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 18, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 18, 2016

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

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 18, 2016.

Internal Control Over Financial Reporting

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

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

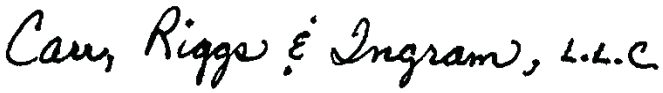
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Gainesville, Florida
May 18, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 18, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015. However, we did note an immaterial instance of noncompliance that is reported in the accompanying schedule of findings as item 2015-001.

The Office's response to item 2015-001 is described in its accompanying letter of response. The Office's response was not subjected to the examination procedures applied in the examination of compliance with Sections 28.35 and 28.36, Florida Statutes, and, accordingly, we express no opinion on it.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 18, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Gail Wadsworth
Clerk of the Circuit Court
Flagler County, Florida

We have examined the Office of the Flagler County Clerk of Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees,* during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 18, 2016

Schedule of Findings

2015-001

Condition: The Office did not achieve the following performance measures:

- Collections performance standards for Circuit Criminal and Civil Traffic.

Recommendation: The Office should continue to pursue the goal of meeting the performance standards for which it has the ability to control.

GAIL WADSWORTH, Clerk of the Circuit Court & Comptroller

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May 18, 2016

Ms. Sherrill F. Norman
Auditor General, State of Florida
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman,

Thank you for the opportunity to respond to the recommendation made by our independent auditors, Carr, Riggs and Ingram, CPAs and Advisors, LLC, in connection with their audit of the Flagler County Clerk of the Circuit Court & Comptroller for the fiscal year ended September 30, 2015. This response is offered pursuant to the provisions of Section 218.39(6), Florida Statutes which provide for "The officer's written statement of explanation and rebuttal concerning the auditor's findings, including corrective action to be taken"

2015-001 Condition: The Office did not achieve the following performance measures: Collections performance standards for Circuit Criminal and Civil Traffic.

Recommendation: The Office should continue to pursue the goal of meeting the performance standards for which it has the ability to control.

Response: This recommendation involves Florida Statute 28.35 which defines the duties of the Florida Clerks of Court Operations Corporation to include:

"(d) Developing and certifying a uniform system of workload measures and applicable workload standards for court-related functions as developed by the corporation and clerk workload performance in meeting the workload performance standards. These workload measures and workload performance standards shall be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges, and court costs."

It is important to recognize that there are varying factors affecting the performance of each of the ten case types. Civil Traffic cases are no exception, for this audit period the collections performance was under the benchmark measurement by less than half a percent. Circuit Criminal cases are one of the most vulnerable types and may be affected by factors outside of the Clerks capacity including and not limited to: the economy, incarceration, and may be the most skewed in their collection rate by the considerable assessments required under the law.

We will continue to apply every effort and available resource to achieve meeting and/or exceeding minimum standards for effective collection of fines, fees, service charges and court costs.

Sincerely,

Gail Wadsworth, Clerk of Court & Comptroller

Flagler County Sheriff

Audit Report

September 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Sheriff (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statement, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68*, Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 01, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 01, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	$ 1,400,307	$ 142,937	$ 1,543,244
Due from other funds	24,012	200	24,212
Due from other county agencies	44,867	-	44,867
Due from other governments	149,461	-	149,461
Accounts receivable	27,895	14,642	42,537
Total assets	$ 1,646,542	$ 157,779	$ 1,804,321
Liabilities			
Accounts payable and accrued liabilities	$ 730,074	$ -	$ 730,074
Accrued wages	600,856	-	600,856
Due to other funds	-	24,012	24,012
Due to other county agencies	311,626	-	311,626
Due to other governments	3,986	-	3,986
Total liabilities	1,646,542	24,012	1,670,554
Deferred inflows			
Unavailable revenue	-	9,440	9,440
Fund balances			
Restricted:			
Law enforcement education	-	427	427
Federal equitable sharing	-	74,242	74,242
Committed:			
Inmate benefits	-	49,658	49,658
Total fund balances	-	124,327	124,327
Total liabilities, deferred inflows and fund balances	$ 1,646,542	$ 157,779	$ 1,804,321

