COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

FLAGLER

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2016

THE DOLLARS & CENTS OF FLAGLER COUNTY'S ECONOMIC GROWTH

Flagler County is home to just over 107,000 residents who call this gem of a place home. Beaches, farm lands and the intracoastal waterway are just some of the places that occupy our residents in their quest for fun; add to that golf courses, parks and recreational trails, and it's easy to see how well we live here.

That's not the whole story of Flagler County however because it's also a great place to work. Flagler County has around 3,272 businesses and in 2016, the leading industries were retail, health care and social services, education and accommodation and food services. The County's current labor force is about 41,901 people and it has an unemployment rate of 4.50%.

Some of our top local business include:

- AmRAd Engineering, Inc.
- Beutlich Pharmaceutical
- Coastal Cloud, LLC
- Sea Ray Boats
- Designs for Health
- Palm Coast Data
- Sandvik

A reliable and skilled workforce is critical for expanding or relocating a business and Flagler County currently has about 19,257 skilled and qualified manufacturing professionals from which to draw. The County also offers a number of incentive programs which are designed to provide assistance with workforce training specific to a company's needs.

Flagler County has come a long way from its 10,000 residents in 1980. Looking at where the County has been and where it is going, it is easy to see why Flagler County is a great place to live, play & work.

FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2016

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

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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

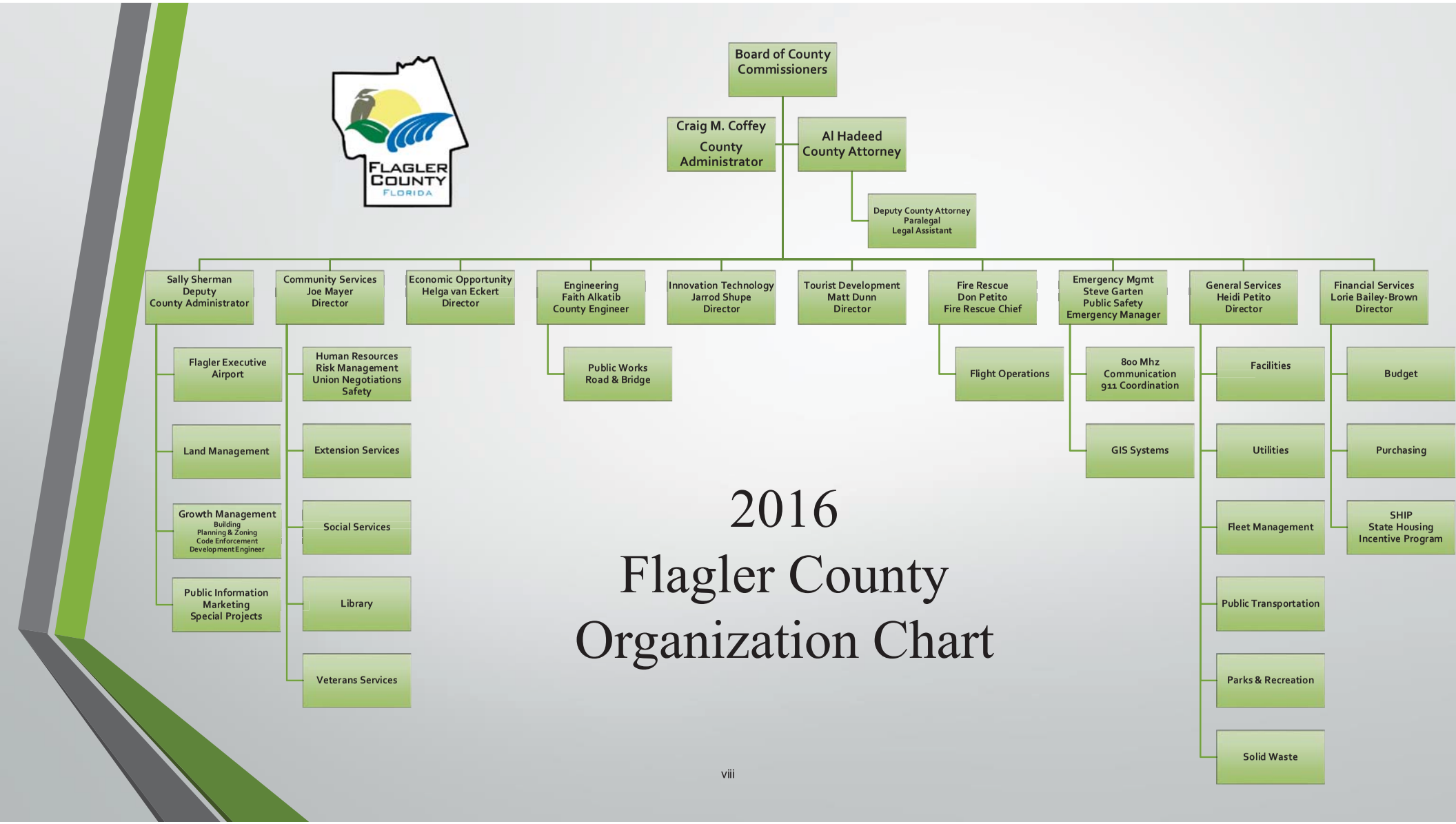
Flager County

Florida

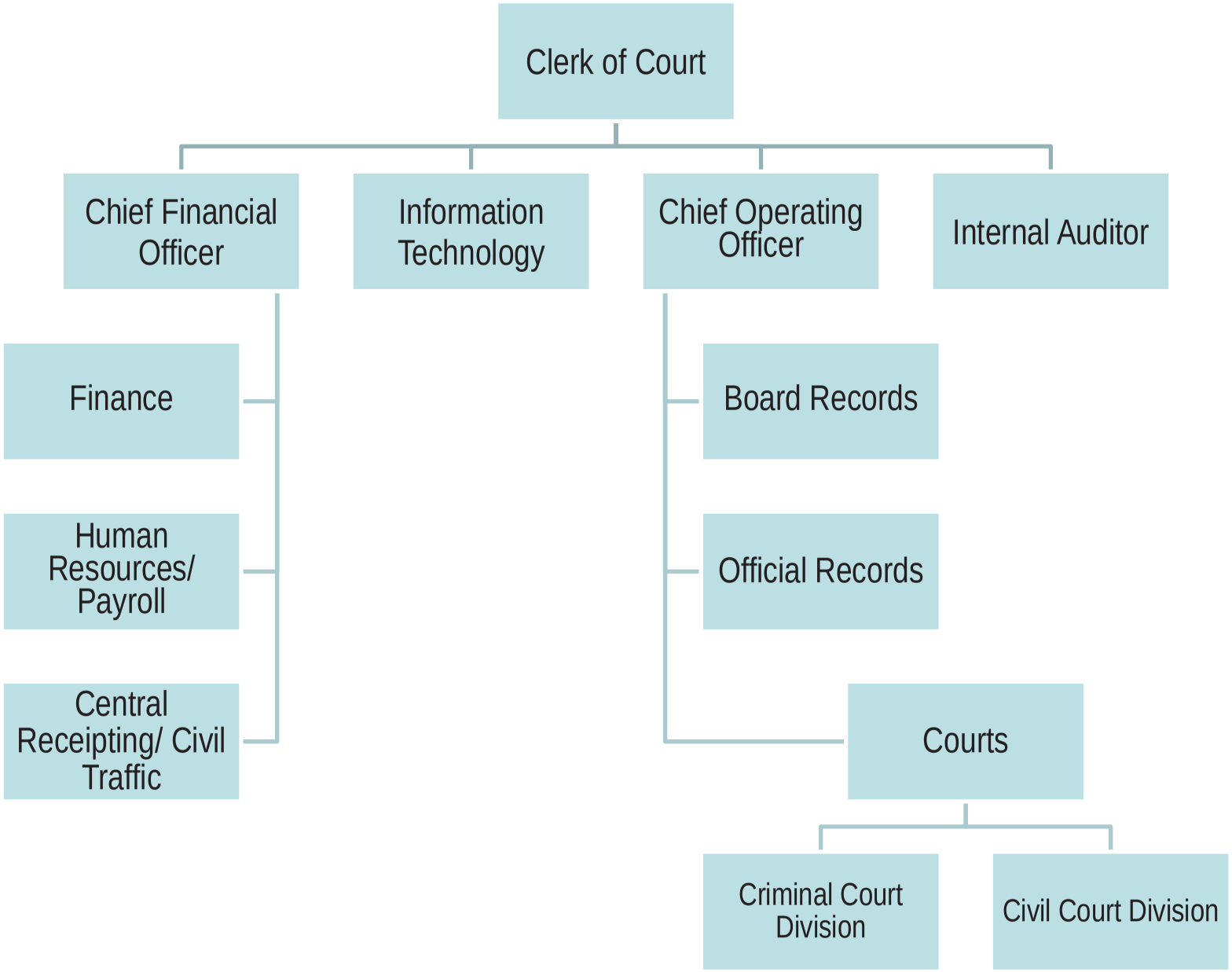
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

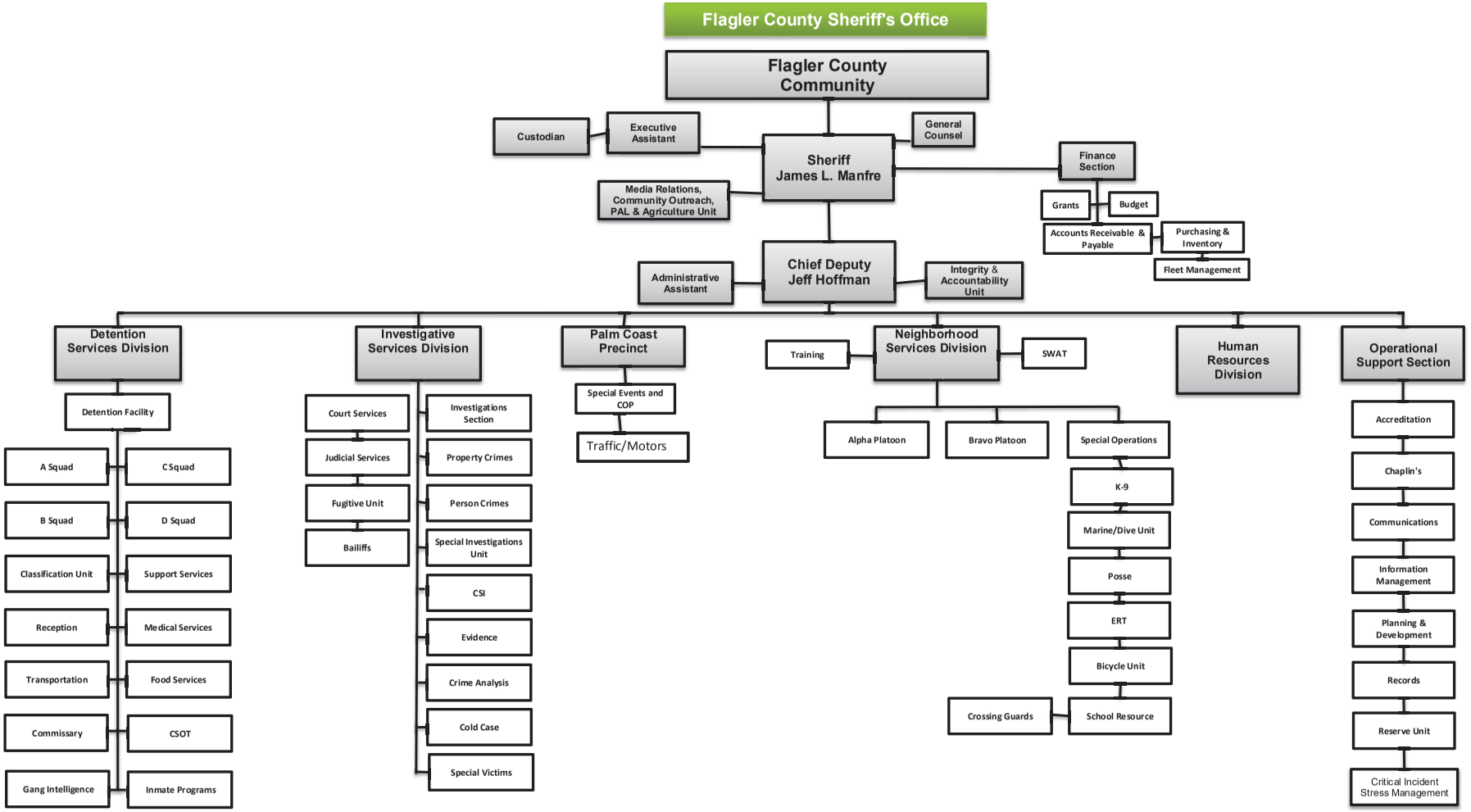
September 30, 2015

Executive Director/CEO



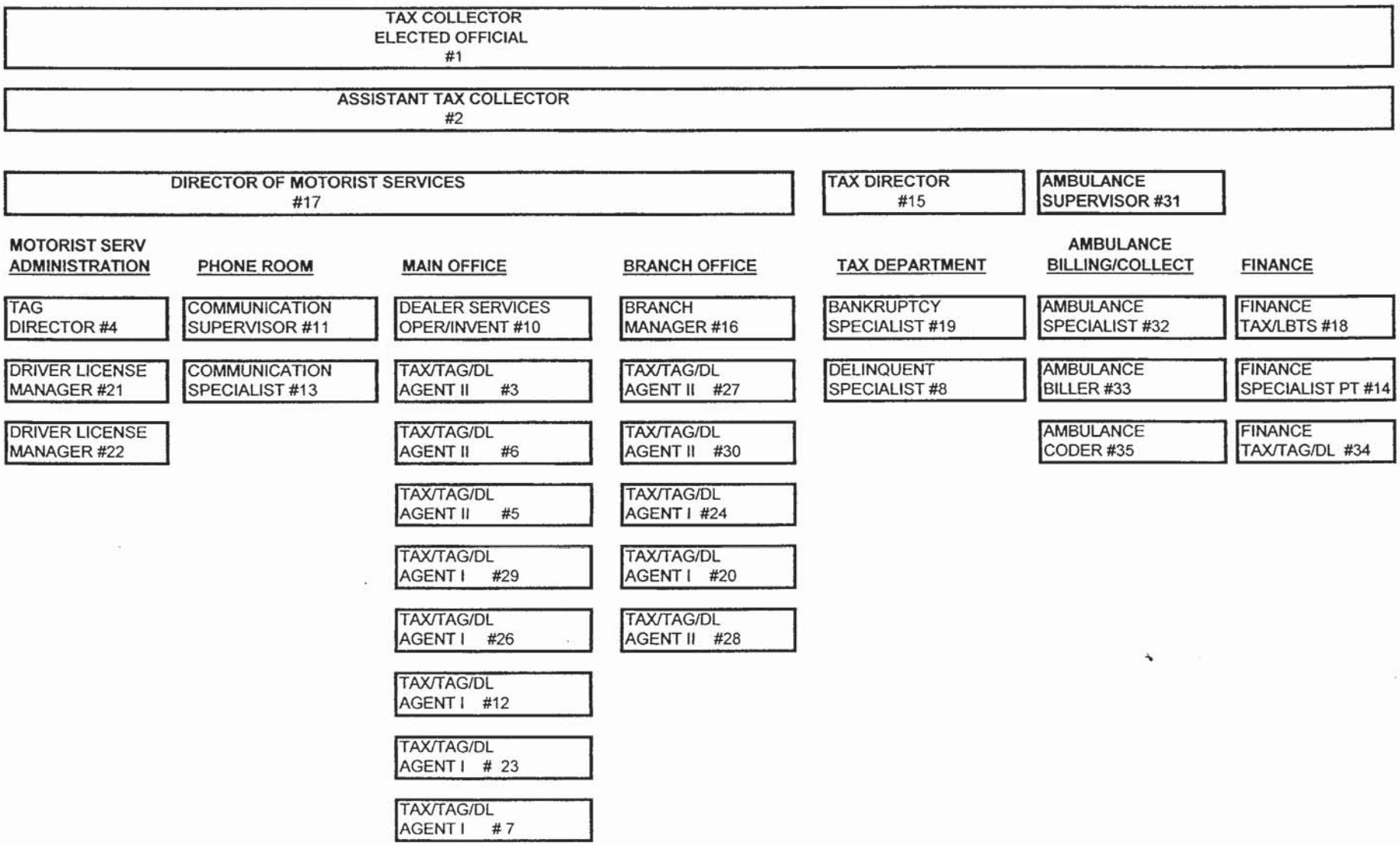
2016 Flagler County Organization Chart


Clerk of Court
Chief Financial Officer
Information Technology
Chief Operating Officer
Internal Auditor
Finance
Human Resources/ Payroll
Central Receipting/ Civil Traffic
Board Records
Official Records
Courts
Criminal Court Division
Civil Court Division

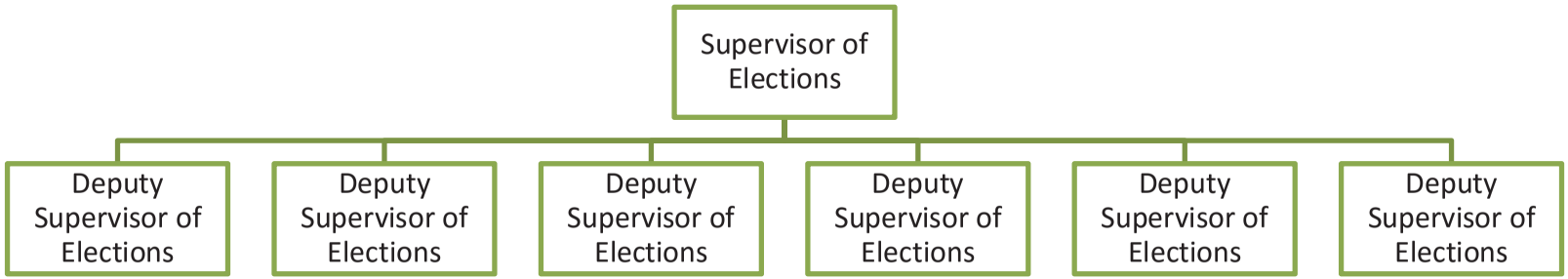


Updated
2/11/2016

FLAGLER COUNTY TAX COLLECTOR 2015-2016



Property Appraiser
Chief Deputy
Administrative Director
REAL PROPERTY
GIS/IT
CUSTOMER SERVICE/ EXEMPTIONS
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
Field Appr. I
Field Appr. I
Field Appr.III/AG
Field Appraiser III
Field Appraiser III
Field Appraiser III
GIS Specialist II
GIS Specialist II


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

TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

July 17, 2017

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, 2016.

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, 2016.

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, 2016 have been audited by the 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, 2016 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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 sub-fund 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 performed in accordance with the County's Investment policy.

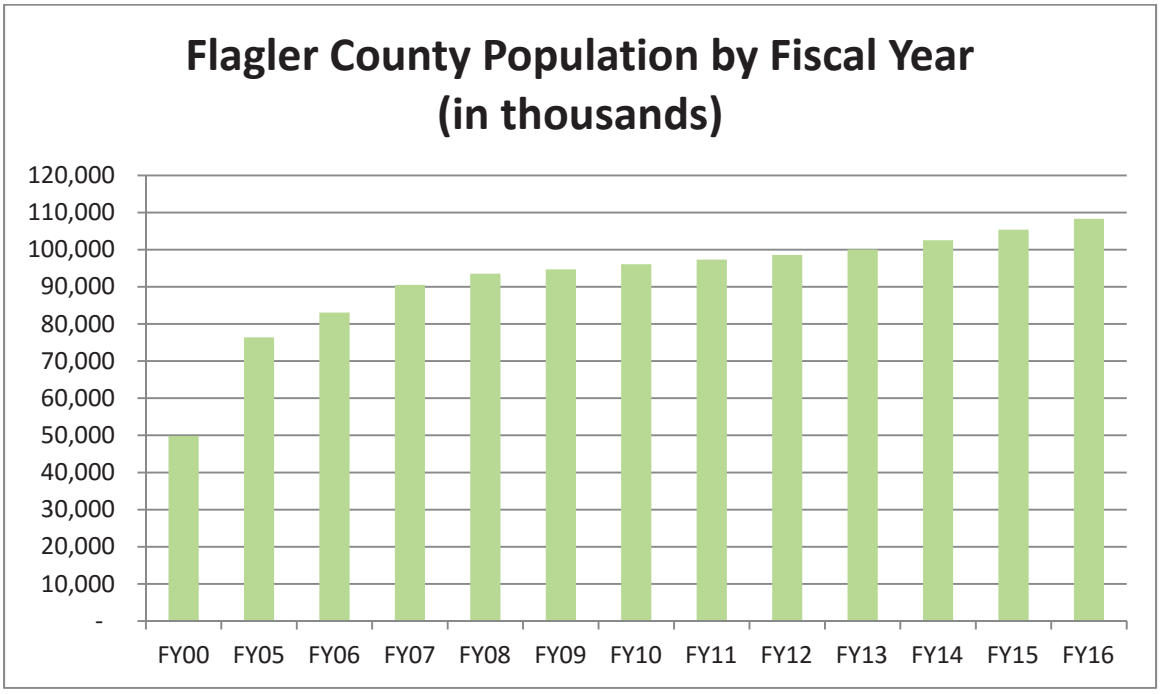
In developing and evaluating the accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designated to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records in order to prepare accurate financial 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 2,029 building permits in the 2016 fiscal year representing a slight decrease of 0.2% 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 5.5% rate, still higher than the state and national averages. Average household income is hovering at about $48,000, slightly higher than the State of Florida per household average of $47,507. A stagnant school enrollment of around 13,000 students at the two local high schools, two middle schools and five 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, completed October 2015 and Detention Center, completed October 2016

- Improvements are ongoing at the former Bunnell Flagler County Utility (BFCU) throughout FY 2015-2016. The utility began as a joint venture between Flagler County and the City of Bunnell and was merged into the County's Utility Fund in October 2015. All rights and obligations concerning the operations, maintenance, financing, expansion and control are now under the County.