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	$ 178,106	$ -	$ 178,106
Charges for services	3,051,921	212,322	3,264,243
Fines and forfeitures	39,952	80,845	120,797
Miscellaneous	40,025	-	40,025
Total revenues	3,310,004	293,167	3,603,171
Expenditures			
Current:			
Public safety:			
Personal services	17,874,692	-	17,874,692
Operating expenditures	3,220,294	240,190	3,460,484
Capital outlay	1,602,473	-	1,602,473
Court related:			
Personal services	599,830	-	599,830
Operating expenditures	13,421	-	13,421
Debt service:			
Principal	245,305	-	245,305
Interest	11,573	-	11,573
Total expenditures	23,567,588	240,190	23,807,778
Excess of revenues over (under) expenditures	(20,257,584)	52,977	(20,204,607)
Other financing sources (uses)			
Appropriation from board of county commissioners	19,509,739	-	19,509,739
Reversion to board of county commissioners	(241,779)	-	(241,779)
Capital lease	960,000	-	960,000
Sale of capital assets	29,624	-	29,624
Total other financing sources (uses)	20,257,584	-	20,257,584
Net change in fund balances	-	52,977	52,977
Fund balances - beginning of year	-	71,350	71,350
Fund balances - end of year	$ -	$ 124,327	$ 124,327

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	$ 12,003
Liabilities	
Due to other funds	200
Due to other governments	14
Assets held for others	11,789
Total liabilities	12,003
Net position	$ -

The accompanying "Notes to Financial Statements" form an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Sheriff (the "Office") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following nonmajor governmental funds:

Inmate Welfare Fund – This fund is used to account for revenues and expenditures related to the commissary operations of the detention facility.

Police Education Fund – This fund is used to account for its share of revenues pursuant to Florida Statutes 938.15 and expenditures related to law enforcement education.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Equitable Sharing Fund – This fund is used to account for and report resources received under the U.S. Department of Justice's Equitable Sharing program.

Law Enforcement Automation Fund – This fund is used to account for and report resources from the City of Palm Coast restricted for the acquisition of public safety equipment.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held by the Office in a custodial capacity.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities of the governmental funds. Such amounts are instead reported in the government-wide financial statements of the County.

The Office defines capital assets as assets with an initial individual cost of $1,000 or more, except for guns which are considered capital assets regardless of cost, and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Furniture & equipment	5-10 years
Vehicles	5 years

Cash and Equivalents

All cash and equivalents 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 law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Capital assets				
Vehicles	$ 5,099,025	$ 1,349,538	$ 299,593	$ 6,148,970
Equipment	5,205,168	261,637	77,927	5,388,878
Total capital assets	10,304,193	1,611,175	377,520	11,537,848
Less accumulated depreciation				
Vehicles	4,294,841	925,073	276,973	4,942,941
Equipment	4,195,842	7,488	78,076	4,125,254
Total accumulated depreciation	8,490,683	932,561	355,049	9,068,195
Total capital assets, net	$ 1,813,510	$ 678,614	$ 22,471	$ 2,469,653

Depreciation expense of $932,561 applies to the public safety function.

NOTE 3 – CHANGES IN LONG-TERM DEBT

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

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 789,600	$ 1,193,500	$ 1,253,000	$ 730,100	$ 730,100
Capital lease obligations	158,973	960,000	245,305	873,668	262,058
Net pension liability	8,241,251	5,260,051	-	13,501,302	150,500
Total	$ 9,189,824	$ 7,413,551	$ 1,498,305	$ 15,105,070	$ 1,142,658

The Office has a lease agreement with a financial institution for vehicles and motorcycles with an interest rate of 2.10%. The aggregate historical cost of the vehicles and equipment is $960,000.

NOTE 3 – CHANGES IN LONG-TERM DEBT (CONTINUED)

During 2015, the Office implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

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

Year ending September 30,	Amount
2016	$ 262,058
2017	262,058
2018	239,648
2019	144,826
Total	908,590
Less interest	(34,922)
	$ 873,668

NOTE 4 – OPERATING LEASES

The Sheriff has an operating lease for facilities with a maturity date of December 2018. Monthly rent ranges from $2,533 to $4,951. Rent expenditures under these leases for the year ended September 30, 2015, was $17,390. The future minimum lease payments for the remaining terms are as follows:

Year ending September 30,	Amount
2016	$ 43,292
2017	50,138
2018	57,564
2019	14,852
	$ 165,846

NOTE 5 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $1,812,854 to the FRS and $164,856 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 9,403,285	$ 4,098,017
Proportion at:		
Current measurement date	0.0728%	0.0402%
Prior measurement date	0.0732%	0.0404%
Pension expense (benefit)	$ 142,283	$ 277,079

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 992,708	$ 223,017	$ -	$ -
Changes of assumptions	624,128	-	322,407	-
Net difference between projected and actual earnings on pension plan investments	3,312,097	5,557,444	2,218	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,288,612	-	149,222
Employer contributions subsequent to the measurement date	434,589	-	45,512	-
Total	$ 5,363,522	$ 8,069,073	$ 370,137	$ 149,222

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (730,167)	$ 28,488
2017	(730,167)	28,488
2018	(730,167)	28,488
2019	(730,167)	28,486
2020	(168,829)	27,933
Thereafter	(50,643)	33,520
Total	$ (3,140,140)	$ 175,403

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

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

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 24,366,038	$9,403,285	$ (3,048,183)	$ 4,669,500	$4,098,017	$ 3,621,486

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $209,452.

NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 7 – INTERFUND BALANCES

The following interfund balances arose through the normal course of operations.

	Due from Other Funds	Due to Other Funds
General fund	$ 24,012	$ -
Special revenue funds:		
Federal equitable sharing fund	200	24,012
Agency funds:		
Inmate fund	-	200
Totals	$ 24,212	$ 24,212

NOTE 8 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 9 – CONTINGENCIES AND COMMITMENTS

The Office was the defendant in lawsuits filed by former employees seeking compensation for unpaid hourly wages and overtime, and for wrongful termination. Subsequent to year-end, a settlement was reached net of insurance for approximately $130,000.

The Office is, during the course of normal operations, involved in various claims. It is the opinion of management that any uninsured claims other than as described above would not be material in relation to the Office's financial condition.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ 155,398	$ 255,398	$ 178,106	$ (77,292)
Charges for services	3,041,335	3,041,335	3,051,921	10,586
Fines and forfeitures	75,000	75,000	39,952	(35,048)
Miscellaneous	123,700	123,700	40,025	(83,675)
Total revenues	3,395,433	3,495,433	3,310,004	(185,429)
Expenditures				
Public safety:				
Personal services	18,360,982	18,069,807	17,874,692	195,115
Operating expenditures	3,657,356	3,542,895	3,220,294	322,601
Capital outlay	57,000	1,566,756	1,602,473	(35,717)
Court related:				
Personal services	592,939	600,116	599,830	286
Operating expenditures	20,895	13,720	13,421	299
Debt service:				
Principal	301,000	245,305	245,305	-
Interest	-	11,573	11,573	-
Total expenditures	22,990,172	24,050,172	23,567,588	482,584
Excess of revenues over (under) expenditures	(19,594,739)	(20,554,739)	(20,257,584)	297,155
Other financing sources (uses)				
Appropriation from board of county commissioners	19,569,739	19,569,739	19,509,739	(60,000)
Reversion to board of county commissioners	-	-	(241,779)	(241,779)
Capital lease	-	960,000	960,000	-
Sale of capital assets	25,000	25,000	29,624	4,624
Total other financing sources (uses)	19,594,739	20,554,739	20,257,584	(297,155)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