- 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 Airpark Phase B on the southside of the airport and was 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 in progress and will take several years to complete.

Management policies and practices

Flagler County's investment policy is largely guided by State statute. 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
- 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, 2016, the County earned approximately 68 basis points on investments. Given the established benchmark yield of .27%, actual rate of return of .68% exceeded the benchmark.

Flagler County has FY 2016 assets totaling approximately $371 million with total liabilities of $189 million. This strong financial footing is reinforced by Standard & Poor's Ratings Services. The S & P outlook is positive and affirmed by 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 the 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's economy has shown 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, 2015. This was the second 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,

Tom Bexley
Clerk of the Circuit Court and Comptroller

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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, 2016 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, 2016, 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.

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 July 17, 2017 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
July 17, 2017

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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, 2016. 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, 2016 (fiscal year end) by $255,603,419 (net position) for governmental activities, representing an increase of $9,017,796.

- 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 merger of the BFCU into the County can be found in Note 16 on pages 60 of this report.

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, 2016. 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, Road Impact Fees – City of Palm Coast, ESL 2008 Referendum, and Capital Improvement Revenue Bonds Series 2015 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 - 60 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 61 – 65 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA
NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	**2016**	**2015**	**2016**	**2015**	**2016**
Current and other assets	$ 79,064	$ 68,443	$ 4,761	$ 6,782	$ 83,825	$ 75,225
Capital assets	318,942	335,198	26,958	35,902	345,900	371,100
Total Assets	398,006	403,641	31,719	42,684	429,725	446,325
Deferred Outflows	15,710	35,186	215	476	15,925	35,662
Non-current liabilities	125,191	147,493	9,269	15,339	134,460	162,832
Other liabilities	26,316	23,784	1,912	2,666	28,228	26,450
Total Liabilities	151,507	171,277	11,181	18,005	162,688	189,282
Deferred Inflows	15,623	11,946	139	88	15,762	12,034
Net position						
Net investment in capital assets	238,538	246,725	17,710	20,677	256,248	267,402
Restricted	32,762	33,031	1,226	1,234	33,988	34,265
Unrestricted	(24,714)	(24,152)	1,678	3,156	(23,036)	(20,996)
Total net position	$ 246,586	$255,604	$ 20,614	$ 25,067	$267,200	$ 280,671

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 $280,670,829 as of the fiscal year ended September 30, 2016.

The largest reported amount of the County's net position $267,402,254 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.

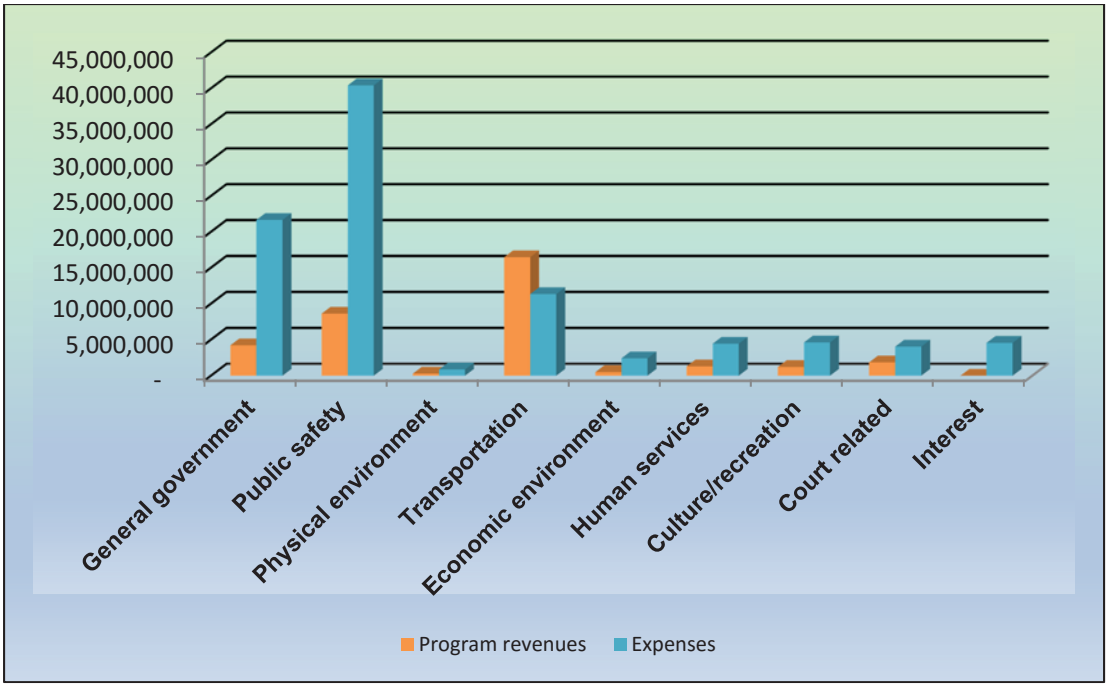
The County's Restricted Net Position amounted to $34,265,038, this amount represents resources that are subject to external restrictions on their use. The County reported negative Unrestricted Net Position in the amount of $20,996,463 unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2016 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.

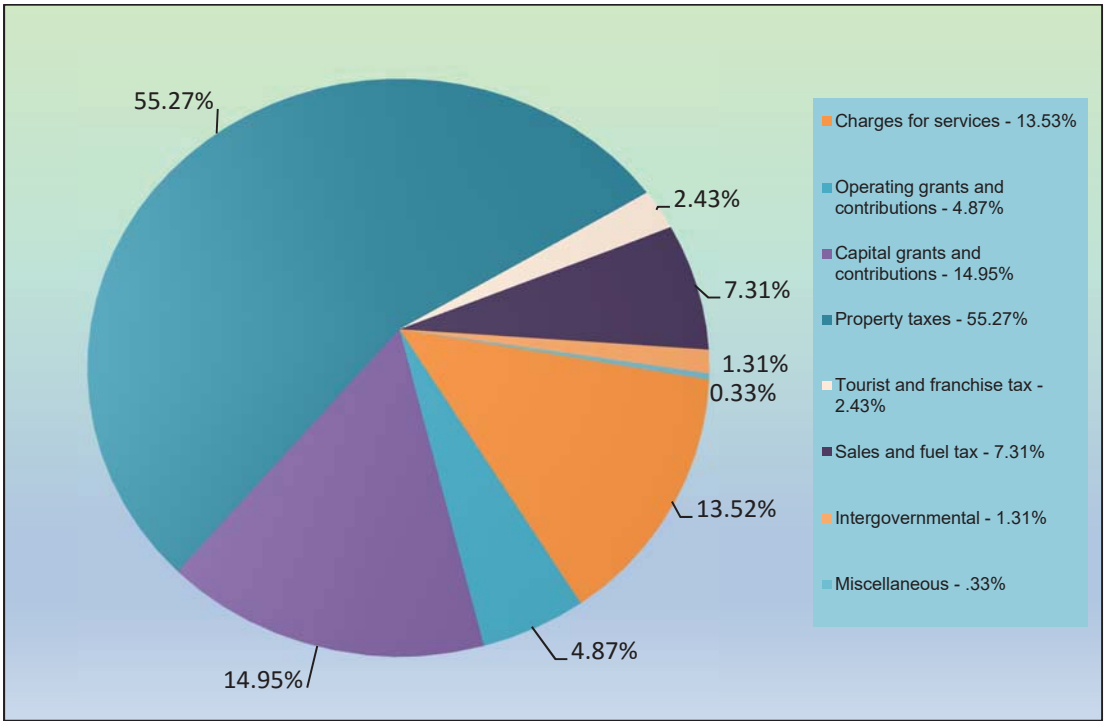
FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues						
Program revenues						
Charges for Services	$ 14,412	$ 13,990	$ 3,858	$ 5,864	$ 18,270	$ 19,854
Operating grants and contributions	4,787	6,399	3,857	95	8,644	6,494
Capital grants and contributions	25,093	15,463	1,153	5,008	26,246	20,471
General revenues						
Property taxes	53,996	57,166	-	-	53,996	57,166
Other taxes	9,634	10,073	129	526	9,763	10,599
Miscellaneous	1,915	344	70	127	1,985	471
Total revenues	109,837	103,435	9,067	11,620	118,904	115,055
Expenses						
General government	19,331	21,676	-	-	19,331	21,676
Public safety	34,623	40,426	-	-	34,623	40,426
Physical environment	517	861	-	-	517	861
Transportation	17,339	11,349	-	-	17,339	11,349
Economic environment	2,318	2,418	-	-	2,318	2,418
Human services	4,260	4,449	-	-	4,260	4,449
Culture/recreation	3,830	4,620	-	-	3,830	4,620
Court related	3,462	4,042	-	-	3,462	4,042
Interest long-term debt	4,356	4,568	-	-	4,356	4,568
Airport	-	-	6,429	2,903	6,429	2,903
Utilities	-	-	1,216	3,022	1,216	3,022
Landfill	-	-	252	250	252	250
Waste management	-	-	1,404	1,432	1,404	1,432
Total expenses	90,036	94,409	9,301	7,607	99,337	102,016
Change in net position before transfers	19,801	9,026	(234)	4,013	19,567	13,039
Transfers	492	(8)	(492)	8	-	-
Special item - Utility merger	-	-	-	432	-	432
Change in net position	20,293	9,018	(726)	4,453	19,567	13,471
Net position, beginning, as previously reported	261,003	246,586	21,648	20,614	282,651	267,200
Restatement	(34,710)		(308)		(35,018)	-
Net position, beginning, as restated	226,293	246,586	21,340	20,614	247,633	267,200
Net position, ending	$ 246,586	$ 255,604	$ 20,614	$ 25,067	$ 267,200	$ 280,671

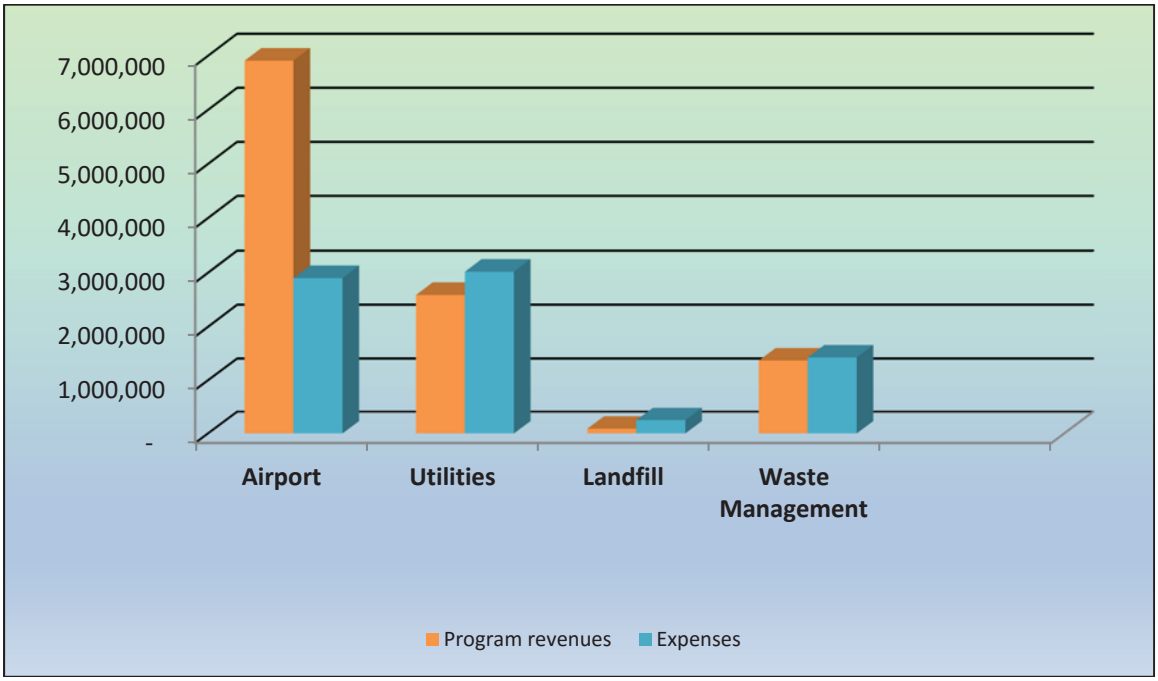
Expenses and Program Revenues - Governmental Activities



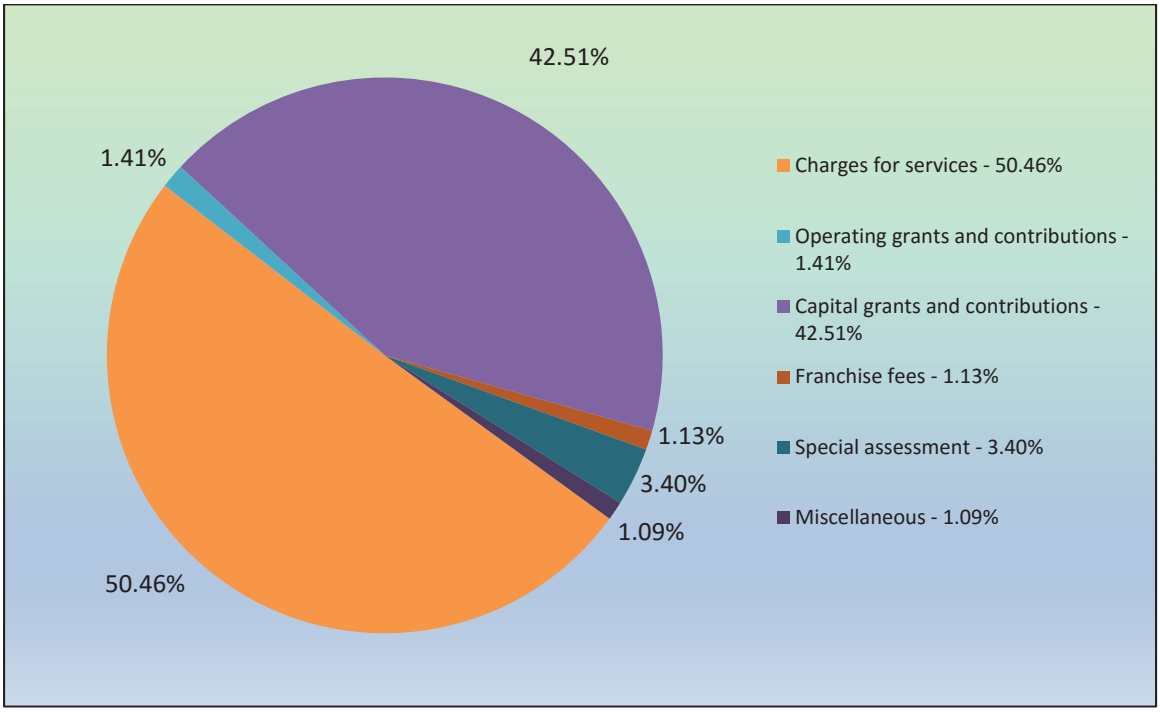
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities increased the County's net position by $9,017,796.

The above expenses and program revenues graph, depict two major programs for the county are public safety and general governmental. These programs are primarily funded by ad valorem taxes.

The above revenues by source graph, shows that the three major revenue sources are property taxes, capital grants & contributions and charges for services.

Business-type activities

Business-type activities increased the County's net position in the amount of $4,453,302.

The above expenses and program revenues graph, shows that the two major business-type programs are the airport and utilities. The airport generates sufficient revenue to support its activities; while the utilities program falls short of generating enough dollars to support its activities and is supported by special assessment/impact fees.

The above revenues by source graph, shows that the two major revenue sources are charges for services and capital grants & contributions.

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, 2016, the County's governmental funds reported combined ending fund balances of $52,520,914 a decrease of $6,326,995. Assigned and unassigned fund balance of $12,392,635 in the general fund is available for spending at the County's discretion; $30,994,541 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 $3,615,441.

The General Fund is the operating fund of the County. At September 30, 2016, assigned and unassigned fund balance of this fund was $12,392,635 while the total fund balance amounted to $17,336,973. 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 $4,527,501 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 16/17 budget.

The fund balance of the County's general fund increased by $1,875,378 during the fiscal year ended September 30, 2016. 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 $21,768,883. The County's special revenue fund reported as major funds is Road Impact Fees-Palm Coast, which reported a fund balance decrease of $1,330,647, 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 $3,155,568 at September 30, 2016.

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, 2016 amounts to $371,100,003 (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, 2016 was $25,200,349 ($16,256,384 net increase for governmental activities and a net increase of $8,943,965 for business-type activities).

Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 40 - 41 of this report.

Long-term debt

On April 26, 2016, the County issued Limited Ad Valorem Tax Refunding Bond, Series 2016 with an original face value of $11,380,000, to advance refund a portion of Limited General Obligation Bonds, Series 2009 and Limited General Obligations Bonds, 2010 along with closing costs incurred. This advance refund reduced the interest rate from 5.110% and 4.480% to 2.190%. This loan is expected to be paid by July 1, 2029.

On August 8, 2016, the County issued $243,270 to acquire and lease a Caterpillar 326FL hydraulic excavator. The interest is paid at a rate of 2.95%. This lease is expected to be paid by August 8, 2022.

Additional information on the County's debt can be found in Note 7 on pages 42 - 50 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 8.1167 mills, a debt service millage rate of 0.2650 mills and an ESL millage rate of .25 mills for the fiscal year 2017.

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 Tom Bexley, Clerk of Circuit Court & Comptroller, 1769 E. Moody Blvd. Building #1, Bunnell, FL 32110.

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 20,707,865	$ 4,995,251	$ 25,703,116
Cash with fiscal agent	70,428	-	70,428
Investments	36,339,401	2,813,996	39,153,397
Internal balances	1,915,109	(1,915,109)	-
Due from other governmental agencies	6,336,638	426,328	6,762,966
Accounts receivable, net	2,552,747	434,572	2,987,319
Note receivable	125,000	-	125,000
Inventory	227,607	26,753	254,360
Other assets	167,822	1,150	168,972
Capital assets			
Land and work in process	123,432,705	6,574,644	130,007,349
Capital assets being depreciated, net	211,765,585	29,327,069	241,092,654
Total capital assets, net of depreciation	335,198,290	35,901,713	371,100,003
TOTAL ASSETS	403,640,907	42,684,654	446,325,561
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments - interest rate swaps	242,417	75,483	317,900
Bond refunding	1,006,458	-	1,006,458
Pension related	33,937,050	400,398	34,337,448
Total deferred outflows	35,185,925	475,881	35,661,806
LIABILITIES			
Accounts payable and accrued expenses	10,306,233	562,776	10,869,009
Due to other governmental agencies	2,878,914	52,939	2,931,853
Deposits	2,152,732	1,318,291	3,471,023
Unearned revenue	365,316	-	365,316
Long-term liabilities:			
Due within one year:			
Notes and bonds payable	4,367,195	630,343	4,997,538
Compensated absences	3,050,291	96,567	3,146,858
Net pension liability	357,860	4,995	362,855
Capital leases	305,606	-	305,606
Due in more than one year:			
Notes and bonds payable	87,843,295	14,593,803	102,437,098
Capital leases	522,006	-	522,006
OPEB liability	2,222,121	37,368	2,259,489
Net pension liability	56,662,872	632,938	57,295,810
Derivative liabilities	242,417	75,483	317,900
TOTAL LIABILITIES	171,276,858	18,005,503	189,282,361
DEFERRED INFLOWS OF RESOURCES			
Pension related	11,946,555	87,622	12,034,177
Total deferred inflows	11,946,555	87,622	12,034,177
NET POSITION			
Net investment in capital assets	246,724,687	20,677,567	267,402,254
Restricted for:			
Debt service	5,495,441		5,495,441
Capital projects	18,986,165	1,234,275	20,220,440
Federal and state law	7,073,725	-	7,073,725
Federal and state grants	302,415	-	302,415
Other purposes	1,173,017	-	1,173,017
Unrestricted	(24,152,031)	3,155,568	(20,996,463)
TOTAL NET POSITION	$ 255,603,419	$ 25,067,410	$ 280,670,829

The accompanying notes are an integral part of the financial statements

FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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	Primary Government: Business-type Activities	Primary Government: Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 21,676,448	$ 3,606,767	$ 616,146	$ -	$ (17,453,535)	$ -	$ (17,453,535)
Public safety	40,426,042	7,331,707	1,296,507	-	(31,797,828)	-	(31,797,828)
Physical environment	860,996	-	1,835	292,137	(567,024)	-	(567,024)
Transportation	11,348,978	769,625	1,315,494	14,391,573	5,127,714	-	5,127,714
Economic environment	2,418,085	150	498,172	-	(1,919,763)	-	(1,919,763)
Human services	4,449,085	132,784	1,167,392	-	(3,148,909)	-	(3,148,909)
Culture and recreation	4,619,453	290,302	145,358	779,160	(3,404,633)	-	(3,404,633)
Court related	4,042,042	1,858,118	-	-	(2,183,924)	-	(2,183,924)
Interest on long term debt	4,568,009	-	-	-	(4,568,009)	-	(4,568,009)
Total governmental activities	94,409,138	13,989,453	5,040,904	15,462,870	(59,915,911)	-	(59,915,911)
Business-type activities							
Airport	2,903,425	1,926,246	74,606	4,912,401	-	4,009,828	4,009,828
Utilities	3,021,868	2,563,711	-	27,930	-	(430,227)	(430,227)
Landfill	250,419	941	89,317	-	-	(160,161)	(160,161)
Waste management	1,432,446	1,373,505	-	-	-	(58,941)	(58,941)
Total business-type activities	7,608,158	5,864,403	163,923	4,940,331	-	3,360,499	3,360,499
TOTAL PRIMARY GOVERNMENT	$ 102,017,296	$ 19,853,856	$ 5,204,827	$ 20,403,201	(59,915,911)	3,360,499	(56,555,412)
	GENERAL REVENUES						
	Property taxes				57,165,981	-	57,165,981
	Tourist and franchise taxes				2,514,077	130,833	2,644,910
	Special assessment/Impact fees				-	394,925	394,925
	Sales and fuel taxes				7,559,281	-	7,559,281
	Intergovernmental				1,358,096	-	1,358,096
	Miscellaneous				344,472	127,184	471,656
	TRANSFERS				(8,200)	8,200	-
	SPECIAL ITEM						
	Utility merger				-	431,661	431,661
	Total general revenues, transfers, and special item				68,933,707	1,092,803	70,026,510
	Change in net position				9,017,796	4,453,302	13,471,098
	NET POSITION, BEGINNING OF YEAR				246,585,623	20,614,108	267,199,731
	NET POSITION, END OF YEAR				$ 255,603,419	$ 25,067,410	$ 280,670,829

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

FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General Fund	Road Impact Fees - Palm Coast	ESL 2008 Referendum	Capital Improvement Revenue Bonds Series 2015	NonMajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,036,174	$ 1,272,045	$ 3,859	$ 1,055,118	$ 7,982,288	$ 19,349,484
Cash with fiscal agent	-	-	-	-	70,428	70,428
Investments	7,423,807	514,922	181,516	2,545,491	24,324,257	34,989,993
Accounts receivable (net of allowance for uncollectibles)	2,199,217	1,461	135	1,781	69,999	2,272,593
Notes receivable	125,000	-	-	-	-	125,000
Due from other funds	94,270	-	1,830	-	42,562	138,662
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Due from other governments	1,341,220	906,677	-	-	4,088,741	6,336,638
Inventory	227,607	-	-	-	-	227,607
Other assets	127,180	-	-	-	35,400	162,580
Total assets	$ 22,454,475	$ 2,695,105	$ 187,340	$ 3,602,390	$ 36,613,675	$ 65,552,985
LIABILITIES						
Accounts payable and accrued liabilities	$ 2,535,639	$ 582,365	$ 135	$ 1,630,832	$ 2,638,488	$ 7,387,459
Deposits	1,203,803	-	-	-	948,009	2,151,812
Due to other funds	7,521	-	-	-	96,373	103,894
Due to other governments	1,122,608	1,454,282	-	-	302,024	2,878,914
Unearned revenue	45,213	-	-	-	253,846	299,059
Total liabilities	4,914,784	2,036,647	135	1,630,832	4,238,740	12,821,138
DEFERRED INFLOWS OF RESOURCES						
Unavailable resources	202,718	-	-	-	8,215	210,933
FUND BALANCES						
Nonspendable						
Inventories	227,607	-	-	-	-	227,607
Parks and recreation	-	-	-	-	540,000	540,000
Prepaids	102,782	-	-	-	33,959	136,741
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Restricted for						
Bond covenants or debt service	-	-	-	-	3,615,441	3,615,441
Grant programs and projects	7,712	-	-	-	294,703	302,415
Federal and state law	211,161	-	-	-	15,101,433	15,312,594
Capital projects and acquisitions	2,231,555	-	-	1,971,558	6,261,592	10,464,705
ESL acquisitions	-	-	-	-	1,715,061	1,715,061
Impact fees	-	658,458	187,205	-	3,749,904	4,595,567
Other purposes	283,521	-	-	-	1,054,627	1,338,148
Assigned for FY 2017 expenditures	4,527,501	-	-	-	-	4,527,501
Unassigned	7,865,134	-	-	-	-	7,865,134
Total fund balances	17,336,973	658,458	187,205	1,971,558	32,366,720	52,520,914
Total liabilities, deferred inflows of resources and fund balances	$ 22,454,475	$ 2,695,105	$ 187,340	$ 3,602,390	$ 36,613,675	$ 65,552,985

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, 2016

Total fund balances - governmental funds		$ 52,520,914
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	460,980,244	
Accumulated depreciation	(125,781,954)	
		335,198,290
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:		
Bonds payable	(85,824,959)	
Compensated absences	(3,048,957)	
OPEB liability	(2,221,603)	
Net pension liability	(56,995,389)	
Capital leases payable	(827,612)	
		(148,918,520)
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		(6,385,531)
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		1,006,458
Deferred inflows - long-term receivables		210,933
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		33,922,271
Deferred inflows - pension related		(11,940,570)
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.		1,507,147
Net position of governmental activities		$ 255,603,419

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, 2016

	General Fund	Road Impact Fees - Palm Coast	ESL 2008 Referendum	Capital Improvement Revenue Bonds Series 2015	NonMajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 53,625,034	$ -	$ 1,067,436	$ -	$ 8,167,505	$ 62,859,975
Special assessments/Impact fees	-	-	-	-	331,556	331,556
Licenses and permits	51,624	-	-	-	876,902	928,526
Intergovernmental	5,029,594	6,670,028	-	-	14,049,697	25,749,319
Charges for services	9,963,501	-	-	-	1,702,386	11,665,887
Fines and forfeitures	124,118	-	-	-	746,724	870,842
Miscellaneous revenue	741,759	-	-	43	58,788	800,590
Investment income	102,057	6,321	2,677	31,536	171,281	313,872
Total revenues	69,637,687	6,676,349	1,070,113	31,579	26,104,839	103,520,567
EXPENDITURES						
Current						
General government	17,874,482	-	-	5,198	77,292	17,956,972
Public safety	33,867,413	-	-	-	1,125,544	34,992,957
Physical environment	565,036	-	-	-	11,918	576,954
Transportation	2,038,648	2,984,830	-	-	2,225,021	7,248,499
Economic environment	535,991	-	-	-	1,812,525	2,348,516
Human services	4,257,210	-	-	-	46,699	4,303,909
Culture and recreation	3,458,193	-	-	-	71,764	3,529,957
Court related	1,111,318	-	-	-	2,601,671	3,712,989
Capital Outlay	2,883,236	5,022,166	-	10,515,140	8,619,106	27,039,648
Debt service						
Principal retirement	1,232,972	-	405,000	-	2,188,548	3,826,520
Interest and fiscal charges	229,351	-	392,175	-	2,924,820	3,546,346
Other debt service costs	42,415	-	43,332	1,285	9,257	96,289
Total expenditures	68,096,265	8,006,996	840,507	10,521,623	21,714,165	109,179,556
Excess (deficiency) of revenues over expenditures	1,541,422	(1,330,647)	229,606	(10,490,044)	4,390,674	(5,658,989)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,017,850	-	-	-	356,926	1,374,776
Transfers out	(700,867)	-	-	-	(1,082,109)	(1,782,976)
Long term debt issued	-	-	-	-	243,270	243,270
Refunding bonds issued	-	-	11,380,000	-	-	11,380,000
Premium on long term debt issued	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(11,900,049)	-	-	(11,900,049)
Sale of capital assets	16,973	-	-	-	-	16,973
Total other financing sources (uses)	333,956	-	(520,049)	-	(481,913)	(668,006)
Net changes in fund balance	1,875,378	(1,330,647)	(290,443)	(10,490,044)	3,908,761	(6,326,995)
Fund balances-beginning	15,461,595	1,989,105	477,648	12,461,602	28,457,959	58,847,909
Fund balances-ending	$ 17,336,973	$ 658,458	$ 187,205	$ 1,971,558	$ 32,366,720	$ 52,520,914

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, 2016

Net change in fund balances - total governmental funds		$ (6,326,995)
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	27,005,616	
Current year depreciation	(10,133,963)	
Loss on disposal of capital assets	(608,559)	
		16,263,094
Governmental funds report certain bond transactions immediately. However in the statement of activities these transactions are amortized over the life of the debt:		
Amortized bond refunding	(52,971)	
Amortized bond premium	334,675	
		281,704
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	3,421,520	
Payments to refunded bond escrow agent	11,326,755	
Costs related to bond refunding	(281,755)	
Debt issued	(11,623,270)	
		2,843,250
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		(116,033)
Pension expense in the statement of activities has been amortized for related deferred inflows and outflows		
Deferred outflows - pension related		19,628,695
Deferred inflows - pension related		3,675,464
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	(278,381)	
OPEB liability	(324,415)	
Net pension liability	(26,070,155)	
		(26,672,951)
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	13,627	
Other nonoperating income	400,000	
Loss from operations	(972,059)	
		(558,432)
Change in net position of governmental activitie		$ 9,017,796

The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utilities	NonMajor Enterprise Funds	Total	
ASSETS					
Current assets					
Cash and equivalents	$ 635,723	$ 2,511,257	$ 1,848,271	$ 4,995,251	$ 1,358,381
Investments	253,297	609,526	1,951,173	2,813,996	1,349,408
Accounts receivable, net	47,315	376,424	10,833	434,572	280,154
Due from other funds	6,224	821	12,159	19,204	341
Due from other governments	337,011	-	89,317	426,328	-
Inventory	26,753	-	-	26,753	-
Other current assets	-	1,150	-	1,150	5,242
Total current assets	1,306,323	3,499,178	3,911,753	8,717,254	2,993,526
Noncurrent assets					
Land and construction in progress	5,094,700	1,237,166	242,778	6,574,644	-
Other capital assets, net of accumulated depreciation	18,176,383	11,120,704	29,982	29,327,069	53,992
Total noncurrent assets	23,271,083	12,357,870	272,760	35,901,713	53,992
Total assets	$ 24,577,406	$ 15,857,048	$ 4,184,513	$ 44,618,967	$ 3,047,518
DEFERRED OUTFLOWS OF RESOURCES					
Derivative instruments-Interest rate swaps	75,483	-	-	75,483	-
Pension related	211,804	113,450	75,144	400,398	14,779
Total deferred outflows	287,287	113,450	75,144	475,881	14,779
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	$ 230,447	$ 216,123	$ 116,206	$ 562,776	$ 1,400,801
Due to other governmental agencies	19,987	32,881	71	52,939	-
Deposits	45,498	1,272,793	-	1,318,291	920
Unearned revenue	-	-	-	-	66,257
Due to other funds	28,558	12,414	13,341	54,313	-
Compensated absences	58,434	27,597	10,536	96,567	1,334
Net pension liability	2,702	1,553	740	4,995	145
Current portion of long term debt	355,202	275,141	-	630,343	-
Total current liabilities	740,828	1,838,502	140,894	2,720,224	1,469,457
Noncurrent liabilities					
Bonds payable	-	3,123,000	-	3,123,000	-
Notes payable	5,357,627	6,113,176	-	11,470,803	-
Advances from other funds	-	1,880,000	-	1,880,000	-
OPEB liability	17,589	11,013	8,766	37,368	518
Net pension liability	331,968	173,335	127,635	632,938	25,198
Derivative liabilities	75,483	-	-	75,483	-
Total noncurrent liabilities	5,782,667	11,300,524	136,401	17,219,592	25,716
Total liabilities	6,523,495	13,139,026	277,295	19,939,816	1,495,173
DEFERRED INFLOWS OF RESOURCES					
Pension related	42,082	15,841	29,699	87,622	5,985
NET POSITION					
Net investment in capital assets	17,558,254	2,846,553	272,760	20,677,567	53,992
Restricted for					
Future capital outlay	-	-	1,234,275	1,234,275	-
Unrestricted	740,862	(30,922)	2,445,628	3,155,568	1,507,147
Total net position	$ 18,299,116	$ 2,815,631	$ 3,952,663	$ 25,067,410	$ 1,561,139

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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utilities	NonMajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	$ 1,926,246	$ 2,563,711	$ 1,374,446	$ 5,864,403	$ -
Employee and employer contributions	-	-	-	-	7,242,840
Miscellaneous	96,216	(93)	-	96,123	-
Total operating revenues	2,022,462	2,563,618	1,374,446	5,960,526	7,242,840
OPERATING EXPENSES					
Personal services	425,445	638,768	220,017	1,284,230	40,278
Vehicle fuel	6,094	15,831	1,011	22,936	-
Aviation fuel	455,843	-	-	455,843	-
Contractual services	105,887	71,039	1,378,278	1,555,204	713,154
Repairs and maintenance	159,426	248,270	8,505	416,201	558
Professional services	113,063	330,586	52,213	495,862	3,907
Employee claims	-	-	-	-	6,339,923
Utilities	98,091	272,241	1,836	372,168	-
Insurance	72,168	20,927	2,970	96,065	1,097,424
Rentals and leases	12,922	5,455	1,620	19,997	-
Depreciation	1,156,169	981,671	11,323	2,149,163	6,711
Miscellaneous	53,811	175,932	5,092	234,835	12,944
Total operating expenses	2,658,919	2,760,720	1,682,865	7,102,504	8,214,899
Operating income (loss)	(636,457)	(197,102)	(308,419)	(1,141,978)	(972,059)
Nonoperating revenues (expenses)					
Intergovernmental	74,606	-	89,317	163,923	-
Franchise fees	-	-	130,833	130,833	-
Special assessments/Impact fees	-	394,925	-	394,925	-
Interest income	3,464	8,211	19,386	31,061	13,627
Other debt service costs	-	(11,028)	-	(11,028)	-
Interest expense	(244,506)	(250,120)	-	(494,626)	-
Total nonoperating revenues (expenses)	(166,436)	141,988	239,536	215,088	13,627
Special item	-	431,661	-	431,661	-
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(802,893)	376,547	(68,883)	(495,229)	(958,432)
Capital grants	4,911,313	-	-	4,911,313	-
Capital contribution	1,088	27,930	-	29,018	-
Transfers in	-	-	8,200	8,200	400,000
Transfers out	-	-	-	-	-
Change in net position	4,109,508	404,477	(60,683)	4,453,302	(558,432)
Net position-beginning	14,189,608	2,411,154	4,013,346	20,614,108	2,119,571
Net position-ending	$ 18,299,116	$ 2,815,631	$ 3,952,663	$ 25,067,410	$ 1,561,139

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, 2016

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utilities			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 1,910,652	$ 2,016,256	$ 1,373,582	$ 5,300,490	$ 7,100,551
Payments to suppliers	(1,205,493)	(589,588)	(1,447,677)	(3,242,758)	(7,910,862)
Payments to employees	(383,593)	(661,171)	(213,875)	(1,258,639)	(39,144)
Increase (decrease) in due from other funds	3,568	(153)	2,062	5,477	(164)
Increase (decrease) in due to other funds	1,135	11,530	13,059	25,724	-
Other receipts	95,128	26,726	-	121,854	-
Net cash provided (used) by operating activities	421,397	803,600	(272,849)	952,148	(849,619)
NON-CAPITAL FINANCING ACTIVITIES					
Franchise fees	-	-	130,833	130,833	-
Special assessments/impact fees	-	394,925	-	394,925	-
Transfers in	-	-	8,200	8,200	400,000
Proceeds from merger	-	947,744	-	947,744	-
Net cash provided (used) by non-capital financing activities	-	1,342,669	139,033	533,958	400,000
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(5,022,737)	(187,120)	(39,375)	(5,249,232)	-
Payments on long term debt	(322,390)	(258,420)	-	(580,810)	-
Capital grants	5,816,107	-	-	5,816,107	-
Capital contributions	-	27,930	-	27,930	-
Interest paid	(244,506)	(261,148)	-	(505,654)	-
Net cash provided (used) by capital and related financing activities	226,474	(678,758)	(39,375)	(491,659)	-
INVESTING ACTIVITIES					
Investment purchases	(650,434)	(151,624)	(607,367)	(1,409,425)	(6,789)
Proceeds from sale of investments	600,000	150,000	890,000	1,640,000	1,600,000
Interest on investments	2,652	1,786	11,600	16,038	5,052
Other interest income	-	4,198	-	4,198	-
Proceeds from merger	-	947,745	-	947,745	-
Net cash provided (used) by investing activities	(47,782)	952,105	294,233	1,198,556	1,598,263
Net increase (decrease) in cash and equivalents	600,089	2,419,616	121,042	2,193,003	1,148,644
CASH AND EQUIVALENTS, BEGINNING OF YEAR	35,634	91,641	1,727,229	1,854,504	209,737
CASH AND EQUIVALENTS, END OF YEAR	$ 635,723	$ 2,511,257	$ 1,848,271	$ 4,047,507	$ 1,358,381

Continued

FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utilities			
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (636,457)	$ (197,102)	$ (308,419)	$ (1,141,978)	$ (972,059)
Adjustment to reconcile operating income (loss) to net cash used in operations					
Depreciation	1,156,169	981,671	11,323	2,149,163	6,710
Changes in assets and liabilities					
Accounts receivable	(15,594)	(97,872)	(864)	(114,330)	(142,289)
Inventory	47,343	(1,150)	-	46,193	-
Due from other funds	3,568	(153)	2,062	5,477	(164)
Accounts payable and accrued expenses	(193,293)	91,917	3,847	(97,529)	295,357
Unearned revenue	(1,088)	(1,095,884)	-	(1,096,972)	12,937
Due to other governments	13,303	(3,557)	1	9,747	(53,152)
Due to other funds	1,135	11,530	13,059	25,724	-
Deposits	4,463	1,136,603	-	1,141,066	1,907
Compensated absences	18,363	2,956	(1,033)	20,286	(258)
OPEB liability	2,639	1,269	1,405	5,313	273
Pension liability	20,846	(26,628)	5,770	(12)	1,119
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ 421,397	$ 803,600	$ (272,849)	$ 952,148	$ (849,619)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired from merger	$ -	$ 5,842,806	$ -	$ 5,842,806	$ -
Long term debt assumed from merger	$ -	$ (6,557,737)	$ -	$ (6,557,737)	$ -
NONCASH INVESTING ACTIVITIES					
Change in fair market value of investments	$ 812	$ 2,227	$ 7,786	$ 10,825	$ 8,575

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 4,498,486
Accounts receivable	90,403
Due from other governments	112
Total assets	4,589,001
LIABILITIES	
Due to other governments	108,954
Deposits	4,454,678
Other liabilities	25,369
Total liabilities	4,589,001
Net position	$ -

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

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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

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

majority of the economic resources received or held by the separate organization, and (c) the economic 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 2015-16 fiscal year, the County did not participate in any joint ventures.

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, other than for interfund services provided and used, 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)

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.

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.

Enviromentally 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.

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.

Utilities - To account for the water and wastewater services in Plantation Bay, Beverly Beach, and the Eagle Lakes development.

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.

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.

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

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.

(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

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

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 preceding 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.

(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.

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

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, as amended by GASB Statement No. 72. 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.

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.

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

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.

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.

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

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.

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.

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

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2017. The statements address:

- Certain pension issues;
- Other postemployment benefit (OPEB) plans;
- Tax abatement disclosures; and
- Blending certain component units.

The County is currently evaluating the effects that these statements will have on its 2017 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, 2016, the County had the following cash deposits balances:

	Maturity Date	Carrying Amounts
Cash and cash equivalents	N/A	$ 25,703,116
Cash and cash equivalents with trustee	N/A	4,498,486
Cash and cash equivalents with fiscal agent	N/A	70,428
Total		$ 30,272,030

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, 2016, 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 Discount Notes	$ 9,496,422	0.15
U.S. Treasury Notes	10,006,250	0.21
Commercial Paper	1,999,900	0.02
PFM Funds - Prime Money Market Fund Institutional Class	10,751,140	40 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	6,899,685	9 days
TOTAL	$ 39,153,397	0.12

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, 2016 Fund Fact Sheet. Bloomberg was the source for the Wells Fargo Advantage Heritage Money Market Fund's weighted average duration.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2016:

- Federal Instrumentalities Discount Notes – Valued using quoted market prices.
- U.S. Treasury Notes – Valued using quoted market prices.
- Commercial Paper – Valued using quoted market prices.
- Money Market Funds – Valued using quoted market prices.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates as identified in Note 7. The following table summarizes the County's assets (and liabilities) for which fair values are determined on a recurring basis:

NOTE 2 - Cash Deposits and Investments: (continued)

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at fair value:				
Federal Instrumentalities Disc. Notes	$ 9,496,422	$ 9,496,422	$ -	$ -
U.S. Treasury Notes	10,006,250	10,006,250	-	-
Commercial Paper	1,999,900	1,999,900	-	-
PFM Funds - Prime MM Fund	10,751,140	10,751,140	-	-
WF Advantage Heritage MM Fund	6,899,685	6,899,685	-	-
Total Investments	$ 39,153,397	$ 39,153,397	$ -	$ -
Derivative instruments:				
Interest rate swaps	$ (317,900)	$ -	$ (317,900)	$ -

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, 2016, the investment portfolio had a weighted average duration of .12 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).

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.

NOTE 2 - Cash Deposits and Investments: (continued)

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, 2016, the County had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	Portfolio Asset Allocation
Federal Instrumentalities Discount Notes	A-1+	24.25%
U.S. Treasury Notes	AA+	25.56%
Commercial Paper	A-1	5.11%
PFM Funds - Prime Money Market Fund Institutional Class	AAAm	27.46%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	17.62%
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, 2016, 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.