Notes to schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0728%
Employer's proportionate share of the net pension liability (asset)	$	9,403,285
Employer's covered-employee payroll (2)	$	12,190,970
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		77.13%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0402%
Employer's proportionate share of the net pension liability (asset)	$	4,098,017
Employer's covered-employee payroll (2)	$	12,190,970
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 1,812,854
Contributions in relation to the contractually required contribution	1,812,854
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 12,212,747
Contributions as a percentage of covered-employee payroll	14.84%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 164,856
Contributions in relation to the contractually required contribution	164,856
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 12,212,747
Contributions as a percentage of covered-employee payroll	1.35%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Law Enforcement Automation Fund	Total Nonmajor Governmental Funds
Assets					
Cash and equivalents	$ 44,256	$ 427	$ 98,254	$ -	$ 142,937
Due from other funds	200	-	-	-	200
Accounts receivable	14,642	-	-	-	14,642
Total assets	$ 59,098	$ 427	$ 98,254	$ -	$ 157,779
Liabilities					
Due to other funds	$ -	$ -	$ 24,012	$ -	$ 24,012
Deferred inflows					
Unavailable revenue	9,440	-	-	-	9,440
Fund balances					
Restricted	-	427	74,242	-	74,669
Committed	49,658	-	-	-	49,658
Total fund balances	49,658	427	74,242	-	124,327
Total liabilities, deferred inflows and fund balances	$ 59,098	$ 427	$ 98,254	$ -	$ 157,779

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Law Enforcement Automation Fund	Total Nonmajor Governmental Funds
Revenues					
Charges for services	$ 67,442	$ 9,880	$ -	$ 135,000	$ 212,322
Fines and forfeitures	-	-	80,845	-	80,845
Miscellaneous	-	-	-	-	-
Total revenues	67,442	9,880	80,845	135,000	293,167
Expenditures					
Current:					
Public safety:					
Operating expenditures	74,130	9,880	21,180	135,000	240,190
Excess of revenues over (under) expenditures	(6,688)	-	59,665	-	52,977
Fund balances - beginning of year	56,346	427	14,577	-	71,350
Fund balances - end of year	$ 49,658	$ 427	$ 74,242	$ -	$ 124,327

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015

	Inmate Fund	Suspense Fund	Civil Processing Fund	Total Agency Funds
Assets				
Cash and equivalents	$ 10,498	$ 1,491	$ 14	$ 12,003
Liabilities				
Due to other funds	200	-	-	200
Due to other governments	-	-	14	14
Assets held for others	10,298	1,491	-	11,789
Total liabilities	10,498	1,491	14	12,003
Net position	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 01, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.-.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 01, 2016

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

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 01, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2015-001 that we consider to be a material weakness.

Compliance and Other Matters

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

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 01, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have examined the office of the Flagler County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 01, 2016

Schedule of Findings

2015-001

Condition: Because of a limited number of available personnel during the 2014-15 fiscal year, it was not always possible to segregate certain incompatible duties, so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

Recommendation: To the extent possible, given available personnel, steps should be taken to ensure separation of duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction. Compensating controls, such as management review of bank and credit card statements and payroll registers, should also be considered for implementation.

Flagler County Sheriff's Office

James L. Manfre
SHERIFF

Accountability • Integrity • Respect

June 1, 2016

Ms. Sherill Norman
Auditor General, State of Florida
Post Office Box 1735
Tallahassee, FL 32302

Dear Ms. Norman,

Thank you for the opportunity to response to the recommendations made by our independent auditors, Carr, Riggs and Ingram, CPAs and Advisors, LLC, in connection with their audit of the Flagler County Sheriff's Department for the fiscal year ending September 30, 2015. This response is offered pursuant to the provision of Section 218.39(6), Florida Statues which provide for "The officer's written statement of explanation or rebuttal concerning the auditor's findings, including corrective action to be taken".

2015-001 – Condition: Because of a limited number of available personnel during the 2014-2015 fiscal year, it was not always possible to segregate certain incompatible duties, so that no one individual has access to both the physical assets and the related accounting records, or to all phases of a transaction.

Recommendation: To the extent possible, given available personnel, steps should be taken to ensure separation of duties so that no one individual has access to both the physical assets and the related accounting records, or to all phases of a transaction. Compensating controls, such as management review of bank and credit card statements and payroll registers, should also be considered for implementation.

Response: Management agrees that there was a limited number of staff involved in the accounting process during a brief period within the 2014-2015 fiscal year. The Office will establish ongoing monitoring systems for both individuals and the office's internal control system. Management will communicate methods for employees to report deficiencies in or breaches of established controls. Management will correct any issue that may occur as soon as possible, so that further damage can be prevented or contained and the issue rectified.