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

NOTE 2 - Cash Deposits and Investments: (continued)

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, 2016, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Discount Notes	$ 9,496,422	24.25%
U.S. Treasury Notes	10,006,250	25.56%
Commercial Paper	1,999,900	5.11%
PFM Funds - Prime Money Market Fund Institutional Class	10,751,140	27.46%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	6,899,685	17.62%
TOTAL	$ 39,153,397	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 30
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 $719,895 in the General Fund and, $4,594, $11,205 and $587 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

NOTE 5 - Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

NOTE 5 - Capital Assets - Governmental Activities: (continued)

Governmental activities:	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
Capital assets, not being depreciated:				
Land	$ 100,652,156	$ 136,837	$ 307,494	$100,481,499
Fine art collection	123,700			123,700
Construction in process	25,018,584	12,560,774	14,751,852	22,827,506
Total capital assets, not being depreciated	125,794,440	12,697,611	15,059,346	123,432,705
Capital assets, being depreciated:				
Buildings	78,796,366	23,447,033		102,243,399
Improvements other than buildings	20,349,524	106,395		20,455,919
Equipment	35,920,073	2,744,574	730,956	37,933,691
Vehicles	19,266,424	855,431	1,029,517	19,092,338
Infrastructure	155,608,276	2,213,916		157,822,192
Total capital assets being depreciated	309,940,663	29,367,349	1,760,473	337,547,539
Less accumulated depreciation for:				
Buildings	15,659,091	1,605,786		17,264,877
Improvements other than buildings	13,616,935	1,156,605		14,773,540
Equipment	27,301,895	2,623,457	553,406	29,371,946
Vehicles	13,014,200	1,364,715	598,509	13,780,406
Infrastructure	47,201,076	3,390,109		50,591,185
Total accumulated depreciation	116,793,197	10,140,672	1,151,915	125,781,954
Total capital assets being depreciated, net	193,147,466	19,226,677	608,558	211,765,585
	$ 318,941,906	$31,924,288	$ 15,667,904	$335,198,290

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

Governmental activities:	
General government	$ 2,350,569
Public safety	2,704,786
Physical environment	49,127
Transportation	3,848,990
Economic environment	43,834
Human services	87,039
Culture/recreation	874,433
Court related	181,894
Total depreciation expense - governmental activities	$ 10,140,672

NOTE 6 - Capital Assets – Business-type Activities:

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 994,319	$ 2,868,854	$ -	$ 3,863,173
Construction in process	886,503	1,943,968	119,000	2,711,471
Total capital assets, not being depreciated	1,880,822	4,812,822	119,000	6,574,644
Capital assets, being depreciated:				
Buildings	13,712,585	4,707,051	-	18,419,636
Improvements other than buildings	18,260,110	1,485,590	-	19,745,700
Equipment	797,303	912,727	2,112	1,707,918
Infrastructure	4,096,335	-	-	4,096,335
Total capital assets being depreciated	36,866,333	7,105,368	2,112	43,969,589
Less accumulated depreciation for:				
Buildings	2,577,411	749,663	-	3,327,074
Improvements other than buildings	8,090,127	1,281,516	-	9,371,643
Equipment	774,723	626,056	2,112	1,398,667
Infrastructure	347,146	197,990	-	545,136
Total accumulated depreciation	11,789,407	2,855,225	2,112	14,642,520
Total capital assets being depreciated, net	25,076,926	4,250,143	-	29,327,069
Business-type activities capital assets, net	$ 26,957,748	$ 9,062,965	$ 119,000	$ 35,901,713

Depreciation expense was charged as follows:

Business-type activities:	
Airport	$ 1,156,169
Utilities	1,687,733
Sanitary landfill	11,323
Total depreciation expense - business-type activities	$ 2,855,225

NOTE 7 - Long-Term Debt:

The balance of bonds and notes payable at September 30, 2016, are as follows:

NOTE 7 - Long-Term Debt: (continued)
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.	$ 645,000
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. The Limited Ad Valorem Tax Refunding Bond, Series 2016 was issued on April 26, 2016 to advance refund a portion of this obligation. An escrow account was established to legally defease this bond.	1,340,000
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.	24,580,000
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.	42,175,000
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.	1,839,323

NOTE 7 - Long-Term Debt: (continued)

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 $939,023. Payments are to be made from legally available non ad valorem revenues of the County.	3,771,000
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.	94,636
Limited Ad Valorem Tax Refunding Bond, Series 2016 with an original face value of $11,380,000 were issued April 26, 2016 to advance refund a portion of Limited General Obligation Bonds, Series 2009 and all of the Limited General Obligations Bonds, 2010 along with closing costs incurred. This current refunding resulted in a reduction of total debt service payments over 20 years of approximately $1,736,664 and an economic gain of approximately $1,064,591. Interest is paid at 2.190%. 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.	11,380,000
Bonds and notes payable from governmental activities	85,824,959

Notes 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 $5,620,660. Payments made during the fiscal year were for principal and interest amounted of $156,420.	3,168,000
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.	705,829
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.	2,337,000
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.	2,670,000

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 $1,100,000 to finance initial utility infrastructure improvements and utility related equipment and vehicles for Bunnell Flagler County Utility (BFCU). Payments are made from the gross revenues derived yearly from the operation of the Utility System. Interest payments, at a variable rate, are made monthly. The LOC rate is between 95 and 110 basis points. Four principal payments of $73,441 each are due yearly in June with a final balloon payment of $806,235 due in June of the fifth year. Maturity is June 5, 2018. This obligation was transferred and assigned to the County by the City of Bunnell on October 1, 2015.	879,676
Drinking Water, State Revolving Fund - was issued February 6, 2013 in the amount of $5,800,704 to finance the acquisition of the portable water system. Interest is paid at a rate of 2.37%. Payments of principal and interest are due on March 15 and September 15 each year. Maturity is September 15, 2043. Payments are made from the gross revenues derived yearly from the operation of the Utility System. This obligation was transferred and assigned to the County by the City of Bunnell on October 1, 2015.	5,383,385
Clear Water, State Revolving Fund - was issued June 30, 2014 in the amount of $393,599 to pay for planning and design of wastewater system improvements. Interest is paid at a rate of 2.37%. Payments of principal and interest are due on April 15 and October 15 each year. Maturity is April 15, 2034. Payments are made from the gross revenues derived yearly from the operation of the Utility System. This obligation was transferred and assigned to the County by the City of Bunnell on October 1, 2015.	80,256
Bonds and notes payable from business-type activities	15,224,146
Capital Lease Obligations 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.	627,890
Capital Lease was executed on August 8, 2016 to acquire and lease a Caterpillar 326FL Hydraulic Excavator. Interest is paid at a rate of $2.95%. Six payments of $43,548 each are due yearly in August with a final payment of $1 due in August of the seventh year. Aggregate historical cost of the excavator is $243,270.	199,722
Capital leases from governmental activities	827,612
Accrued Compensated Absences	
Governmental Activities	3,050,291
Business-Type Activities	96,567
OPEB Liability	
Governmental Activities	2,222,121
Business-Type Activities	37,368
Net Pension Liability	
Governmental Activities	57,020,732
Business-Type Activities	637,933
Add Unamortized Premium	
Governmental Activities	6,385,531
Total Long-Term Obligations	$ 171,327,260

As of September 30, 2016, all reserve requirements had been met through maintenance of reserve accounts.

NOTE 7 - Long-Term Debt: (continued)

Debt service requirements to maturity on the County's long-term obligations at September 30, 2016, are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	Bonds		Notes payable		Total Long-Term Obligations and Interest
	Principal	Interest	Principal	Interest	
2017	$ 3,345,000	$ 2,991,289	$ 1,022,195	$ 193,731	$ 7,552,215
2018	3,035,000	2,870,109	2,494,764	154,677	8,554,550
2019	3,155,000	2,756,836	848,000	93,751	6,853,587
2020	3,260,000	2,638,667	886,000	53,170	6,837,837
2021	3,375,000	2,530,041	454,000	10,743	6,369,784
2022-2026	22,165,000	9,995,821	-	-	32,160,821
2027-2031	24,620,000	5,220,399	-	-	29,840,399
2032-2036	17,165,000	1,395,239	-	-	18,560,239
Total principal and interest	80,120,000	30,398,401	5,704,959	506,072	116,729,432
Less interest to be paid	-	(30,398,401)	-	(506,072)	(30,904,473)
Total principal	80,120,000	-	5,704,959	-	85,824,959
Deferred amounts	6,385,531	-	-	-	6,385,531
Totals	$ 86,505,531	$ -	$ 5,704,959	$ -	$ 92,210,490

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	
2017	$ 45,000	$ 110,880	$ 585,343	$ 368,377	$ 1,109,600
2018	47,000	109,305	1,349,012	349,082	1,854,399
2019	48,000	107,660	561,776	318,718	1,036,154
2020	50,000	105,980	580,040	298,278	1,034,298
2021	52,000	104,230	578,468	277,231	1,011,929
2022-2026	290,000	492,450	2,940,632	1,059,712	4,782,794
2027-2031	342,000	438,165	2,644,038	537,904	3,962,107
2032-2036	406,000	374,010	1,077,813	277,563	2,135,386
2037-2041	482,000	297,815	1,212,565	142,811	2,135,191
2042-2046	574,000	207,270	526,459	15,688	1,323,417
2047-2051	681,000	99,610	-	-	780,610
2052-2056	151,000	5,285	-	-	156,285
Total principal and interest	3,168,000	2,452,660	12,056,146	3,645,364	21,322,170
Less interest to be paid	-	(2,452,660)	-	(3,645,364)	(6,098,024)
Totals	$ 3,168,000	$ -	$ 12,056,146	$ -	$ 15,224,146

Governmental Activities Long-term obligations not included above:	
Accrued compensated absences payable	$ 3,050,291
OPEB liability	2,222,121
Net pension liability	57,020,732
Capitalized lease obligations	827,612
Business-type Activities Long-term obligations not included above:	
Accrued compensated absences payable	96,567
OPEB liability	37,368
Net pension liability	637,933
Total long-term obligations	$ 171,327,260

Changes in long-term liabilities for the fiscal year ended September 30, 2016, are summarized as follows:

NOTE 7 - Long-Term Debt: (continued)

Governmental activities:	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016	Due within one year
General long-term obligations:					
Bonds payable	$ 81,930,000	$11,380,000	$13,190,000	$ 80,120,000	$ 3,345,000
Notes payable	6,692,153	-	987,194	5,704,959	1,022,195
Deferred amounts:					
Issuance premiums	6,720,206		334,675	6,385,531	-
Total bonds and notes payable	95,342,359	11,380,000	14,511,869	92,210,490	4,367,195
Accrued compensated absences	2,772,168	3,442,844	3,164,721	3,050,291	3,050,291
OPEB liability	1,897,433	324,688		2,222,121	-
Net pension liability	30,940,031	26,080,701	-	57,020,732	357,860
Capitalized lease obligations	873,668	243,270	289,326	827,612	305,606
Total governmental activity long-term obligations	131,825,659	41,471,503	17,965,916	155,331,246	8,080,952
Business-type activities:					
Bonds payable	3,212,000		44,000	3,168,000	45,000
Notes payable	6,035,218	6,557,737	536,809	12,056,146	585,343
Total bonds and notes payable	9,247,218	6,557,737	580,809	15,224,146	630,343
Accrued compensated absences	63,084	79,859	46,376	96,567	96,567
OPEB liability	29,034	8,334		37,368	-
Net pension liability	274,883	363,050	-	637,933	4,995
Total business-type activity long-term obligations	9,614,219	7,008,980	627,185	15,996,014	731,905
TOTAL LONG-TERM LIABILITIES	$ 141,439,878	$48,480,483	$18,593,101	$ 171,327,260	$ 8,812,857

For governmental activities, compensated absences are liquidated by the respective funds obligated for the related payroll cost, that is, 85 percent by the general fund, 7 percent by the county transportation fund, and the remaining 8 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, 2016 and for the remaining terms are as follows:

NOTE 7 - Long-Term Debt: (continued)

Fiscal Year Ending September 30	Amount
2017	$ 305,606
2018	283,196
2019	187,973
2020	43,548
2021	43,548
Total principal and interest	863,871
Less amounts representing interest	(36,259)
Total principal	$ 827,612

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, 2016	Remaining balance, September 30, 2016
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, 2016 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 April 26, 2016 the County defeased the Limited Tax General Obligation Bonds, Series 2009 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 July 1, 2019. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

On April 26, 2016 the County defeased the Limited Tax General Obligation Bonds, Series 2010 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments

NOTE 7 - Long-Term Debt: (continued)

on the old bonds until a callable date of January 1, 2018. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

At September 30, 2016 $34,430,000 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, 2016, there was no arbitrage due.

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, 2016 was $705,829. 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, 2016, the underlying swaps had a negative fair value of $75,483. 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, 2016 was $3,771,000. 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, 2016, the underlying swaps had a negative fair value of $242,417. 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, 2016 were as follows:

NOTE 7 - Long-Term Debt: (continued)

	Changes in Fair Value		Ending Fair Value		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	$ 108,156	Debt	$ (242,417)	$3,771,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	$ 12,162	Debt	$ (75,483)	$ 705,829

Swap Payments and Associated Debt

Assuming that interest rated remain the same, at September 30, 2016, debt service requirements on the variable rate notes and interest swaps would be as follows:

Fiscal Year Ending September 30,	Variable Rate Notes		Interest Rate Swaps	Total
	Principal	Interest		
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	43,318	71,966
2021	550,864	8,440	16,825	25,265
2022-2024	262,059	6,067	10,351	16,418
	$ 4,476,829	$ 220,061	$ 369,184	$ 589,245

Credit risk – As of September 30, 2016 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.

NOTE 8 - Short-term debt:

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

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
Tax anticipation note	$ -	$ 5,000,000	$ 5,000,000	$ -

The Board entered into a short term, tax anticipation note payable agreement to provide operating capital for its General Fund operations. The note included interest at 1.45% and matured February 1, 2016. It was secured by a pledge of and lien upon ad valorem tax receipts collected during the 2015/2016 fiscal years.

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 August 8, 2022. Monthly lease expense ranges from $53 to $4,951. During the year ended September 30, 2016, the lease payments totaled $282,490.

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

Year Ending September 30,		Amount
2017	$	283,346
2018		266,106
2019		204,452
2020		162,430
2021		162,430
	$	1,078,764

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 is available from the State of Florida Department of Management Services website (www.dms.myflorida.com).

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

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

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.

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, 2016 are as follows:

	FRS	HIS
Regular Employees	5.86%	1.66%
Elected County Officials	40.81%	1.66%
Senior Management	20.11%	1.66%
Special Risk	20.91%	1.66%
Deferred Retirement Option Programs Employees	11.33%	1.66%

The County's contributions to FRS and HIS for the year ended September 30, 2016, were $4,647,864 to the FRS and $579,010 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2016, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2016. 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.

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

	FRS	HIS
Net Pension Liability	$ 45,074,952	$ 12,583,713
Proportion at:		
Current measurement date	0.1785%	0.1080%
Prior measurement date	0.1601%	0.1033%
Pension expense (benefit)	$ 6,938,418	$ 1,094,819

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2016, the County 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	$ 3,451,285	$ 419,679	$ -	$ 28,661
Changes of assumptions	2,726,900	-	1,974,704	-
Net difference between projected and actual earnings on pension plan investments	20,736,145	9,084,820	6,362	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,530,175	2,337,818	501,287	163,199
Employer contributions subsequent to the measurement date	1,260,687	-	149,901	-
TOTALS	$ 31,705,192	$ 11,842,317	$ 2,632,254	$ 191,860

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, 2017. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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

Year ending September 30,	FRS	HIS
2017	$ 2,502,820	$ 399,981
2018	2,502,820	399,981
2019	7,029,376	399,981
2020	5,091,894	399,981
2021	1,139,170	361,106
Thereafter	336,108	329,463
TOTAL	$ 18,602,188	$ 2,290,493

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2016, was determined by an actuarial valuation dated July 1, 2016, 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	7.60%	N/A
Discount rate	7.60%	2.85%

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, 2016 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 2016:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.65% to 7.60%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.80% to 2.85%.

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 consulting actuary's assumptions based on the long-term target asset allocation. The reduced investment return assumption of 7.60 percent, which was adopted by the Florida Retirement System Actuarial Assumption Conference, conflicts with the consulting actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.00%	3.00%
Fixed income	18%	4.70%	4.60%
Global equity	53%	8.10%	6.80%
Real estate	10%	6.40%	5.80%
Private equity	6%	11.50%	7.80%
Strategic investments	12%	6.10%	5.60%
	100%		

Discount rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.60%. 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 2.85% 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.

	FRS			HIS		
	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Employer's proportionate share of the net pension liability	$ 82,986,038	$ 45,074,952	$ 13,518,979	$ 14,436,378	$ 12,583,713	$ 11,046,102

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

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

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, 2016, totaled $231,891.

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, 2016 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 $3,724,317 to the plan for the year ended September 30, 2016.

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

	Liability October 1,	Claims incurred	Claims paid	Liability at September 30
2015 - 2016	$ 1,105,444	$ 6,339,923	$ 6,044,566	$ 1,400,801
2014 - 2015	1,452,390	6,688,237	7,035,183	1,105,444

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, 2016, interfund balances consisted of:

NOTE 13 - Interfund Balances and Transfers: (continued)

	Due from other funds	Due to other funds
General fund	$ 94,270	$ 7,521
General fund advances	1,880,000	-
ESL 2008 Referendum	1,830	-
Nonmajor governmental funds	42,562	96,373
Airport	6,224	28,558
Utility	821	12,414
Utility fund advances	-	1,880,000
Nonmajor business-type funds	12,159	13,341
Internal services fund	341	-
	$ 2,038,207	$ 2,038,207

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	$ 1,017,850	$ 700,867
Nonmajor governmental funds	356,926	1,082,109
Nonmajor business-type funds	8,200	-
Internal services fund	400,000	-
Total transfers	$ 1,782,976	$ 1,782,976

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, 2016. The projects include roadway improvements and inmate facility expansion. At September 30, 2016, the County's significant construction commitments are as follows:

NOTE 14 - Commitments and Contingencies: (continued)

	Total Adjusted Contract Amounts	Remaining Commitments
Roadway Construction	$ 7,933,317	$ 931,903
Inmate Facility Expansion	14,275,178	702,533
Taxiway Rehabilitation/Construction	5,800,377	237,311

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	9/30/2016	9/30/2015	9/30/2014
Normal cost (service cost for one year)	$ 237,844	$ 231,886	$ 292,302
Amortization of UAAL	161,278	152,210	153,915
Interest on normal cost and amortization	15,965	15,364	17,849
Annual required contribution (ARC)	415,087	399,460	464,066
NOO at beginning of year	1,926,467	1,653,129	1,482,543
Annual required contribution (ARC)	415,087	399,460	464,066
Interest on NOO	80,655	71,365	60,732
Adjustment to ARC	(77,483)	(68,558)	(52,635)
Annual OPEB cost	418,259	402,267	472,163
Employer contribution	(85,237)	(128,929)	(301,577)
Increase in NOO	333,022	273,338	170,586
NOO at end of year	$ 2,259,489	$ 1,926,467	$ 1,653,129

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
2014	$ 472,163	$ 301,577	64%	$ 1,653,129
2015	402,267	128,929	32%	1,926,467
2016	418,259	85,237	20%	2,259,489

The funded status of the OPEB Plan as of October 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	$ 4,489,658
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 4,489,658
Funded Ratio	0.00%
Covered Payroll	$ 30,305,827
Ratio of UAAL to Covered Payroll	14.81%

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

NOTE 15 - Other Postemployment Benefits: (continued)

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 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 2.6% was assumed. In addition, the Individual Entry Age 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, 2016 is 26 years. Health insurance trends start at 6.25% for the fiscal year ending in 2016 and 5.5% for 2017, grading down to 4.0% - the ultimate trend rate in 2019.

NOTE 16 - Government Merger:

In October 2015, the former Bunnell Flagler County Utility (BFCU) joint venture with the City of Bunnell was merged into the County's Utility Fund, pursuant to the amended and restated Original Interlocal Agreement. All rights and obligations concerning the operation, maintenance, financing, expansion, and control are now under the County. The initial balances of the assets, liabilities and net position were determined on the basis of the carrying values reported in the separate financial statements of the Bunnell Flagler County Utility as of September 30, 2015, as follows:

	County Utility Fund, Sept 30, 2015	BFCU, Sept 30, 2015	Adjustments	County Utility Fund, Oct 1, 2015
Current assets	$ -	$ 2,105,362		$ 2,105,362
Capital assets, net	-	5,842,806		5,842,806
Investment in JV	431,661	-	(431,661)	-
Total assets	431,661	7,948,168		7,948,168
Current liabilities	-	(104,344)		(104,344)
Unearned revenue	-	(303,884)		(303,884)
Customer deposits	-	(118,880)		(118,880)
Long-term debt	-	(6,557,738)		(6,557,738)
Total liabilities	-	(7,084,846)		(7,084,846)
Net position	$ (431,661)	$ (863,322)		
Special Item			(431,661)	(431,661)
Change in net position				$ (431,661)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET and ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	$ 52,847,961	$ 52,847,961	$ 53,625,034	$ 777,073
Licenses and permits	32,000	32,000	34,094	2,094
Intergovernmental	5,630,343	6,246,494	4,738,953	(1,507,541)
Charges for services	8,920,094	8,960,391	9,661,207	700,816
Fines and forfeitures	108,000	108,000	123,983	15,983
Miscellaneous revenue	588,258	560,919	732,463	171,544
Investment income	6,000	6,400	96,445	90,045
TOTAL REVENUES	68,132,656	68,762,165	69,012,179	250,014
EXPENDITURES				
Current				
County commission	525,042	525,042	492,607	32,435
County administration	13,453,164	14,056,926	11,684,239	2,372,687
County attorney	637,065	650,866	518,157	132,709
County engineering	762,307	795,038	624,473	170,565
Recreation, Fleet and Facilities	5,149,182	5,424,777	5,075,285	349,492
Emergency services	34,273,425	35,027,182	33,751,903	1,275,279
Transportation	1,557,953	1,460,600	1,394,791	65,809
Agriculture agent	249,641	252,148	233,556	18,592
Community services	3,676,428	3,759,184	3,406,225	352,959
Public library	1,116,559	1,124,986	1,047,093	77,893
Veteran services	129,892	132,027	122,230	9,797
Medical examiner	327,542	327,542	306,194	21,348
Pre-trial services	66,249	66,537	52,519	14,018
Judiciary	1,024,916	995,570	966,710	28,860
Pooled expenditures	3,999,259	4,123,595	3,725,233	398,362
Federal and State grants	2,579,871	2,992,534	2,128,430	864,104
Reserves/Contingency	6,559,050	5,114,406	-	5,114,406
Capital projects	1,390,588	1,458,110	542,284	915,826
Capital outlay	125,000	372,760	313,133	59,627
Debt service				
Principal retirement	1,352,152	987,152	1,232,972	(245,820)
Interest and fiscal charges	222,393	222,393	229,351	(6,958)
Other debt service costs	48,000	50,000	42,415	7,585
TOTAL EXPENDITURES	79,225,678	79,919,375	67,889,800	12,029,575
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,093,022)	(11,157,210)	1,122,379	12,279,589
OTHER FINANCING SOURCES (USES)				
Transfers in	1,978,320	2,151,560	2,602,893	451,333
Transfers out	(2,082,645)	(2,503,674)	(1,984,418)	519,256
Sale of capital assets	-	-	16,973	16,973
TOTAL OTHER FINANCING SOURCES (USES)	(104,325)	(352,114)	635,448	987,562
NET CHANGE IN FUND BALANCE	(11,197,347)	(11,509,324)	1,757,827	13,267,151
FUND BALANCES, BEGINNING OF YEAR	11,197,347	11,509,324	14,909,350	3,400,026
FUND BALANCES, END OF YEAR	$ -	$ -	16,667,177	$ 16,667,177
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	669,796	
FUND BALANCE, END OF YEAR - GAAP BASIS			$ 17,336,973	

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 7,489,496	$ 7,629,320	$ 6,670,028	$ (959,292)
Investment income	6,650	6,650	6,321	(329)
Total revenues	7,496,146	7,635,970	6,676,349	(959,621)
EXPENDITURES				
Current				
Transportation	3,598,364	3,634,159	2,984,830	649,329
Capital outlay	5,826,496	5,999,443	5,022,166	977,277
Total expenditures	9,424,860	9,633,602	8,006,996	1,626,606
Excess (deficiency) of revenues over expenditures	(1,928,714)	(1,997,632)	(1,330,647)	666,985
Net change in fund balances	(1,928,714)	(1,997,632)	(1,330,647)	666,985
Fund balances-beginning	1,928,714	1,997,632	1,989,105	(8,527)
Fund balances-ending	$ -	$ -	$ 658,458	$ 658,458

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

Florida Retirement System	2016	2015
Employer's proportion of net pension liability (asset)	0.1785%	0.1601%
Employer's proportionate share of the net pension liability (asset)	45,074,952	20,680,574
Employer's covered-employee payroll **	33,394,967	31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	134.98%	65.99%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%

Health Insurance Subsidy Program	2016	2015
Employer's proportion of net pension liability (asset)	0.1080%	0.1033%
Employer's proportionate share of the net pension liability (asset)	12,583,713	10,534,340
Employer's covered-employee payroll **	33,394,967	31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.68%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	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	2016	2015
Contractually required contribution	$ 3,314,059	$ 3,954,117
Contributions in relation to the contractually required contribution	3,314,059	3,954,117
Contribution deficiency (excess)	$ -	$ -
Employer's covered-employee payroll **	$ 34,970,520	$ 31,711,994
Contributions as a percentage of covered-employee payroll	9.48%	12.47%

Health Insurance Subsidy Program	2016	2015
Contractually required contribution	$ 573,674	$ 425,713
Contributions in relation to the contractually required contribution	573,674	425,713
Contribution deficiency (excess)	$ -	$ -
Employer's covered-employee payroll **	$ 34,970,520	$ 31,711,994
Contributions as a percentage of covered-employee payroll	1.64%	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

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2014	10/1/2012	-	$ 4,272,162	$ 4,272,162	0.0%	$27,262,112	15.70%
2015	10/1/2014	-	4,119,432	4,119,432	0.0%	31,711,994	12.99%
2016	10/1/2016	-	4,489,658	4,489,658	0.0%	30,305,827	14.81%

Schedule of Employer Contributions

Year End September 30,	Annual Required Contribution	% Contributed
2014	$ 464,066	64.99%
2015	399,460	32.28%
2016	415,087	20.53%

NOTES

1. See Note 15 to the financial statements for further information regarding the County's OPEB plan.

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.

SPECIAL REVENUE FUNDS: (continued)

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.

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.

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.

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.

SPECIAL REVENUE FUNDS: (continued)

Constitutional Gas Tax

This fund was established to account for 80 percent of the State two-cent gas tax used for the construction of roads and bridges

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.

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.

SPECIAL REVENUE FUNDS: (continued)

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.

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.

SPECIAL REVENUE FUNDS: (continued)

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.

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.

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 restricted, committed, or assigned to the expenditures for the payment of principal and interest related to general long-term debt.

MAJOR

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.

NONMAJOR

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.

DEBT SERVICE FUNDS: (continued)

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.

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, 2016

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
ASSETS					
Cash and cash equivalents	$ 278,050	$ 7,507	$ 86,301	$ 5,397	$ 75,473
Cash with fiscal agent	-	-	-	-	-
Investments	670,028	-	-	-	729,189
Accounts receivable	23,628	14	-	5	524
Due from other funds	389	-	-	-	-
Due from other governments	253,848	-	-	-	-
Other assets	-	-	-	-	-
Total assets	$ 1,225,943	$ 7,521	$ 86,301	$ 5,402	$ 805,186
LIABILITIES					
Accounts payable and accrued liabilities	$ 87,019	$ 87	$ 104	$ 756	$ 12,770
Deposits	48,009	-	-	-	-
Due to other funds	973	-	20,000	-	365
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	136,001	87	20,104	756	13,135
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	1,089,942	7,434	66,197	4,646	792,051
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	1,089,942	7,434	66,197	4,646	792,051
Total liabilities and fund balances (deficits)	$ 1,225,943	$ 7,521	$ 86,301	$ 5,402	$ 805,186

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
$ 180,693	$ 395,597	$ 78,362	$ 7,636	$ 1,802	$ 21,705
-	-	-	-	-	-
2,156,072	1,362,500	1,430,651	141,336	953,518	-
1,617	1,106	1,050	105	668	18
-	2	-	-	138	-
34,742	102,296	17,371	-	-	-
-	-	-	-	-	-
$ 2,373,124	$ 1,861,501	$ 1,527,434	$ 149,077	$ 956,126	$ 21,723
$ 396	$ 173,727	$ 295	$ 3,120	$ 206	$ -
-	-	-	-	-	-
-	12,181	-	-	-	-
-	12,000	-	-	-	-
-	-	-	-	-	-
396	197,908	295	3,120	206	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,372,728	1,663,593	1,527,139	-	-	-
-	-	-	-	-	-
-	-	-	145,957	955,920	-
-	-	-	-	-	-
-	-	-	-	-	21,723
2,372,728	1,663,593	1,527,139	145,957	955,920	21,723
$ 2,373,124	$ 1,861,501	$ 1,527,434	$ 149,077	$ 956,126	$ 21,723

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue Funds (Continued)				
	800 MGHZ Expansion	Transportation Impact Fees - West	Transportation Impact Fees - East	New Transportation Impact Fees - East	Daytona North Service District
ASSETS					
Cash and cash equivalents	$ 3,092	$ 4,541	$ 511,763	$ 7,492	$ 117,864
Cash with fiscal agent	-	-	-	-	-
Investments	907,540	126,714	2,219,694	793,647	588,145
Accounts receivable	635	93	2,126	562	411
Due from other funds	-	-	-	-	15,245
Due from other governments	-	-	972,049	-	11,574
Other assets	-	-	-	-	-
Total assets	$ 911,267	$ 131,348	$ 3,705,632	$ 801,701	$ 733,239
LIABILITIES					
Accounts payable and accrued liabilities	$ 135	$ 106	$ 1,004,447	$ 206	$ 1,050
Deposits	900,000	-	-	-	-
Due to other funds	-	-	-	-	4,132
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	900,135	106	1,004,447	206	5,182
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	11,132	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	131,242	2,701,185	801,495	-
Other purposes	-	-	-	-	728,057
Total fund balances (deficits)	11,132	131,242	2,701,185	801,495	728,057
Total liabilities and fund balances (deficits)	$ 911,267	$ 131,348	$ 3,705,632	$ 801,701	$ 733,239

Park Impact Fees	Constitutional Gas Tax	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ 111,295	$ 1,581,173	$ 231,365	$ 143,052	$ 21,445	$ 20,303
-	-	-	-	-	-
-	1,509,930	-	-	-	-
87	1,739	-	-	-	18
-	-	-	-	-	34
4,687	2,193,970	-	-	-	-
-	-	-	-	-	-
$ 116,069	$ 5,286,812	$ 231,365	$ 143,052	$ 21,445	$ 20,355
$ 87	$ 1,003,440	$ 217	$ 43,484	$ -	$ 84
-	-	-	-	-	-
-	-	-	10	275	59
-	10,000	-	-	-	-
-	145,531	-	36,003	21,170	-
87	1,158,971	217	79,497	21,445	143
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	231,148	63,555	-	-
-	4,127,841	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,982	-	-	-	-	-
-	-	-	-	-	20,212
115,982	4,127,841	231,148	63,555	-	20,212
$ 116,069	$ 5,286,812	$ 231,365	$ 143,052	$ 21,445	$ 20,355

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	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	$ 31,579	$ 67,389	$ 99,246	$ 5,978	$ 11,825
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	1,176,701	-	-
Accounts receivable	14	27	1,584	7	12
Due from other funds	133	15	53	-	-
Due from other governments	-	-	4,860	564	275
Other assets	-	-	-	-	-
Total assets	$ 31,726	$ 67,431	$ 1,282,444	$ 6,549	$ 12,112
LIABILITIES					
Accounts payable and accrued liabilities	$ 84	$ 84	$ 9,783	$ -	$ 1,563
Deposits	-	-	-	-	-
Due to other funds	206	216	7	-	-
Due to other governments	-	-	5,226	-	-
Unearned revenue	14,977	36,165	-	-	-
Total liabilities	15,267	36,465	15,016	-	1,563
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	1,267,428	6,549	10,549
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	16,459	30,966	-	-	-
Total fund balances (deficits)	16,459	30,966	1,267,428	6,549	10,549
Total liabilities and fund balances (deficits)	$ 31,726	$ 67,431	$ 1,282,444	$ 6,549	$ 12,112

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ 107,796	$ 1,171	$ 10,288	$ 35,364	$ 4,730	$ 70,754
-	-	-	-	-	-
772,611	-	45,152	-	-	762,950
569	10	48	26	9	585
21,762	-	-	1	1	1
-	-	1,809	-	1,247	12,574
-	-	-	-	-	-
$ 902,738	$ 1,181	$ 57,297	$ 35,391	$ 5,987	$ 846,864
$ 37,272	$ -	$ 2,091	$ 8,381	$ 1,664	$ 10,097
-	-	-	-	-	-
8	-	-	-	8	255
1,929	-	-	-	-	38
-	-	-	-	-	-
39,209	-	2,091	8,381	1,672	10,390
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
863,529	1,181	55,206	27,010	4,315	836,474
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
863,529	1,181	55,206	27,010	4,315	836,474
$ 902,738	$ 1,181	$ 57,297	$ 35,391	$ 5,987	$ 846,864

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue Funds (Continued)			
	Court Operations	Clerk Court Technology	Records Modernization	Federal Equitable Sharing Fund
ASSETS				
Cash and cash equivalents	$ 259,070	$ 191,742	$ 136,915	$ 26,149
Cash with fiscal agent	-	-	-	-
Investments	-	-	-	-
Accounts receivable	1,048	2,687	95	-
Due from other funds	-	-	-	-
Due from other governments	29,369	1,349	504	-
Other assets	1,438	33,470	492	-
Total assets	$ 290,925	$ 229,248	$ 138,006	$ 26,149
LIABILITIES				
Accounts payable and accrued liabilities	$ 18,094	$ 4,355	$ 22	$ -
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	272,831	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	290,925	4,355	22	-
DEFERRED INFLOWS				
Unavailable revenue	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable				
Parks and recreation	-	-	-	-
Prepaids	-	33,468	491	-
Restricted for				
Bond covenants or debt service	-	-	-	-
Grant programs and projects	-	-	-	-
Federal and state law	-	191,425	137,493	26,149
Capital projects and acquisitions	-	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	-	-	-
Other purposes	-	-	-	-
Total fund balances (deficits)	-	224,893	137,984	26,149
Total liabilities and fund balances (deficits)	$ 290,925	$ 229,248	$ 138,006	$ 26,149

Special Revenue Funds (Continued)			Debt Service Funds
Law Enforcement Education	Inmate Welfare	Total	Capital Improvements & Refunding Series 2015
$ -	$ 17,968	$ 4,969,872	$ 2,357,081
-	-	-	-
-	-	16,346,378	637,158
10,000	12,374	63,501	891
-	-	37,774	-
-	-	3,643,088	286,693
-	-	35,400	-
$ 10,000	$ 30,342	$ 25,096,013	$ 3,281,823
$ -	$ -	$ 2,425,226	$ 251
-	-	948,009	-
9,573	-	48,268	-
-	-	302,024	-
-	-	253,846	-
9,573	-	3,977,373	251
-	8,215	8,215	-
-	-	-	-
-	-	33,959	-
-	-	-	3,281,572
-	-	294,703	-
427	22,127	15,101,433	-
-	-	11,132	-
-	-	1,101,877	-
-	-	3,749,904	-
-	-	817,417	-
427	22,127	21,110,425	3,281,572
$ 10,000	$ 30,342	$ 25,096,013	$ 3,281,823

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Debt Service Funds (Continued)		
	ESL Bond Sinking	Capital Construction GO Issue	Total
ASSETS			
Cash and cash equivalents	$ 4,268	$ 5,769	$ 2,367,118
Cash with fiscal agent	-	-	-
Investments	15,197	303,984	956,339
Accounts receivable	16	222	1,129
Due from other funds	1,051	3,737	4,788
Due from other governments	-	-	286,693
Other assets	-	-	-
Total assets	$ 20,532	$ 313,712	$ 3,616,067
LIABILITIES			
Accounts payable and accrued liabilities	$ 111	$ 264	$ 626
Deposits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	111	264	626
FUND BALANCES (DEFICITS)			
Nonspendable			
Parks and recreation	-	-	-
Prepaids	-	-	-
Restricted for			
Bond covenants or debt service	20,421	313,448	3,615,441
Grant programs and projects	-	-	-
Federal and state law	-	-	-
Capital projects and acquisitions	-	-	-
ESL acquisitions	-	-	-
Impact fees	-	-	-
Other purposes	-	-	-
Total fund balances (deficits)	20,421	313,448	3,615,441
Total liabilities and fund balances (deficits)	$ 20,532	$ 313,712	$ 3,616,067

	Capital Projects Funds					
Beach Front Parks	Park Maintenance Trust	Capital Projects	ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
$ 6,446	$ 75,260	$ 559,594	$ 3,998	$ 645,298	$ 7,982,288
-	-	-	70,428	70,428	70,428
383,574	740,006	5,359,436	538,524	7,021,540	24,324,257
274	520	4,195	380	5,369	69,999
-	-	-	-	-	42,562
-	-	158,960	-	158,960	4,088,741
-	-	-	-	-	35,400
$ 390,294	$ 815,786	$ 6,082,185	$ 613,330	$ 7,901,595	$ 36,613,675
$ 282	$ 225	$ 211,983	$ 146	$ 212,636	$ 2,638,488
-	-	-	-	-	948,009
-	38,351	9,754	-	48,105	96,373
-	-	-	-	-	302,024
-	-	-	-	-	253,846
282	38,576	221,737	146	260,741	4,238,740
-	-	-	-	-	8,215
-	540,000	-	-	540,000	540,000
-	-	-	-	-	33,959
-	-	-	-	-	3,615,441
-	-	-	-	-	294,703
-	-	-	-	-	15,101,433
390,012	-	5,860,448	-	6,250,460	6,261,592
-	-	-	613,184	613,184	1,715,061
-	-	-	-	-	3,749,904
-	237,210	-	-	237,210	1,054,627
390,012	777,210	5,860,448	613,184	7,640,854	32,366,720
$ 390,294	$ 815,786	$ 6,082,185	$ 613,330	$ 7,901,595	$ 36,613,675

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
REVENUES					
Taxes	$ 854,565	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	850,936	-	-	-	-
Charges for services	372,869	-	-	-	-
Fines and forfeitures	-	15,447	22,692	15,420	169,261
Miscellaneous revenue	26,560	-	-	-	-
Investment income	4,532	78	153	11	5,163
Total revenues	2,109,462	15,525	22,845	15,431	174,424
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	31,194	-	-
Physical environment	-	-	-	-	-
Transportation	1,971,193	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,323	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	10,789	356,580
Capital Outlay	246,308	-	-	-	-
Debt service					
Principal retirement	43,548	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	2,261,049	45,323	31,194	10,789	356,580
Excess (deficiency) of revenues over expenditures	(151,587)	(29,798)	(8,349)	4,642	(182,156)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	29,800	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	243,270	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	243,270	29,800	-	-	-
Net change in fund balances	91,683	2	(8,349)	4,642	(182,156)
Fund balances-beginning	998,259	7,432	74,546	4	974,207
Fund balances-ending	$ 1,089,942	$ 7,434	$ 66,197	$ 4,646	$ 792,051

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
$ 470,050	$ 1,384,036	$ 235,025	$ -	$ 138	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	16	-	1,835	-	-
12,774	9,356	8,461	878	5,832	57
482,824	1,393,408	243,486	2,713	5,970	57
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,021	3,477	944	-
-	-	-	-	-	-
-	1,339,741	-	-	-	-
-	-	-	-	-	-
17,227	-	4,484	-	-	-
-	-	-	-	-	-
-	258,273	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,227	1,598,014	5,505	3,477	944	-
465,597	(204,606)	237,981	(764)	5,026	57
-	-	-	-	-	-
-	-	-	-	(50,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(50,000)	-
465,597	(204,606)	237,981	(764)	(44,974)	57
1,907,131	1,868,199	1,289,158	146,721	1,000,894	21,666
$ 2,372,728	$ 1,663,593	$ 1,527,139	$ 145,957	$ 955,920	$ 21,723

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds (Continued)				
	800 MGHZ Expansion	Transportation Impact Fees - West	Transportation Impact Fees - East	New Transportation Impact Fees - East	Daytona North Service District
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ 69,923
Special assessments/Impact fees	-	-	-	2,790	260,654
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	5,108,739	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	5,460	775	13,491	4,795	4,251
Total revenues	5,460	775	5,122,230	7,585	334,828
EXPENDITURES					
Current					
General government	-	-	-	-	21,770
Public safety	536	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	342	1,102	738	234,638
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	5,137,954	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	536	342	5,139,056	738	256,408
Excess (deficiency) of revenues over expenditures	4,924	433	(16,826)	6,847	78,420
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	1,602
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,602
Net change in fund balances	4,924	433	(16,826)	6,847	80,022
Fund balances-beginning	6,208	130,809	2,718,011	794,648	648,035
Fund balances-ending	$ 11,132	$ 131,242	$ 2,701,185	$ 801,495	$ 728,057

Special Revenue Funds (Continued)

Park Impact Fees	Constitutional Gas Tax	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ -	$ -	$ -	$ -	$ -	$ -
58,680	-	-	-	-	5,543
-	-	-	-	-	-
10	3,555,819	-	471,293	682	-
-	-	-	55	-	-
-	-	-	-	-	-
-	-	-	26,179	-	-
232	14,035	175	251	-	53
58,922	3,569,854	175	497,778	682	5,596
-	-	-	-	-	170
-	-	-	-	-	-
-	-	-	-	-	-
-	15,083	-	-	-	1,925
-	-	809	471,293	682	-
-	-	-	-	-	-
270	-	-	-	-	-
-	-	-	-	-	-
-	2,458,219	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
270	2,473,302	809	471,293	682	2,095
58,652	1,096,552	(634)	26,485	-	3,501
-	-	-	-	-	34
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	34
58,652	1,096,552	(634)	26,485	-	3,535
57,330	3,031,289	231,782	37,070	-	16,677
$ 115,982	$ 4,127,841	$ 231,148	$ 63,555	$ -	$ 20,212

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	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	1,447	2,442	-	-	-
Licenses and permits	-	-	876,902	-	-
Intergovernmental	264	99	-	-	-
Charges for services	-	-	9,520	-	-
Fines and forfeitures	-	-	3,600	5,986	3,318
Miscellaneous revenue	-	-	3,699	-	-
Investment income	43	83	6,890	17	45
Total revenues	1,754	2,624	900,611	6,003	3,363
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	588,749	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	754	622	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	10,937
Capital Outlay	-	-	43,259	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	754	622	632,008	-	10,937
Excess (deficiency) of revenues over expenditures	1,000	2,002	268,603	6,003	(7,574)
OTHER FINANCING SOURCES (USES)					
Transfers in	9	15	-	-	-
Transfers out	-	-	-	(2,850)	-
Long term debt issued	-	-	-	-	-
Premium on long term debt issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	9	15	-	(2,850)	-
Net change in fund balances	1,009	2,017	268,603	3,153	(7,574)
Fund balances-beginning	15,450	28,949	998,825	3,396	18,123
Fund balances-ending	$ 16,459	$ 30,966	$ 1,267,428	$ 6,549	$ 10,549

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	462,368
-	-	-	-	-	-
233,289	15,420	23,276	15,416	17,945	-
-	-	-	-	-	-
4,874	20	315	159	70	4,534
238,163	15,440	23,591	15,575	18,015	466,902
-	-	-	-	-	-
-	-	5,287	-	-	339,319
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
143,086	-	-	117,700	69,173	-
79,337	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
222,423	-	5,287	117,700	69,173	339,319
15,740	15,440	18,304	(102,125)	(51,158)	127,583
-	-	-	105,422	40,293	-
-	(14,259)	(15,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(14,259)	(15,000)	105,422	40,293	-
15,740	1,181	3,304	3,297	(10,865)	127,583
847,789	-	51,902	23,713	15,180	708,891
$ 863,529	$ 1,181	$ 55,206	$ 27,010	$ 4,315	$ 836,474