Respectfully,

James L Manfre
Sheriff

Flagler County Tax Collector

Audit Report

September 30, 2015

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September 30, 2015

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Elected Official's Response to Auditor's Comments --

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INDEPENDENT AUDITOR'S REPORT

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 11, 2016

Balance Sheet – Governmental Funds
September 30, 2015

		General Fund
Assets		
Cash	$	1,243,913
Due from other funds		34,395
Due from other county agencies		9,166
Due from other governments		328
Total assets	$	1,287,802
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	83,839
Due to other county agencies		1,138,576
Due to other governments		65,387
Total liabilities		1,287,802
Fund balance		-
Total liabilities and fund balance	$	1,287,802

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

		General Fund
Revenues		
Charges for services	$	3,271,099
Miscellaneous revenue		6,313
Total revenues		3,277,412
Expenditures		
General government services:		
Personal services		1,886,784
Operating expenditures		429,541
Total expenditures		2,316,325
Excess of revenues over expenditures		961,087
Other financing uses		
Reversion to board of county commissioners		(961,087)
Net change in fund balance		-
Fund balance - October 1, 2014		-
Fund balance - September 30, 2015	$	-

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash	$ 2,337,097
Receivables	70,404
Due from other county agencies	7,853
Total assets	2,415,354
Liabilities	
Assets held for others	2,220,079
Due to other funds	34,395
Due to other county agencies	160,880
Total liabilities	2,415,354
Net position	$ -

The accompanying "Notes to Financial Statements" form an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Tax Collector (the "Office") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held in a custodial capacity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Flagler County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash

All cash is 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 Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflow/Inflow of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – INTERFUND BALANCES

The following interfund balances arose during the normal course of operations of the Office.

	Due From Other Funds	Due To Other Funds
General fund	$ 34,395	$ -
Agency funds:		
Tax fund	-	34,395
Total	$ 34,395	$ 34,395

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 51,000	$ 69,000	$ 82,000	$ 38,000	$ 29,000
Net pension Liability	758,016	506,980	-	1,264,996	16,700
Total	$ 809,016	$ 575,980	$ 82,000	$ 1,302,996	$ 45,700

During 2015, the Office implemented GASB Statement No. 68*, Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $144,417 to the FRS and $17,444 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 811,536	$ 453,460
Proportion at:		
Current measurement date	0.0063%	0.0044%
Prior measurement date	0.0057%	0.0044%
Pension expense (benefit)	$ 121,298	$ 36,024

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 85,674	$ 19,247	$ -	$ -
Changes of assumptions	53,864	-	35,675	-
Net difference between projected and actual earnings on pension plan investments	285,846	479,627	245	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	286,646	-	12,355	-
Employer contributions subsequent to the measurement date	31,904	-	4,955	-
Total	$ 743,934	$ 498,874	$ 53,230	$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ 28,335	$ 7,808
2017	28,335	7,808
2018	28,335	7,808
2019	28,334	7,808
2020	76,780	7,748
Thereafter	23,037	9,295
Total	$ 213,156	$ 48,275

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

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

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 2,102,873	$ 811,536	$ (263,069)	$ 516,697	$ 453,460	$ 400,730

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $7,031.

NOTE 5 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 6 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 7 – CONTINGENCIES

The Office is, during the course of normal operations, involved in various claims. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 3,253,172	$ 3,253,172	$ 3,271,099	$ 17,927
Miscellaneous revenues	2,495	2,495	6,313	3,818
Total revenues	3,255,667	3,255,667	3,277,412	21,745
Expenditures				
General government services:				
Personal services	1,989,200	2,010,143	1,886,784	123,359
Operating expenditures	453,461	453,461	429,541	23,920
Total expenditures	2,442,661	2,463,604	2,316,325	147,279
Excess of revenues over expenditures	813,006	792,063	961,087	169,024
Other financing uses				
Reversion to board of county commissioners	(813,006)	(792,063)	(961,087)	(169,024)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2014	-	-	-	-
Fund balances - September 30, 2015	$ -	$ -	$ -	$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0063%
Employer's proportionate share of the net pension liability (asset)	$	811,536
Employer's covered-employee payroll (2)	$	1,348,948
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		60.16%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0044%
Employer's proportionate share of the net pension liability (asset)	$	453,460
Employer's covered-employee payroll (2)	$	1,348,948
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 144,417
Contributions in relation to the contractually required contribution	144,417
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 1,298,845
Contributions as a percentage of covered-employee payroll	11.12%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 17,444
Contributions in relation to the contractually required contribution	17,444
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 1,298,845
Contributions as a percentage of covered-employee payroll	1.34%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information

Fiduciary Funds

Tax Fund – To account for the collection and disbursement of real and tangible property taxes.