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds (Continued)			
	Court Operations	Clerk Court Technology	Records Modernization	Federal Equitable Sharing Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	391,947	-	-	-
Charges for services	947,822	221,625	75,117	-
Fines and forfeitures	154,305	41,892	-	9,457
Miscellaneous revenue	452	-	-	-
Investment income	-	7,091	433	-
Total revenues	1,494,526	270,608	75,550	9,457
EXPENDITURES				
Current				
General government	-	-	54,523	-
Public safety	-	-	-	57,550
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	1,624,277	269,129	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	1,624,277	269,129	54,523	57,550
Excess (deficiency) of revenues over expenditures	(129,751)	1,479	21,027	(48,093)
OTHER FINANCING SOURCES (USES)				
Transfers in	129,751	-	-	-
Transfers out	-	-	-	-
Long term debt issued	-	-	-	-
Premium on long term debt issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	129,751	-	-	-
Net change in fund balances	-	1,479	21,027	(48,093)
Fund balances-beginning	-	223,414	116,957	74,242
Fund balances-ending	$ -	$ 224,893	$ 137,984	$ 26,149

Special Revenue Funds (Continued)			Debt Service Funds
Law Enforcement Education	Inmate Welfare	Total	Capital Improvements & Refunding Series 2015
$ -	$ -	$ 3,013,737	$ 201,716
-	-	331,556	-
-	-	876,902	-
-	-	10,842,157	3,027,436
10,000	65,378	1,702,386	-
-	-	746,724	-
-	-	58,741	-
-	-	115,387	8,659
10,000	65,378	17,687,590	3,237,811
-	-	76,463	-
10,000	92,909	1,125,544	-
-	-	5,442	-
-	-	2,225,021	-
-	-	1,812,525	-
-	-	46,699	-
-	-	21,981	-
-	-	2,601,671	-
-	-	8,223,350	-
-	-	43,548	600,000
-	-	-	2,007,228
-	-	-	3,946
10,000	92,909	16,182,244	2,611,174
-	(27,531)	1,505,346	626,637
-	-	306,926	-
-	-	(82,109)	-
-	-	243,270	-
-	-	-	-
-	-	-	-
-	-	468,087	-
-	(27,531)	1,973,433	626,637
427	49,658	19,136,992	2,654,935
$ 427	$ 22,127	$ 21,110,425	$ 3,281,572

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Debt Service Funds (Continued)		
	ESL Bond Sinking	Capital Construction GO Issue	Total
REVENUES			
Taxes	$ 620,464	$ 1,857,932	$ 2,680,112
Special assessments/Impact fees	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	3,027,436
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous revenue	-	-	-
Investment income	1,063	3,983	13,705
Total revenues	621,527	1,861,915	5,721,253
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital Outlay	-	-	-
Debt service			
Principal retirement	625,000	920,000	2,145,000
Interest and fiscal charges	45,256	872,336	2,924,820
Other debt service costs	2,141	3,170	9,257
Total expenditures	672,397	1,795,506	5,079,077
Excess (deficiency) of revenues over expenditures	(50,870)	66,409	642,176
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	50,000
Transfers out	-	-	-
Long term debt issued	-	-	-
Premium on long term debt issued	-	-	-
Payments to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	50,000	-	50,000
Net change in fund balances	(870)	66,409	692,176
Fund balances-beginning	21,291	247,039	2,923,265
Fund balances-ending	$ 20,421	$ 313,448	$ 3,615,441

	Capital Projects Funds					
Beach Front Parks	Park Maintenance Trust	Capital Projects	ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
$ -	$ -	$ 2,473,656	$ -	$ 2,473,656	$ 8,167,505
-	-	-	-	-	331,556
-	-	-	-	-	876,902
-	-	180,104	-	180,104	14,049,697
-	-	-	-	-	1,702,386
-	-	-	-	-	746,724
-	-	47	-	47	58,788
2,331	4,761	31,781	3,316	42,189	171,281
2,331	4,761	2,685,588	3,316	2,695,996	26,104,839
-	-	829	-	829	77,292
-	-	-	-	-	1,125,544
-	-	-	6,476	6,476	11,918
-	-	-	-	-	2,225,021
-	-	-	-	-	1,812,525
-	-	-	-	-	46,699
665	46,172	-	2,946	49,783	71,764
-	-	-	-	-	2,601,671
718	-	395,038	-	395,756	8,619,106
-	-	-	-	-	2,188,548
-	-	-	-	-	2,924,820
-	-	-	-	-	9,257
1,383	46,172	395,867	9,422	452,844	21,714,165
948	(41,411)	2,289,721	(6,106)	2,243,152	4,390,674
-	-	-	-	-	356,926
-	-	(1,000,000)	-	(1,000,000)	(1,082,109)
-	-	-	-	-	243,270
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(1,000,000)	-	(1,000,000)	(481,913)
948	(41,411)	1,289,721	(6,106)	1,243,152	3,908,761
389,064	818,621	4,570,727	619,290	6,397,702	28,457,959
$ 390,012	$ 777,210	$ 5,860,448	$ 613,184	$ 7,640,854	$ 32,366,720

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 759,409	$ 759,409	$ 854,565	$ 95,156
Intergovernmental	728,948	728,948	850,936	121,988
Charges for services	494,000	494,000	372,869	(121,131)
Miscellaneous revenue	-	-	26,560	26,560
Investment income	570	570	4,532	3,962
Total revenues	1,982,927	1,982,927	2,109,462	126,535
EXPENDITURES				
Current				
Transportation	2,027,564	2,064,186	1,971,193	92,993
Reserves/Contingency	318,862	279,202	-	279,202
Capital outlay	-	3,038	246,308	(243,270)
Debt service				
Principal retirement	-	43,548	43,548	-
Total expenditures	2,346,426	2,389,974	2,261,049	128,925
Excess (deficiency) of revenues over expenditures	(363,499)	(407,047)	(151,587)	255,460
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,500)	(10,500)	-	10,500
Long term debt issued	-	-	243,270	243,270
TOTAL OTHER FINANCING SOURCES (USES)	(10,500)	(10,500)	243,270	253,770
Net change in fund balances	(373,999)	(417,547)	91,683	509,230
Fund balances-beginning	373,999	417,547	998,259	580,712
Fund balances-ending	$ -	$ -	$ 1,089,942	$ 1,089,942

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,112	$ 13,112	$ 15,447	$ 2,335
Investment income	-	-	78	78
Total revenues	13,112	13,112	15,525	2,413
EXPENDITURES				
Current				
Human services	45,354	45,354	45,323	31
Reserves/Contingency	74	74	-	74
Total expenditures	45,428	45,428	45,323	105
Excess (deficiency) of revenues over expenditures	(32,316)	(32,316)	(29,798)	2,518
OTHER FINANCING SOURCES (USES)				
Transfers in	29,800	29,800	29,800	-
TOTAL OTHER FINANCING SOURCES (USES)	29,800	29,800	29,800	-
Net change in fund balances	(2,516)	(2,516)	2	2,518
Fund balances-beginning	2,516	2,516	7,432	4,916
Fund balances-ending	$ -	$ -	$ 7,434	$ 7,434

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 19,000	$ 19,000	$ 22,692	$ 3,692
Investment income	95	95	153	58
Total revenues	19,095	19,095	22,845	3,750
EXPENDITURES				
Current				
Public safety	28,456	82,456	31,194	51,262
Total expenditures	28,456	82,456	31,194	51,262
Excess (deficiency) of revenues over expenditures	(9,361)	(63,361)	(8,349)	55,012
Net change in fund balances	(9,361)	(63,361)	(8,349)	55,012
Fund balances-beginning	9,361	63,361	74,546	11,185
Fund balances-ending	$ -	$ -	$ 66,197	$ 66,197

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 11,875	$ 11,875	$ 15,420	$ 3,545
Investment income	-	-	11	11
Total revenues	11,875	11,875	15,431	3,556
EXPENDITURES				
Current				
Court related	10,795	10,795	10,789	6
Total expenditures	10,795	10,795	10,789	6
Excess (deficiency) of revenues over expenditures	1,080	1,080	4,642	3,562
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,080)	(1,080)	-	1,080
TOTAL OTHER FINANCING SOURCES (USES)	(1,080)	(1,080)	-	1,080
Net change in fund balances	-	-	4,642	4,642
Fund balances-beginning	-	-	4	4
Fund balances-ending	$ -	$ -	$ 4,646	$ 4,646

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 237,500	$ 237,500	$ 169,261	$ (68,239)
Investment income	3,800	3,800	5,163	1,363
Total revenues	241,300	241,300	174,424	(66,876)
EXPENDITURES				
Current				
Court related	465,445	465,445	356,580	108,865
Reserves/Contingency	678,436	678,436	-	678,436
Total expenditures	1,143,881	1,143,881	356,580	787,301
Excess (deficiency) of revenues over expenditures	(902,581)	(902,581)	(182,156)	720,425
Net change in fund balances	(902,581)	(902,581)	(182,156)	720,425
Fund balances-beginning	902,581	902,581	974,207	71,626
Fund balances-ending	$ -	$ -	$ 792,051	$ 792,051

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 427,250	$ 427,250	$ 470,050	$ 42,800
Investment income	2,850	2,850	12,774	9,924
Total revenues	430,100	430,100	482,824	52,724
EXPENDITURES				
Current				
Culture and recreation	505,308	505,308	17,227	488,081
Reserves/Contingency	1,655,923	1,655,923	-	1,655,923
Total expenditures	2,161,231	2,161,231	17,227	2,144,004
Excess (deficiency) of revenues over expenditures	(1,731,131)	(1,731,131)	465,597	2,196,728
OTHER FINANCING SOURCES (USES)				
Transfers out	(178,370)	(178,370)	-	178,370
TOTAL OTHER FINANCING SOURCES (USES)	(178,370)	(178,370)	-	178,370
Net change in fund balances	(1,909,501)	(1,909,501)	465,597	2,375,098
Fund balances-beginning	1,909,501	1,909,501	1,907,131	(2,370)
Fund balances-ending	$ -	$ -	$ 2,372,728	$ 2,372,728

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- PROMOTION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,258,750	$ 1,258,750	$ 1,384,036	$ 125,286
Miscellaneous revenue	-	-	16	16
Investment income	1,900	1,900	9,356	7,456
Total revenues	1,260,650	1,260,650	1,393,408	132,758
EXPENDITURES				
Current				
Economic environment	1,440,000	1,457,920	1,339,741	118,179
Reserves/Contingency	1,489,930	1,182,460	-	1,182,460
Capital outlay	47,000	336,550	258,273	78,277
Total expenditures	2,976,930	2,976,930	1,598,014	1,378,916
Excess (deficiency) of revenues over expenditures	(1,716,280)	(1,716,280)	(204,606)	1,511,674
Net change in fund balances	(1,716,280)	(1,716,280)	(204,606)	1,511,674
Fund balances-beginning	1,716,280	1,716,280	1,868,199	151,919
Fund balances-ending	$ -	$ -	$ 1,663,593	$ 1,663,593

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 212,500	$ 212,500	$ 235,025	$ 22,525
Investment income	950	950	8,461	7,511
Total revenues	213,450	213,450	243,486	30,036
EXPENDITURES				
Current				
Physical environment	1,001,050	1,001,050	1,021	1,000,029
Culture and recreation	-	5,000	4,484	516
Reserves/Contingency	520,770	515,770	-	515,770
Total expenditures	1,521,820	1,521,820	5,505	1,516,315
Excess (deficiency) of revenues over expenditures	(1,308,370)	(1,308,370)	237,981	1,546,351
Net change in fund balances	(1,308,370)	(1,308,370)	237,981	1,546,351
Fund balances-beginning	1,308,370	1,308,370	1,289,158	(19,212)
Fund balances-ending	$ -	$ -	$ 1,527,139	$ 1,527,139

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Miscellaneous revenue	$ -	$ -	$ 1,835	$ 1,835
Investment income	1,000	1,000	878	(122)
Total revenues	1,000	1,000	2,713	1,713
EXPENDITURES				
Current				
Physical environment	10,250	10,250	3,477	6,773
Capital outlay	120,291	120,291	-	120,291
Total expenditures	130,541	130,541	3,477	127,064
Excess (deficiency) of revenues over expenditures	(129,541)	(129,541)	(764)	128,777
Net change in fund balances	(129,541)	(129,541)	(764)	128,777
Fund balances-beginning	129,541	129,541	146,721	17,180
Fund balances-ending	$ -	$ -	$ 145,957	$ 145,957

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ -	$ 138	$ 138
Investment income	4,000	4,000	5,832	1,832
Total revenues	4,000	4,000	5,970	1,970
EXPENDITURES				
Current				
Physical environment	469,511	469,511	944	468,567
Capital outlay	473,587	473,587	-	473,587
Total expenditures	943,098	943,098	944	942,154
Excess (deficiency) of revenues over expenditures	(939,098)	(939,098)	5,026	944,124
OTHER FINANCING SOURCES (USES)				
Transfers out	(65,000)	(65,000)	(50,000)	15,000
TOTAL OTHER FINANCING SOURCES (USES)	(65,000)	(65,000)	(50,000)	15,000
Net change in fund balances	(1,004,098)	(1,004,098)	(44,974)	959,124
Fund balances-beginning	1,004,098	1,004,098	1,000,894	(3,204)
Fund balances-ending	$ -	$ -	$ 955,920	$ 955,920

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 15	$ 15	$ 57	$ 42
Total revenues	15	15	57	42
EXPENDITURES				
Current				
Reserves/Contingency	21,663	21,663	-	21,663
Total expenditures	21,663	21,663	-	21,663
Excess (deficiency) of revenues over expenditures	(21,648)	(21,648)	57	(21,621)
Net change in fund balances	(21,648)	(21,648)	57	(21,621)
Fund balances-beginning	21,648	21,648	21,666	18
Fund balances-ending	$ -	$ -	$ 21,723	$ (21,603)

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 800	$ 800	$ 5,460	$ 4,660
Total revenues	800	800	5,460	4,660
EXPENDITURES				
Current				
Public safety	1,000	1,000	536	464
Reserves/Contingency	902,267	902,267	-	902,267
Total expenditures	903,267	903,267	536	902,731
Excess (deficiency) of revenues over expenditures	(902,467)	(902,467)	4,924	907,391
Net change in fund balances	(902,467)	(902,467)	4,924	907,391
Fund balances-beginning	902,467	902,467	6,208	(896,259)
Fund balances-ending	$ -	$ -	$ 11,132	$ 11,132

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 285	$ 285	$ 775	$ 490
Total revenues	285	285	775	490
EXPENDITURES				
Current				
Transportation	400	400	342	58
Reserves/Contingency	130,581	130,581	-	130,581
Total expenditures	130,981	130,981	342	130,639
Excess (deficiency) of revenues over expenditures	(130,696)	(130,696)	433	131,129
Net change in fund balances	(130,696)	(130,696)	433	131,129
Fund balances-beginning	130,696	130,696	130,809	113
Fund balances-ending	$ -	$ -	$ 131,242	$ 131,242

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 4,962,582	$ 6,528,858	$ 5,108,739	$ (1,420,119)
Investment income	2,850	2,850	13,491	10,641
Total revenues	4,965,432	6,531,708	5,122,230	(1,409,478)
EXPENDITURES				
Current				
Transportation	102,250	102,250	1,102	101,148
Reserves/Contingency	2,593,315	2,903,883	-	2,903,883
Capital outlay	5,282,855	6,563,858	5,137,954	1,425,904
Total expenditures	7,978,420	9,569,991	5,139,056	4,430,935
Excess (deficiency) of revenues over expenditures	(3,012,988)	(3,038,283)	(16,826)	3,021,457
Net change in fund balances	(3,012,988)	(3,038,283)	(16,826)	3,021,457
Fund balances-beginning	3,012,988	3,038,283	2,718,011	(320,272)
Fund balances-ending	$ -	$ -	$ 2,701,185	$ 2,701,185

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ -	$ -	$ 2,790	$ 2,790
Investment income	665	665	4,795	4,130
Total revenues	665	665	7,585	6,920
EXPENDITURES				
Current				
Transportation	850	850	738	112
Reserves/Contingency	802,959	802,959	-	802,959
Total expenditures	803,809	803,809	738	803,071
Excess (deficiency) of revenues over expenditures	(803,144)	(803,144)	6,847	809,991
Net change in fund balances	(803,144)	(803,144)	6,847	809,991
Fund balances-beginning	803,144	803,144	794,648	(8,496)
Fund balances-ending	$ -	$ -	$ 801,495	$ 801,495

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 60,777	$ 60,777	$ 69,923	$ 9,146
Special assessments/impact fees	246,925	246,925	260,654	13,729
Investment income	428	428	4,251	3,824
Total revenues	308,130	308,130	334,828	26,698
EXPENDITURES				
Current				
General government	29,700	29,700	21,770	7,930
Transportation	355,675	355,675	234,638	121,037
Reserves/Contingency	447,053	447,053	-	447,053
Total expenditures	832,428	832,428	256,408	576,020
Excess (deficiency) of revenues over expenditures	(524,298)	(524,298)	78,420	602,718
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	1,602	102
TOTAL OTHER FINANCING SOURCES (USES)	1,500	1,500	1,602	102
Net change in fund balances	(522,798)	(522,798)	80,022	602,820
Fund balances-beginning	522,798	522,798	648,035	125,237
Fund balances-ending	$ -	$ -	$ 728,057	$ 728,057

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ 7,125	$ 7,125	$ 58,680	$ 51,555
Intergovernmental	-	3,346	10	(3,336)
Investment income	195	195	232	37
Total revenues	7,320	10,666	58,922	48,256
EXPENDITURES				
Current				
Culture and recreation	450	3,866	270	3,596
Reserves/Contingency	62,041	61,971	-	61,971
Total expenditures	62,491	65,837	270	65,567
Excess (deficiency) of revenues over expenditures	(55,171)	(55,171)	58,652	113,823
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,600)	(7,600)	-	7,600
TOTAL OTHER FINANCING SOURCES (USES)	(7,600)	(7,600)	-	7,600
Net change in fund balances	(62,771)	(62,771)	58,652	121,423
Fund balances-beginning	62,771	62,771	57,330	(5,441)
Fund balances-ending	$ -	$ -	$ 115,982	$ 115,982

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 12,621,388	$ 15,868,318	$ 3,555,819	$ (12,312,499)
Investment income	5,000	5,000	14,035	9,035
Total revenues	12,626,388	15,873,318	3,569,854	(12,303,464)
EXPENDITURES				
Current				
Transportation	3,460,003	7,688,687	15,083	7,673,604
Reserves/Contingency	7,939,025	2,516,249	-	2,516,249
Capital outlay	2,930,601	7,380,224	2,458,219	4,922,005
Total expenditures	14,329,629	17,585,160	2,473,302	15,111,858
Excess (deficiency) of revenues over expenditures	(1,703,241)	(1,711,842)	1,096,552	2,808,394
Net change in fund balances	(1,703,241)	(1,711,842)	1,096,552	2,808,394
Fund balances-beginning	1,703,241	1,711,842	3,031,289	1,319,447
Fund balances-ending	$ -	$ -	$ 4,127,841	$ 4,127,841

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 237	$ 237	$ 175	$ (62)
Total revenues	237	237	175	(62)
EXPENDITURES				
Current				
Economic environment	232,019	232,019	809	231,210
Total expenditures	232,019	232,019	809	231,210
Excess (deficiency) of revenues over expenditures	(231,782)	(231,782)	(634)	231,148
Net change in fund balances	(231,782)	(231,782)	(634)	231,148
Fund balances-beginning	231,782	231,782	231,782	-
Fund balances-ending	$ -	$ -	$ 231,148	$ 231,148

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 504,456	$ 1,092,456	$ 471,293	$ (621,163)
Charges for services	-	-	55	55
Miscellaneous revenue	-	-	26,179	26,179
Investment income	400	400	251	(149)
Total revenues	504,856	1,092,856	497,778	(595,078)
EXPENDITURES				
Current				
Economic environment	504,856	1,092,856	471,293	621,563
Total expenditures	504,856	1,092,856	471,293	621,563
Excess (deficiency) of revenues over expenditures	-	-	26,485	26,485
Net change in fund balances	-	-	26,485	26,485
Fund balances-beginning	-	-	37,070	37,070
Fund balances-ending	$ -	$ -	$ 63,555	$ 63,555

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 22,000	$ 22,000	$ 682	$ (21,318)
Total revenues	22,000	22,000	682	(21,318)
EXPENDITURES				
Current				
Economic environment	22,000	22,000	682	21,318
Total expenditures	22,000	22,000	682	21,318
Excess (deficiency) of revenues over expenditures	-	-	-	-
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- BIMINI GARDENS MUNICIPAL SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ 5,413	$ 5,413	$ 5,543	$ 130
Investment income	19	19	53	34
Total revenues	5,432	5,432	5,596	164
EXPENDITURES				
Current				
General government	250	250	170	80
Transportation	17,837	17,837	1,925	15,912
Total expenditures	18,087	18,087	2,095	15,992
Excess (deficiency) of revenues over expenditures	(12,655)	(12,655)	3,501	16,156
OTHER FINANCING SOURCES (USES)				
Transfers in	30	30	34	4
TOTAL OTHER FINANCING SOURCES (USES)	30	30	34	4
Net change in fund balances	(12,625)	(12,625)	3,535	16,160
Fund balances-beginning	12,625	12,625	16,677	4,052
Fund balances-ending	$ -	$ -	$ 20,212	$ 20,212

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ 1,140	$ 1,140	$ 1,447	$ 307
Intergovernmental	-	-	264	264
Investment income	-	-	43	43
Total revenues	1,140	1,140	1,754	614
EXPENDITURES				
Current				
Human services	13,645	13,645	754	12,891
Total expenditures	13,645	13,645	754	12,891
Excess (deficiency) of revenues over expenditures	(12,505)	(12,505)	1,000	13,505
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9	9
TOTAL OTHER FINANCING SOURCES (USES)	-	-	9	9
Net change in fund balances	(12,505)	(12,505)	1,009	13,514
Fund balances-beginning	12,505	12,505	15,450	2,945
Fund balances-ending	$ -	$ -	$ 16,459	$ 16,459