Tag Fund – To account for the collection and disbursement of collections such as vehicle tag, title, sales tax and marine title fees; hunting and fishing licenses and marine title fees; and for driver license fees on behalf of various State agencies.

Combining Statement of Fiduciary Net Position – Agency Funds
September 30, 2015

	Tax Fund	Tag Fund	Totals
Assets			
Cash	$ 2,147,002	$ 190,095	$ 2,337,097
Receivables	67,618	2,786	70,404
Due from other county agencies	7,853	-	7,853
Total assets	2,222,473	192,881	2,415,354
Liabilities			
Assets held for others	2,029,513	190,566	2,220,079
Due to other funds	34,395	-	34,395
Due to other county agencies	158,565	2,315	160,880
Total liabilities	2,222,473	192,881	2,415,354
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 11, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 11, 2016

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

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 11, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 11, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have examined the office of the Flagler County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 11, 2016

SUZANNE JOHNSTON
FLAGLER COUNTY TAX COLLECTOR

P. O. Box 846
Bunnell, FL 32110
Phone: 386-313-4160

May 11, 2016

The Honorable David W. Martin, CPA
Florida Auditor General
111 West Madison St.
Claude Pepper Building, G-74
Tallahassee, Florida 32399

Dear Honorable Martin:

I have received the Flagler County Tax Collector's financial statements and audit report for the year ending September 30, 2015.

I am pleased to report that there were no findings or recommendations included in the audit report.

Sincerely

Suzanne Johnston
Flagler County Tax Collector

Flagler County Property Appraiser

Audit Report

September 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 08, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Rigga & Ingram, L.L.C.

Palatka, Florida
June 08, 2016

Balance Sheet – Governmental Funds
September 30, 2015

		General Fund
Assets		
Cash	$	119,831
Due from other governments		200
Accounts receivable		125
Total assets	$	120,156
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	68,193
Due to other governments		6,041
Due to board of county commissioners		45,922
Total liabilities		120,156
Fund balance		-
Total liabilities and fund balance	$	120,156

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

	General Fund
Revenues	
Charges for services	$ 64,832
Miscellaneous revenue	19,013
Total revenues	83,845
Expenditures	
General government:	
Personal services	1,828,069
Operating expenditures	205,341
Capital outlay	39,958
Total expenditures	2,073,368
Excess of revenues under expenditures	(1,989,523)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,032,182
Reversion to board of county commissioners	(42,659)
Total other financing sources (uses)	1,989,523
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Property Appraiser (the "Office") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

> *General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Flagler County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liability	$ 748,367	$520,549	$ -	$ 1,268,916	$ 16,300
Compensated absences	68,000	93,000	88,000	73,000	33,000
Total long-term debt	$ 816,367	$613,549	$ 88,000	$ 1,341,916	$ 49,300

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $ 158,207 to the FRS and $18,437 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	$ 825,352	$ 443,564
Proportion at:		
Current measurement date	0.0064%	0.0043%
Prior measurement date	0.0054%	0.0044%
Pension expense (benefit)	$ 120,357	$ 29,006

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 87,133	$ 19,575	$ -	$ -
Changes of assumptions	54,781	-	34,897	-
Net difference between projected and actual earnings on pension plan investments	290,712	487,792	240	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	287,175	-	-	22,265
Employer contributions subsequent to the measurement date	37,108	-	5,589	-
Total	$ 756,909	$ 507,367	$ 40,726	$ 22,265

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ 27,997	$ 2,098
2017	27,997	2,098
2018	27,997	2,098
2019	27,997	2,098
2020	77,267	2,038
Thereafter	23,179	2,442
Total	$ 212,434	$ 12,872

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

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

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 2,138,674	$ 825,352	$ (267,547)	$ 505,420	$ 443,564	$ 391,985

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $23,574.

NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 5 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 6 – LEASE COMMITMENTS

The Office has seven vehicle operating leases. During the year ended September 30, 2015, the lease payments on all vehicle operating leases were $20,715.

Future minimum lease payments for noncancellable operating leases as of September 30, 2015 are as follows:

Year	Amount
2016	$ 20,394
2017	19,703
2018	14,568
2019	250
Total	$ 54,915

NOTE 7 – CONTINGENCIES AND COMMITMENTS

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 61,996	$ 61,996	$ 64,832	$ 2,836
Miscellaneous revenue	-	-	19,013	19,013
Total revenues	61,996	61,996	83,845	21,849
Expenditures				
General government:				
Personal services	1,855,399	1,834,019	1,828,069	5,950
Operating expenditures	224,959	223,359	205,341	18,018
Capital outlay	-	36,800	39,958	(3,158)
Total expenditures	2,080,358	2,094,178	2,073,368	20,810
Excess of revenues under expenditures	(2,018,362)	(2,032,182)	(1,989,523)	42,659
Other financing sources (uses)				
Appropriation from board of county commissioners	2,018,362	2,032,182	2,032,182	-
Reversion to board of county commissioners	-	-	(42,659)	(42,659)
Total other financing sources (uses)	2,018,362	2,032,182	1,989,523	(42,659)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

Notes to schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0064%
Employer's proportionate share of the net pension liability (asset)	$	825,352
Employer's covered-employee payroll (2)	$	1,319,514
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		62.55%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0043%
Employer's proportionate share of the net pension liability (asset)	$	443,564
Employer's covered-employee payroll (2)	$	1,319,514
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 158,207
Contributions in relation to the contractually required contribution	158,207
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 1,356,252
Contributions as a percentage of covered-employee payroll	11.67%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 18,437
Contributions in relation to the contractually required contribution	18,437
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 1,356,252
Contributions as a percentage of covered-employee payroll	1.36%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 08, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
June 08, 2016

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

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 08, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Palatka, Florida
June 08, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have examined the Flagler County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
June 08, 2016

Flagler County
Supervisor of Elections

Audit Report

September 30, 2015

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The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2015, and the changes in its financial position for the

year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

We also draw attention to Note 2 to the financial statement, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 10, 2016

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds
As of September 30, 2015

		General Fund
Assets		
Cash	$	82,336
Prepaids		32,208
Total assets	$	114,544
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	780
Due to other county agencies		52,877
Total liabilities		53,657
Fund balance:		
Nonspendable		32,208
Restricted		28,679
Total fund balance		60,887
Total liabilities and fund balance	$	114,544

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

	General Fund
Revenues	
Intergovernmental revenue	$ 31,838
Charges for services	144,477
Miscellaneous income	3
Total revenues	176,318
Expenditures	
General government:	
Personal services	509,600
Operating expenditures	240,383
Capital outlay	10,356
Total expenditures	760,339
Excess of revenues under expenditures	(584,021)
Other financing sources (uses)	
Appropriation from board of county commissioners	840,281
Reversion to board of county commissioners	(195,373)
Total other financing sources (uses)	644,908
Net change in fund balance	60,887
Fund balance - October 1, 2014	-
Fund balance - September 30, 2015	$ 60,887

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Supervisor of Elections (the "Office") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All non-major funds are aggregated and displayed in a single column. The Office has no non-major funds.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-term Liabilities

Capital assets used by the Office are recorded and accounted for by the Flagler County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the government-wide financial statements of the County.

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 10,500	$ 9,000	$ 15,700	$ 3,800	$ 3,800
Net pension liability	192,758	187,952	-	380,710	3,600
	$ 203,258	$196,952	$ 15,700	$ 384,510	$ 7,400

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $51,549 to the FRS and $3,779 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	$ 282,525	$ 98,185
Proportion at:		
Current measurement date	0.0022%	0.0010%
Prior measurement date	0.0018%	0.0009%
Pension expense (benefit)	$ 48,698	$ 8,221

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,826	$ 6,701	$ -	$ -
Changes of assumptions	18,752	-	7,725	-
Net difference between projected and actual earnings on pension plan investments	99,513	166,975	53	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	132,087	-	5,994	312
Employer contributions subsequent to the measurement date	11,935	-	1,087	-
Total	$ 292,113	$ 173,676	$ 14,859	$ 312

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ 15,958	$ 2,176
2017	15,958	2,176
2018	15,958	2,176
2019	15,959	2,176
2020	32,825	2,164
Thereafter	9,844	2,592
Total	$ 106,502	$ 13,460

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

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

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

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

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 732,086	$ 282,525	$ (91,584)	$ 111,877	$ 98,185	$ 86,768

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $2,756.

NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 5 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 6 – LEASE COMMITMENTS

The Office leases equipment through operating leases with maturity dates ranging from July 2017 to January 2018. The lease cost for the year ended September 30, 2015 was $2,727.

The following is a schedule of future minimum rental payments required under the above operating leases:

NOTE 6 – LEASE COMMITMENTS (CONTINUED)

Year Ending September 30:		
2016	$	3,132
2017		2,700
2018		351
Total	$	6,183

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenue	$ -	$ -	$ 31,838	$ 31,838
Charges for services	-	142,636	144,477	1,841
Miscellaneous income	-	-	3	3
Total revenues	-	142,636	176,318	33,682
Expenditures				
General government:				
Personal services	512,653	512,653	509,600	3,053
Operating expenditures	201,036	333,316	240,383	92,933
Capital outlay	-	10,356	10,356	-
Reserve for contingencies	5,000	5,000	-	5,000
Total expenditures	718,689	861,325	760,339	100,986
Excess of revenues under expenditures	(718,689)	(718,689)	(584,021)	134,668
Other financing sources (uses)				
Appropriation from board of county commissioners	718,689	718,689	840,281	121,592
Reversion to board of county commissioners	-	-	(195,373)	(195,373)
Total other financing sources (uses)	718,689	718,689	644,908	(73,781)
Net change in fund balances	-	-	60,887	60,887
Fund balances – October 1, 2014	-	-	-	-
Fund balances – September 30, 2015	$ -	$ -	$ 60,887	$ 60,887

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. Budgeted expenditures shown above include $142,636 resulting from the Office's agreements with the State of Florida for elections services, which are fully reimbursed.

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0022%
Employer's proportionate share of the net pension liability (asset)	$	282,525
Employer's covered-employee payroll (2)	$	292,083
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		96.73%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0010%
Employer's proportionate share of the net pension liability (asset)	$	98,185
Employer's covered-employee payroll (2)	$	292,083
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	51,549
Contributions in relation to the contractually required contribution		51,549
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	279,189
Contributions as a percentage of covered-employee payroll		18.46%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	3,779
Contributions in relation to the contractually required contribution		3,779
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	279,189
Contributions as a percentage of covered-employee payroll		1.35%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 10, 2016. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 10, 2016

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

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 10, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2015-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 10, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have examined the office of the Flagler County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 10, 2016

Schedule of Findings

2015-001

Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices. It was also necessary for us to assist with the preparation of the Office's financial statements.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

Kaiti Lenhart ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

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Sherrill F. Norman, CPA
Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399-1450

May 10, 2016

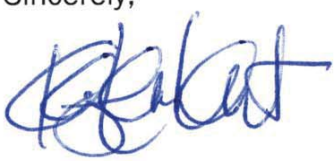
Dear Auditor General:

We are grateful to the accountants of Carr, Riggs & Ingram, LLC., who worked with us and provided guidance to assist with a steep learning curve during the preparations of our financial statements. Not only was this a new process for myself, it was also new to staff. Let it be noted that we made every effort to be receptive and responsive to the auditors and provided a cordial atmosphere during their visits to the office.

2015-001 Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices. It was also necessary for us to assist with the preparation of the Offices' financial statements.

Response: It is my duty, as Supervisor of Elections, to make certain all operations of the Elections Office are in compliance with laws, regulations and policies. After evaluating the financial statements from this fiscal year, we have gained the experience and knowledge to make substantial improvements to prepare our financial statements in accordance with GAAP. The Office has established written procedures for the preparation of our financial statements and internal control measures to improve our efficiency and to provide for consistent, reliable financial reporting.

Sincerely,



Kaiti Lenhart
Flagler County Supervisor of Elections