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments/impact fees	$ 2,280	$ 2,280	$ 2,442	$ 162
Intergovernmental	-	-	99	99
Investment income	-	-	83	83
Total revenues	2,280	2,280	2,624	344
EXPENDITURES				
Current				
Human services	7,700	7,700	622	7,078
Reserves/Contingency	22,500	22,500	-	22,500
Total expenditures	30,200	30,200	622	29,578
Excess (deficiency) of revenues over expenditures	(27,920)	(27,920)	2,002	29,922
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15	15
TOTAL OTHER FINANCING SOURCES (USES)	-	-	15	15
Net change in fund balances	(27,920)	(27,920)	2,017	29,937
Fund balances-beginning	27,920	27,920	28,949	1,029
Fund balances-ending	$ -	$ -	$ 30,966	$ 30,966

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING DEPARTMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Licenses and permits	$ 687,800	$ 687,800	$ 876,902	$ 189,102
Charges for services	1,900	1,900	9,520	7,620
Fines and forfeitures	950	950	3,600	2,650
Miscellaneous revenue	1,425	1,425	3,699	2,274
Investment income	-	-	6,890	6,890
Total revenues	692,075	692,075	900,611	208,536
EXPENDITURES				
Current				
Public safety	565,874	589,727	588,749	978
Reserves/Contingency	910,827	895,714	-	895,714
Capital outlay	52,000	43,260	43,259	1
Total expenditures	1,528,701	1,528,701	632,008	896,693
Excess (deficiency) of revenues over expenditures	(836,626)	(836,626)	268,603	1,105,229
Net change in fund balances	(836,626)	(836,626)	268,603	1,105,229
Fund balances-beginning	836,626	836,626	998,825	162,199
Fund balances-ending	$ -	$ -	$ 1,267,428	$ 1,267,428

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 2,850	$ 2,850	$ 5,986	$ 3,136
Investment income	-	-	17	17
Total revenues	2,850	2,850	6,003	3,153
Excess (deficiency) of revenues over expenditures	2,850	2,850	6,003	3,153
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,850)	(2,850)	(2,850)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,850)	(2,850)	(2,850)	-
Net change in fund balances	-	-	3,153	3,153
Fund balances-beginning	-	-	3,396	3,396
Fund balances-ending	$ -	$ -	$ 6,549	$ 6,549

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 1,900	$ 1,900	$ 3,318	$ 1,418
Investment income	-	-	45	45
Total revenues	1,900	1,900	3,363	1,463
EXPENDITURES				
Current				
Court related	18,510	18,510	10,937	7,573
Total expenditures	18,510	18,510	10,937	7,573
Excess (deficiency) of revenues over expenditures	(16,610)	(16,610)	(7,574)	9,036
Net change in fund balances	(16,610)	(16,610)	(7,574)	9,036
Fund balances-beginning	16,610	16,610	18,123	1,513
Fund balances-ending	$ -	$ -	$ 10,549	$ 10,549

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 190,035	$ 190,035	$ 233,289	$ 43,254
Investment income	665	665	4,874	4,209
Total revenues	190,700	190,700	238,163	47,463
EXPENDITURES				
Current				
Court related	202,780	226,795	143,086	83,709
Reserves/Contingency	673,836	595,021	-	595,021
Capital outlay	31,589	86,389	79,337	7,052
Total expenditures	908,205	908,205	222,423	685,782
Excess (deficiency) of revenues over expenditures	(717,505)	(717,505)	15,740	733,245
Net change in fund balances	(717,505)	(717,505)	15,740	733,245
Fund balances-beginning	717,505	717,505	847,789	130,284
Fund balances-ending	$ -	$ -	$ 863,529	$ 863,529

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 12,540	$ 12,540	$ 15,420	$ 2,880
Investment income	-	-	20	20
Total revenues	12,540	12,540	15,440	2,900
EXPENDITURES				
Current				
Court related	250	250	-	250
Total expenditures	250	250	-	250
Excess (deficiency) of revenues over expenditures	12,290	12,290	15,440	3,150
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,571)	(17,571)	(14,259)	3,312
TOTAL OTHER FINANCING SOURCES (USES)	(17,571)	(17,571)	(14,259)	3,312
Net change in fund balances	(5,281)	(5,281)	1,181	6,462
Fund balances-beginning	5,281	5,281	-	(5,281)
Fund balances-ending	$ -	$ -	$ 1,181	$ 1,181

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 19,000	$ 19,000	$ 23,276	$ 4,277
Investment income	238	238	315	78
Total revenues	19,237	19,237	23,591	4,354
EXPENDITURES				
Current				
Public safety	5,300	5,300	5,287	13
Reserves/Contingency	40,931	40,931	-	40,931
Total expenditures	46,231	46,231	5,287	40,944
Excess (deficiency) of revenues over expenditures	(26,994)	(26,994)	18,304	45,298
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,000)	(15,000)	(15,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(15,000)	(15,000)	(15,000)	-
Net change in fund balances	(41,994)	(41,994)	3,304	45,298
Fund balances-beginning	41,994	41,994	51,902	9,908
Fund balances-ending	$ -	$ -	$ 55,206	$ 55,206

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 12,350	$ 12,350	$ 15,416	$ 3,067
Investment income	48	48	159	112
Total revenues	12,397	12,397	15,575	3,178
EXPENDITURES				
Current				
Court related	122,415	122,415	117,700	4,715
Total expenditures	122,415	122,415	117,700	4,715
Excess (deficiency) of revenues over expenditures	(110,018)	(110,018)	(102,125)	7,893
OTHER FINANCING SOURCES (USES)				
Transfers in	109,814	109,814	105,422	(4,392)
TOTAL OTHER FINANCING SOURCES (USES)	109,814	109,814	105,422	(4,392)
Net change in fund balances	(204)	(204)	3,297	3,501
Fund balances-beginning	204	204	23,713	23,509
Fund balances-ending	$ -	$ -	$ 27,010	$ 27,010

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 21,850	$ 21,850	$ 17,945	$ (3,905)
Investment income	-	-	70	70
Total revenues	21,850	21,850	18,015	(3,835)
EXPENDITURES				
Current				
Court related	70,977	70,977	69,173	1,804
Total expenditures	70,977	70,977	69,173	1,804
Excess (deficiency) of revenues over expenditures	(49,127)	(49,127)	(51,158)	(2,031)
OTHER FINANCING SOURCES (USES)				
Transfers in	40,293	40,293	40,293	-
TOTAL OTHER FINANCING SOURCES (USES)	40,293	40,293	40,293	-
Net change in fund balances	(8,834)	(8,834)	(10,865)	(2,031)
Fund balances-beginning	8,834	8,834	15,180	6,346
Fund balances-ending	$ -	$ -	$ 4,315	$ 4,315

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 333,000	$ 333,000	$ 462,368	$ 129,369
Charges for services	48	48	-	(48)
Investment income	1,140	1,140	4,534	3,394
Total revenues	334,187	334,187	466,902	132,715
EXPENDITURES				
Current				
Public safety	394,021	394,021	339,319	54,702
Reserves/Contingency	535,320	535,320	-	535,320
Capital outlay	50,000	50,000	-	50,000
Total expenditures	979,341	979,341	339,319	640,022
Excess (deficiency) of revenues over expenditures	(645,154)	(645,154)	127,583	772,737
Net change in fund balances	(645,154)	(645,154)	127,583	772,737
Fund balances-beginning	645,154	645,154	708,891	63,737
Fund balances-ending	$ -	$ -	$ 836,474	$ 836,474

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 253,896	$ 384,517	$ 391,947	$ 7,430
Charges for services	1,299,600	1,109,463	947,822	(161,641)
Fines and forfeitures	146,500	154,250	154,305	55
Miscellaneous revenue	-	-	452	452
Total revenues	1,699,996	1,648,230	1,494,526	(153,704)
EXPENDITURES				
Current				
Court related	1,829,747	1,624,343	1,624,277	66
Total expenditures	1,829,747	1,624,343	1,624,277	66
Excess (deficiency) of revenues over expenditures	(129,751)	23,887	(129,751)	(153,638)
OTHER FINANCING SOURCES (USES)				
Transfers in	129,751	129,751	129,751	-
Transfers out	-	(153,638)	-	153,638
TOTAL OTHER FINANCING SOURCES (USES)	129,751	(23,887)	129,751	153,638
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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 200,000	$ 221,600	$ 221,625	$ 25
Fines and forfeitures	52,000	41,900	41,892	(8)
Investment income	-	6,600	7,091	491
Total revenues	252,000	270,100	270,608	508
EXPENDITURES				
Current				
Court related	264,424	269,235	269,129	106
Total expenditures	264,424	269,235	269,129	106
Excess (deficiency) of revenues over expenditures	(12,424)	865	1,479	614
Net change in fund balances	(12,424)	865	1,479	614
Fund balances-beginning	12,424	(865)	223,414	224,279
Fund balances-ending	$ -	$ -	$ 224,893	$ 224,893

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 70,000	$ 75,000	$ 75,117	$ 117
Investment income	-	-	433	433
Total revenues	70,000	75,000	75,550	550
EXPENDITURES				
Current				
General government	57,465	54,585	54,523	62
Total expenditures	57,465	54,585	54,523	62
Excess (deficiency) of revenues over expenditures	12,535	20,415	21,027	612
Net change in fund balances	12,535	20,415	21,027	612
Fund balances-beginning	(12,535)	(20,415)	116,957	137,372
Fund balances-ending	$ -	$ -	$ 137,984	$ 137,984

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ -	$ 15,000	$ 9,457	$ (5,543)
Total revenues	-	15,000	9,457	(5,543)
EXPENDITURES				
Current				
Public safety	-	15,000	57,550	(42,550)
Total expenditures	-	15,000	57,550	(42,550)
Excess (deficiency) of revenues over expenditures	-	-	(48,093)	(48,093)
Net change in fund balances	-	-	(48,093)	(48,093)
Fund balances-beginning	-	-	74,242	74,242
Fund balances-ending	$ -	$ -	$ 26,149	$ 26,149

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET and ACTUAL - ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,052,075	$ 1,052,075	$ 1,067,436	$ 15,361
Investment income	1,500	1,500	2,677	1,177
Total revenues	1,053,575	1,053,575	1,070,113	16,538
EXPENDITURES				
Current				
Reserves/Contingency	473,382	473,382	-	473,382
Debt service				
Principal retirement	435,000	11,663,868	405,000	11,258,868
Interest and fiscal charges	605,200	650,199	392,175	258,024
Other debt service costs	600	65,600	43,332	22,268
Total expenditures	1,514,182	12,853,049	840,507	12,012,542
Excess (deficiency) of revenues over expenditures	(460,607)	(11,799,474)	229,606	12,029,080
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	12,000,000	11,380,000	(620,000)
Premium on long term debt issued	-	-	-	-
Payments to refunded bond escrow agent	-	(661,133)	(11,900,049)	(11,238,916)
TOTAL OTHER FINANCING SOURCES (USES)	-	11,338,867	(520,049)	(11,858,916)
Net change in fund balance	(460,607)	(460,607)	(290,443)	170,164
Fund balance-beginning	460,607	460,607	477,648	17,041
Fund balance-ending	$ -	$ -	$ 187,205	$ 187,205

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 190,000	$ 190,000	$ 201,716	$ 11,716
Intergovernmental	2,788,897	2,788,897	3,027,436	238,539
Investment income	-	-	8,659	8,659
Total revenues	2,978,897	2,978,897	3,237,811	258,914
EXPENDITURES				
Current				
Reserves/Contingency	1,944,955	1,944,955	-	1,944,955
Debt service				
Principal retirement	600,000	600,000	600,000	-
Interest and fiscal charges	2,007,232	2,007,232	2,007,228	4
Other debt service costs	10,000	10,000	3,946	6,054
Total expenditures	4,562,187	4,562,187	2,611,174	1,951,013
Excess (deficiency) of revenues over expenditures	(1,583,290)	(1,583,290)	626,637	2,209,927
Fund balance-beginning	1,583,290	1,583,290	2,654,935	1,071,645
Fund balance-ending	$ -	$ -	$ 3,281,572	$ 3,281,572

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET and ACTUAL - ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 611,547	$ 611,547	$ 620,464	$ 8,917
Investment income	1,500	1,500	1,063	(437)
Total revenues	613,047	613,047	621,527	8,480
EXPENDITURES				
Current				
Reserves/Contingency	14,909	14,108	-	14,108
Debt service				
Principal retirement	625,000	625,000	625,000	-
Interest and fiscal charges	45,256	46,057	45,256	801
Other debt service costs	1,750	1,750	2,141	(391)
Total expenditures	686,915	686,915	672,397	14,518
Excess (deficiency) of revenues over expenditures	(73,868)	(73,868)	(50,870)	22,998
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	50,000	(15,000)
Net change in fund balance	(8,868)	(8,868)	(870)	7,998
Fund balance-beginning	8,868	8,868	21,291	12,423
Fund balance-ending	$ -	$ -	$ 20,421	$ 20,421

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,830,650	$ 1,830,650	$ 1,857,932	$ 27,282
Investment income	500	500	3,983	3,483
Total revenues	1,831,150	1,831,150	1,861,915	30,765
EXPENDITURES				
Current				
Reserves/Contingency	35,174	35,174	-	35,174
Debt service				
Principal retirement	920,000	920,000	920,000	-
Interest and fiscal charges	872,340	872,340	872,336	4
Other debt service costs	3,636	3,636	3,170	466
Total expenditures	1,831,150	1,831,150	1,795,506	35,644
Excess (deficiency) of revenues over expenditures	-	-	66,409	66,409
Fund balance-beginning	-	-	247,039	247,039
Fund balance-ending	$ -	$ -	$ 313,448	$ 313,448

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Miscellaneous income	$ -	$ -	$ 43	$ 43
Investment income	7,500	7,500	31,536	24,036
Total revenues	7,500	7,500	31,579	24,079
EXPENDITURES				
Capital projects	13,551,020	12,686,039	10,521,623	2,164,416
Excess (deficiency) of revenues over expenditures	(13,543,520)	(12,678,539)	(10,490,044)	2,188,495
Net change in fund balances	(13,543,520)	(12,678,539)	(10,490,044)	2,188,495
Fund balances-beginning	13,543,520	12,678,539	12,461,602	(216,937)
Fund balances-ending	$ -	$ -	$ 1,971,558	$ 1,971,558

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET and ACTUAL - BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,425	$ 1,425	$ 2,331	$ 906
EXPENDITURES				
Current				
Recreation	1,800	1,800	665	1,135
Reserves/Contingency	402,018	401,300	-	401,300
Capital outlay	-	718	718	-
Total expenditures	403,818	403,818	1,383	402,435
Excess (deficiency) of revenues over expenditures	(402,393)	(402,393)	948	403,341
Fund balances-beginning	402,393	402,393	389,064	(13,329)
Fund balances-ending	$ -	$ -	$ 390,012	$ 390,012

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET and ACTUAL - PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,425	$ 1,425	$ 4,761	$ 3,336
EXPENDITURES				
Current				
Recreation	53,600	53,600	46,172	7,428
Reserves/Contingency	783,442	783,442	-	783,442
Total expenditures	837,042	837,042	46,172	790,870
Excess (deficiency) of revenues over expenditures	(835,617)	(835,617)	(41,411)	794,206
Fund balances-beginning	835,617	835,617	818,621	(16,996)
Fund balances-ending	$ -	$ -	$ 777,210	$ 777,210

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET and ACTUAL - CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 2,062,868	$ 2,062,868	$ 2,473,656	$ 410,788
Intergovernmental	-	-	180,104	180,104
Miscellaneous income	100,000	100,000	47	(99,953)
Investment income	3,000	3,000	31,781	28,781
Total revenues	2,165,868	2,165,868	2,685,588	519,720
EXPENDITURES				
Current				
Reserves/Contingency	4,253,843	3,208,410	-	3,208,410
Capital outlay	3,394,784	3,511,233	395,867	3,115,366
Total expenditures	7,648,627	6,719,643	395,867	6,323,776
Excess (deficiency) of revenues over expenditures	(5,482,759)	(4,553,775)	2,289,721	6,843,496
OTHER FINANCING SOURCES (USES)				
Transfers in	1,235,000	1,235,000	-	(1,235,000)
Transfers out	-	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,235,000	235,000	(1,000,000)	(1,235,000)
Net change in fund balances	(4,247,759)	(4,318,775)	1,289,721	5,608,496
Fund balances-beginning	4,247,759	4,318,775	4,570,727	251,952
Fund balances-ending	$ -	$ -	$ 5,860,448	$ 5,860,448

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 3,316	$ 2,316
EXPENDITURES				
Land management	76,500	78,500	9,422	69,078
Capital outlay	545,058	543,058	-	543,058
Total expenditures	621,558	621,558	9,422	612,136
Excess (deficiency) of revenues over expenditures	(620,558)	(620,558)	(6,106)	614,452
Fund balances-beginning	620,558	620,558	619,290	(1,268)
Fund balances-ending	$ -	$ -	$ 613,184	$ 613,184

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 on a continuing basis 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, 2016

	Landfill Fund	Waste Management	Total
ASSETS			
Current assets			
Cash and equivalents	$ 1,678,997	$ 169,274	$ 1,848,271
Investments	1,587,060	364,113	1,951,173
Accounts receivable, net	2,398	8,435	10,833
Due from other funds	28	12,131	12,159
Due from other governments	89,317	-	89,317
Total current assets	3,357,800	553,953	3,911,753
Noncurrent assets			
Land and construction in progress	242,778	-	242,778
Other capital assets, net of accumulated depreciation	29,982	-	29,982
Total noncurrent assets	272,760	-	272,760
Total assets	$ 3,630,560	$ 553,953	$ 4,184,513
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	49,258	25,886	75,144
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 13,244	$ 102,962	$ 116,206
Due to other governmental agencies	71	-	71
Due to other funds	539	12,802	13,341
Compensated absences	9,778	758	10,536
Net pension liability	479	261	740
Total current liabilities	24,111	116,783	140,894
Noncurrent liabilities			
OPEB liability	6,952	1,814	8,766
Net pension liability	83,813	43,822	127,635
Total noncurrent liabilities	90,765	45,636	136,401
Total liabilities	114,876	162,419	277,295
DEFERRED INFLOWS OF RESOURCES			
Pension related	19,682	10,017	29,699
NET POSITION			
Net investment in capital assets	272,760	-	272,760
Restricted for			
Future capital outlay	1,234,275	-	1,234,275
Unrestricted	2,038,225	407,403	2,445,628
Total net position	$ 3,545,260	$ 407,403	$ 3,952,663

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Landfill Fund	Waste Management	Total
OPERATING REVENUES			
Charges for services	$ 941	$ 1,373,505	$ 1,374,446
OPERATING EXPENSES			
Personal services	141,790	78,227	220,017
Vehicle fuel	1,011	-	1,011
Contractual services	30,553	1,347,725	1,378,278
Repairs and maintenance	3,203	5,302	8,505
Professional services	51,806	407	52,213
Utilities	1,836	-	1,836
Insurance	2,970	-	2,970
Rentals and leases	1,548	72	1,620
Depreciation	11,323	-	11,323
Miscellaneous	4,379	713	5,092
Total operating expenses	250,419	1,432,446	1,682,865
Operating income (loss)	(249,478)	(58,941)	(308,419)
Nonoperating revenues (expenses)			
Intergovernmental	89,317	-	89,317
Franchise fees	-	130,833	130,833
Interest income	15,462	3,924	19,386
Total nonoperating revenues (expenses)	104,779	134,757	239,536
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(144,699)	75,816	(68,883)
Transfers in	-	8,200	8,200
Transfers out	-	-	-
Change in net position	(144,699)	84,016	(60,683)
Net position-beginning	3,689,959	323,387	4,013,346
Net position-ending	$ 3,545,260	$ 407,403	$ 3,952,663

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Landfill	Waste Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,303	$ 1,371,279	$ 1,373,582
Payments to suppliers	(87,945)	(1,359,732)	(1,447,677)
Payments to employees	(136,963)	(76,912)	(213,875)
Increase (decrease) in due from other funds	71	1,991	2,062
Increase (decrease) in due to other funds	379	12,680	13,059
Net cash provided (used) by operating activities	(222,155)	(50,694)	(272,849)
NON-CAPITAL FINANCING ACTIVITIES			
Franchise fees	-	130,833	130,833
Transfers in	-	8,200	8,200
Net cash provided (used) by non-capital financing activities	-	139,033	139,033
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(39,375)	-	(39,375)
INVESTING ACTIVITIES			
Investment purchases	(4,899)	(602,468)	(607,367)
Proceeds from sale of investments	240,000	650,000	890,000
Interest on investments	9,117	2,483	11,600
investing activities	244,218	50,015	294,233
Net increase (decrease) in cash and equivalents	(17,312)	138,354	121,042
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,696,309	30,920	1,727,229
CASH AND EQUIVALENTS, END OF YEAR	$ 1,678,997	$ 169,274	$ 1,848,271
Reconciliation of operating income (loss) to net cash used by operating activities			
Operating income (loss)	$ (249,478)	$ (58,941)	$ (308,419)
Adjustment to reconcile operating loss to net cash used in operations:			
Depreciation	11,323	-	11,323
Changes in assets and liabilities:			
Accounts receivable	1,362	(2,226)	(864)
Due from other funds	71	1,991	2,062
Accounts payable and accrued expenses	9,360	(5,513)	3,847
Due to other governments	1	-	1
Due to other funds	379	12,680	13,059
Compensated absences	154	(1,187)	(1,033)
OPEB liability	914	491	1,405
Net pension liability	3,759	2,011	5,770
Net cash used by operating activities	$ (222,155)	$ (50,694)	$ (272,849)

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 the Tax Collector in a fiduciary capacity.

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
SEPTEMBER 30, 2016

	Clerk Agency	Sheriff Agency	Tax Collector Agency	Total Agency Funds
ASSETS				
Cash and cash equivalents	$ 2,623,490	$ 5,551	$ 1,869,445	$ 4,498,486
Accounts receivable	-	4,214	86,189	90,403
Due from other governments	112	-	-	112
Total assets	2,623,602	9,765	1,955,634	4,589,001
LIABILITIES				
Due to other governments	108,954	-	-	108,954
Deposits	2,489,279	9,765	1,955,634	4,454,678
Other liabilities	25,369	-	-	25,369
Total liabilities	2,623,602	9,765	1,955,634	4,589,001
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, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
CLERK OF COURT:				
ASSETS				
Cash and cash equivalents	$ 2,367,315	$ 13,877,408	$ 13,621,233	$ 2,623,490
Accounts receivable	318	-	318	-
Due from other governments	944	1,984	2,816	112
Total assets	$ 2,368,577	$ 13,879,392	$ 13,624,367	$ 2,623,602
LIABILITIES				
Due to other governments	$ 123,317	$ 1,622,031	$ 1,636,394	$ 108,954
Deposits	2,224,926	10,907,213	10,642,860	2,489,279
Other liabilities	20,334	66,455	61,420	25,369
Total liabilities	$ 2,368,577	$ 12,595,699	$ 12,340,674	$ 2,623,602

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
SHERIFF:				
ASSETS				
Cash and cash equivalents	$ 11,803	$ 596,321	$ 602,573	$ 5,551
Accounts receivable	-	4,214	-	4,214
Total assets	$ 11,803	$ 600,535	$ 602,573	$ 9,765
LIABILITIES				
Due to other governments	$ 14	$ 102,668	$ 102,682	$ -
Deposits	11,789	497,867	499,891	9,765
Total liabilities	$ 11,803	$ 600,535	$ 602,573	$ 9,765

(Continued)

FLAGLER COUNTY, FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

SEPTEMBER 30, 2016

(Continued)

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
TAX COLLECTOR:				
ASSETS				
Cash and cash equivalents	$ 2,149,675	$ 198,478,027	$ 198,758,257	$ 1,869,445
Accounts receivable	70,404	11,746,709	11,730,924	86,189
Total assets	$ 2,220,079	$ 210,224,736	$ 210,489,181	$ 1,955,634
LIABILITIES				
Deposits	$ 2,220,079	$ 17,624,013	$ 17,888,458	$ 1,955,634

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
TOTAL ALL AGENCY				
ASSETS				
Cash and cash equivalents	$ 4,528,793	$ 212,951,756	$ 212,982,063	$ 4,498,486
Accounts receivable	70,722	11,750,923	11,731,242	90,403
Due from other governments	944	1,984	2,816	112
Total assets	$ 4,600,459	$ 224,704,663	$ 224,716,121	$ 4,589,001
LIABILITIES				
Due to other governments	$ 123,331	$ 1,724,699	$ 1,739,076	$ 108,954
Deposits	4,456,794	29,029,093	29,031,209	4,454,678
Other liabilities	20,334	66,455	61,420	25,369
Total liabilities	$ 4,600,459	$ 30,820,247	$ 30,831,705	$ 4,589,001

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 147

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

Revenue Capacity Information 152

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

Debt Capacity Information 156

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 161

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

Operating Information 163

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	$ 246,724,687	$ 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
Restricted	33,030,763	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
Unrestricted	(24,152,031)	(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
Total governmental activities net position	$ 255,603,419	$ 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
Business-type activities										
Net investment in capital assets	$ 20,677,567	$ 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
Restricted	1,234,275	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
Unrestricted	3,155,568	1,677,820	3,033,190	3,091,607	3,846,637	2,030,517	758,909	29,485	869,822	(82,599)
Total business-type activities net position	$ 25,067,410	$ 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
Primary government:										
Net investment in capital assets	$ 267,402,254	$ 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
Restricted	34,265,038	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
Unrestricted	(20,996,463)	(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
Total primary government net position	$ 280,670,829	$ 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

Schedule 2

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
General government	$ 21,678,448	$ 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
Public safety	40,426,042	34,622,939	34,563,622	34,381,551	34,781,700	35,671,670	35,250,421	33,835,370	33,674,664	32,693,617
Physical environment	860,996	516,579	303,418	648,364	1,003,943	346,520	649,192	1,892,271	1,949,824	1,521,490
Transportation	11,348,978	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
Economic environment	2,418,085	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
Human services	4,449,085	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
Culture and recreation	4,619,453	3,630,443	3,981,558	3,426,442	4,008,612	3,757,755	3,519,268	3,411,039	3,637,872	3,537,779
Court related	4,042,042	3,461,918	3,521,907	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,520,562	6,333,174
Interest on long-term debt	4,568,009	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
Total governmental activities expenses	94,409,138	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
Business-type expenses										
Airport	2,903,425	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
Landfill	250,419	251,598	121,782	169,182	99,637	128,813	163,604	325,308	348,303	286,841
Transportation	-	-	-	-	-	-	-	-	1,508,139	1,585,720
Utilities	3,021,868	1,215,817	675,084	579,164	373,945	364,742	388,864	497,798	484,163	626,751
Waste management	1,432,446	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	7,608,158	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
Total primary government expenses	$ 102,017,296	$ 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
Program revenues										
Governmental activities										
Charges for services										
General government	$ 3,606,767	$ 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
Public safety	7,331,707	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
Physical environment	-	28,000	400	1,709	-	-	-	-	173	702
Transportation	769,625	944,076	738,142	633,123	758,879	564,018	727,150	810,898	1,306,985	-
Economic environment	150	75	937	2,991	3,868	5,059	8,846	-	-	-
Human services	132,784	154,925	134,013	98,245	129,147	145,142	187,208	248,130	134,549	199,094
Culture and recreation	290,302	270,548	257,028	250,942	219,078	221,838	198,594	198,075	118,310	58,130
Court related	1,856,118	2,245,473	576,464	587,258	523,567	506,937	508,639	445,278	521,456	761,870
Operating grants and contributions	5,040,904	4,766,509	4,146,497	5,443,849	5,868,779	4,739,002	5,353,623	3,671,556	2,871,147	1,561,281
Capital grants and contributions	15,462,870	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
Total governmental activities program revenues	34,493,227	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
Business-type activities										
Charges for services										
Airport	1,926,246	1,731,271	1,524,369	1,617,467	1,385,312	1,413,536	1,105,953	1,816,801	2,730,277	2,963,690
Landfill	941	2,563	1,602	2,721	708	2,557	1,737	464	378	182
Transportation	-	-	-	-	-	-	-	-	601,468	798,688
Utilities	2,563,711	789,757	845,327	532,878	357,588	486,326	464,158	470,463	455,524	477,731
Waste management	1,373,505	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	163,923	3,856,840	83,200	70,588	70,588	70,588	77,207	211,960	681,428	575,060
Capital grants and contributions	4,940,331	1,152,691	1,758,995	3,943,563	2,784,811	524,882	154,965	2,343,298	479,531	472,292
Total business-type activities program revenues	10,968,657	8,067,740	5,539,436	7,626,110	6,046,295	3,934,100	3,224,222	6,063,401	6,442,153	6,257,178
Total primary government program revenues	$ 45,461,884	$ 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

(Continued)

Schedule 2 (Continued)

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Governmental activities	$ (59,915,911)	$ (45,744,010)	$ (55,097,945)	$ (58,281,413)	$ (57,507,112)	$ (58,760,088)	$ (55,726,583)	$ (55,823,381)	$ (58,500,185)	$ (55,675,270)
Business-type activities	3,360,499	(433,036)	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434	(432,781)	(308,617)
Total primary government net expense	$ (56,555,412)	$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 57,165,881	$ 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
Tourist and franchise taxes	2,514,077	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
Sales and fuel taxes	7,559,281	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
Intergovernmental	1,358,096	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
Miscellaneous	344,472	803,112	479,138	2,478,766	1,058,991	19,272,714	1,161,842	2,035,834	2,930,641	5,432,983
Transfers	(8,200)	491,995	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790	(1,003,427)	(141,862)
Total governmental activities	68,933,707	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
Business-type activities										
Tourist and frenchise taxes	130,833	129,303	131,475	132,843	141,113	145,047	$ 139,556	$ 138,915	$ 126,198	$ 101,372
Special assessment/Impact fees	394,925	-	-	-	-	-	-	-	-	-
Miscellaneous	127,184	69,230	210,761	57,617	29,303	68,159	36,695	82,807	301,408	428,207
Settlement proceeds	-	-	-	-	-	-	911,498	-	-	-
Transfers	8,200	(491,995)	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)	1,003,427	141,862
Special item - utility merger	431,661	-	-	-	-	-	-	-	-	-
Total business-type activities	1,092,803	(293,462)	350,087	39,599	180,393	$ 326,180	$ 1,497,894	$ (786,068)	$ 1,431,033	$ 671,441
Total primary government	$ 70,026,510	$ 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
Changes in Net Position										
Governmental activities	$ 9,017,796	$ 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
Business-type activities	4,453,302	(726,498)	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366	998,252	362,824
Total primary government	$ 13,471,098	$ 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

Schedule 3

FLAGLER COUNTY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund										
Nonspendable	2,210,389	$ 2,150,126	$ 2,228,600	$ 2,136,457	$ 2,103,642	$ 2,166,759	$ -	$ -	$ -	$ -
Restricted	2,733,949	2,710,663	2,400,364	2,277,224	2,708,337	2,315,329	-	-	-	-
Committed	-	-	-	-	134,865	-	-	-	-	-
Assigned	4,527,501	4,723,032	2,184,591	3,545,789	3,710,120	8,830,592	-	-	-	-
Unassigned	7,865,134	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
Unreserved										
Designated for future use	-	-	-	-	-	-	503,179	-	680,537	401,565
Undesignated	-	-	-	-	-	-	14,166,178	15,520,379	10,600,667	9,109,708
Total general fund	$ 17,336,973	$ 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
All other governmental funds										
Nonspendable	$ 573,959	$ 607,316	$ 585,295	$ 643,485	$ 673,638	$ 600,000	$ -	$ -	$ -	$ -
Restricted	34,609,982	42,778,998	29,388,189	28,463,165	29,099,463	30,079,190	-	-	-	-
Committed	-	-	-	-	-	57,190	-	-	-	-
Reserved	-	-	-	-	-	-	6,440,808	6,510,851	6,825,065	6,933,469
Unreserved										
Special revenue funds	-	-	-	-	-	-	18,713,003	18,970,258	21,191,931	26,036,191
Capital projects funds	-	-	-	-	-	-	2,321,454	4,913,837	2,426,814	4,713,309
Total all other governmental funds	$ 35,183,941	$ 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

Fiscal years 2007 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Taxes	$ 63,191,531	$ 59,693,807	$ 56,813,780	$ 50,575,169	$ 47,800,451	$ 49,285,251	$ 51,411,403	$ 53,043,253	$ 55,538,097	$ 54,712,668
Licenses and permits	928,526	820,475	643,420	607,419	426,238	1,444,784	406,499	444,458	569,025	720,696
Intergovernmental	25,749,319	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
Charges for services	11,665,887	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
Fines and forfeitures	870,842	1,102,940	1,015,635	917,761	605,024	986,177	939,516	813,887	700,985	968,744
Miscellaneous revenue	817,563	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
Investment income	313,872	130,572	134,085	121,705	106,378	109,267	163,704	(234,367)	1,015,979	3,291,748
Total revenues	103,537,540	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
Expenditures										
General government	17,956,972	17,396,316	16,854,655	15,725,105	15,276,384	15,795,997	15,991,259	16,730,009	17,865,686	17,818,663
Public safety	34,992,957	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
Physical environment	576,954	474,282	321,073	404,571	955,307	283,302	566,661	1,407,037	1,920,368	1,589,356
Transportation	7,248,499	10,639,384	8,216,321	5,982,034	4,115,598	4,592,657	4,662,056	3,580,104	3,397,583	3,807,161
Economic environment	2,348,516	2,281,682	1,914,978	2,376,560	1,516,411	1,189,153	1,137,271	1,573,588	2,197,253	1,985,868
Human services	4,303,909	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
Culture and recrealion	3,529,957	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
Court related	3,712,989	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
Capital Outlay	27,039,648	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
Debt service										
Principal	3,826,520	32,027,837	3,921,868	4,390,810	5,483,614	4,184,872	4,249,670	4,649,766	11,128,073	4,875,145
Interest and fiscal charges	3,546,346	2,854,692	3,415,173	3,538,010	3,752,775	3,801,138	3,727,783	3,503,985	4,114,750	4,365,334
Bond issuance costs	96,289	1,224,605	-	-	-	-	-	50,326	-	-
Total expenditures	109,179,556	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
Excess of revenues over (under) expenditures	$ (5,642,016)	$ (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)
Other Financing Sources (Uses)										
Transfers in	$ 1,374,776	$ 1,171,460	$ 253,692	$ 1,178,791	$ 257,780	$ 857,401	$ 1,796,393	$ 1,604,980	$ 2,877,726	$ 7,486,550
Transfers out	(1,782,976)	(679,465)	(261,543)	(589,271)	(270,257)	(970,375)	(1,806,438)	(254,184)	(3,847,585)	(5,019,709)
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	11,360,000	6,200,144	-	-	-	-	-	-	-	-
Capital lease	243,270	960,000	240,000	-	500,000	411,678	412,000	-	750,000	782,538
Payments to refunded bond escrow agent	(11,900,049)	(22,753,259)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(684,979)	53,173,880	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776	60,170	3,249,379
Net change in fund balances	$ (6,326,995)	$ 16,326,023	$ 2,189,546	$ 198,073	$ (4,643,800)	$ (229,651)	$ (3,714,647)	$ 3,698,347	$ (5,334,715)	$ (21,816,974)
Debt service as a percentage of noncapital expenditures	8.97%	30.84%	9.35%	10.60%	12.70%	10.94%	11.18%	11.16%	18.58%	12.10%

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
2016	11,446,627,252	896,658,668	934,864,798	2,210,908,489	4,042,431,955	7,055,381,789	326,444,597	22,310,778	7,404,137,164	8.4668	64.7%
2015	10,615,169,321	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	790,178,725	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	8,967,258,546	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	2,930,278,196	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	10,795,894,787	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%

(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
2016	7.9417	0.5251	8.4668	7.2550	4.2450	4.7074	7.4500	0.2376	0.3023	0.0320	10.0000	2.3000
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

(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

	2016			2007		
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank
Florida Power & Light Company	$ 2,992,636	2.08%	1	Florida Power & Light Company	$ 1,355,001	0.75%	1
KRG Palm Coast Landing LLC	499,941	0.35%	2	Hammock Beach River Club LLC	696,693	0.39%	2
Bell South Telecommunications	444,730	0.31%	3	Bell South Telecommunications	570,024	0.32%	3
Ebsco Integra Woods	355,190	0.25%	4	Palm Coast Holdings Inc	550,770	0.31%	4
Branch Island Walk Associates	334,990	0.23%	5	Intervest At Plantation Bay	494,766	0.27%	5
Brunswick Boat Group	320,568	0.22%	6	Ginn-La Hammock Beach Ocean	409,204	0.23%	6
Bright House Networks	312,118	0.22%	7	Intervest Construction Inc	391,830	0.22%	7
Florida Landmark Communities	302,186	0.21%	8	Hammock Dunes Club, Inc	316,477	0.18%	8
Palm Coast Holdings Inc	282,309	0.20%	9	Centex Homes	314,204	0.17%	9
Palm Coast Medical Specialists	262,069	0.18%	10	Bright House Networks	214,760	0.12%	10
Total	$ 6,106,737	4.24%		Total	$ 5,313,729	2.95%	
Total Taxes Levied	$ 143,974,359			Total Taxes Levied	$ 180,414,992		

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
2016	$ 143,974,359	$ 136,179,893	94.59%	N/A	$ 136,179,893	94.59%
2015	143,956,373	134,024,728	93.10%	224,292	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%

(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)	Issuance Premiums (2)	Capital Leases (2)	Revenue Bonds	Notes (2)	Total	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 37,945,000	$ 42,175,000	$ 5,704,959	$ 6,385,531	$ 827,612	$ 3,168,000	$ 12,056,146	$ 108,262,248	2.40%	1,000
2015	39,155,000	42,775,000	6,692,153	6,720,206	873,668	3,212,000	6,035,218	105,463,245	2.49%	1,001
2014	41,665,000	24,485,000	7,646,347	710,236	158,973	3,254,000	3,369,054	81,288,610	2.05%	793
2013	43,425,000	25,150,000	8,895,541	746,221	166,647	3,254,000	3,603,394	85,240,803	2.32%	852
2012	45,105,000	26,570,000	7,722,811	782,206	330,187	-	3,829,638	84,339,842	2.35%	856
2011	46,715,000	27,935,000	9,080,000	818,191	414,001	-	4,047,800	89,009,992	2.61%	914
2010	43,770,000	29,255,000	9,116,000	854,176	276,195	-	3,181,160	86,452,531	2.72%	900
2009	45,215,000	30,530,000	10,260,000	890,161	249,865	-	3,355,858	90,500,884	2.95%	956
2008	36,930,000	31,765,000	11,461,459	926,146	750,558	-	3,536,913	85,370,076	2.64%	913
2007	38,590,000	32,965,000	18,750,676	962,131	971,413	-	3,283,401	95,522,621	3.08%	1,055

(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)
2016	$ 37,945,000	$ 514,593	$ 37,430,407	0.51%	345.61
2015	39,155,000	761,513	38,393,487	0.55%	364.29
2014	41,665,000	644,215	41,020,785	0.52%	399.96
2013	43,425,000	872,679	42,552,321	0.39%	425.37
2012	45,105,000	1,020,914	44,084,086	0.36%	447.19
2011	46,715,000	1,174,704	45,540,296	0.41%	467.80
2010	43,770,000	728,449	43,041,551	0.46%	447.99
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

(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, 2016

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
School District	$ 60,531,000	100%	$ 60,531,000
City of Palm Coast	9,025,000	55.77%	5,033,243
Subtotal, overlapping debt			65,564,243
Flagler County direct debt			86,652,571
Total direct and overlapping debt			$ 152,216,814

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	1,464,270	1.70

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	58,365	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

(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	
2016	$ 653,511	$ 516,111	137,400	$ 44,000	$ 112,420	0.88
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	-	44,309	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	
2016	$ 525,441	$ 55,437	$ 470,004	$ 145,000	$ 107,790	1.86
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)
2016	108,301	4,510,213	41,645	12,820	5.5%
2015	105,392	4,230,393	40,140	12,607	6.2%
2014	102,561	3,967,933	38,689	12,508	7.5%
2013	100,035	3,681,547	36,803	12,687	10.2%
2012	98,580	3,582,507	36,341	12,758	11.6%
2011	97,349	3,407,503	35,003	12,829	13.5%
2010	96,078	3,181,487	33,114	12,975	15.1%
2009	94,700	3,066,025	32,376	12,770	14.5%
2008	93,546	3,237,078	34,604	12,580	9.6%
2007	90,516	3,098,198	34,228	12,015	6.3%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2016 based on 2015 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

	2016			2007		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Flagler County Schools	1,741	1	4.27%	1,889	1	5.41%
Florida Hospital-Flagler	1,057	2	2.59%	626	3	1.79%
Sea Ray Boats	740	3	1.81%	-	-	-
Palm Coast Data Ltd.	721	4	1.77%	900	2	2.58%
Publix Supermarket	690	5	1.69%	285	6	0.82%
Hammock Beach Resort	467	6	1.14%	-	-	-
City of Palm Coast	413	7	1.01%	363	5	1.04%
Bloomin' Brands	290	8	0.71%	-	-	-
Flagler County	280	9	0.69%	-	-	-
Flagler County Sheriffs Office	270	10	0.66%	-	-	-
Wal-Mart	-	-	-	575	4	1.65%
Albertson's	-	-	-	165	7	0.47%
Winn-Dixie Stores	-	-	-	160	8	0.46%
Grand Oaks Health & Rehab	-	-	-	120	9	0.34%
FAA - Center for Management	-	-	-	115	10	0.33%
Total	6,669			5,198		

Source: Flagler County Chamber of Commerce, Florida Research and Economic Database, Enterprise Flagler and Flagler County OMB

Schedule 16

FLAGLER COUNTY, FLORIDA

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program/Function:										
General Government										
Legislative and Executive	12.0	11.0	11.0	11.2	11.2	12.0	12.0	11.0	11.0	9.0
Financial and Administrative	22.0	22.0	17.0	17.0	18.0	18.0	18.0	18.0	21.0	24.7
Other General Government	48.0	42.0	42.5	35.5	35.5	34.0	36.0	42.0	46.5	36.0
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	6.9	6.5	6.5	7.5	6.0	7.0	11.0	14.0	29.0
Court-Related	4.0	4.0	4.3	2.8	2.8	2.5	2.5	2.5	2.5	1.5
Public Safety										
Fire/Rescue & Fire Inspection	89.0	86.0	83.0	83.0	83.0	84.0	79.0	79.0	80.0	80.0
Emergency Management	10.0	10.0	9.5	10.3	10.3	10.0	11.0	12.0	17.0	16.0
Building Inspections	7.2	7.2	6.5	5.5	5.5	6.0	6.0	9.0	11.0	9.5
Code Enforcement	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Physical Environment	22.5	11.8	10.8	11.0	11.0	11.0	10.0	10.0	12.0	13.5
Transportation	69.8	61.3	60.3	59.8	57.4	54.5	46.5	46.5	64.0	58.0
Economic Environment	5.0	5.0	4.5	4.0	4.0	2.0	2.0	2.0	2.0	2.4
Human Services	16.5	15.4	15.4	15.4	16.8	15.8	15.8	17.5	18.5	20.5
Culture/Recreation										
Libraries	17.7	17.1	16.3	15.5	16.5	18.0	18.5	19.0	19.0	19.5
Parks and Recreation	21.5	20.5	17.5	17.5	17.5	16.5	16.0	17.5	24.5	25.5
Total	358.0	326.1	311.0	300.9	302.9	298.3	288.3	305.0	349.0	351.0
Constitutional Officers:										
Clerk of Court	56.0	57.0	52.0	50.5	50.5	51.5	47.5	57.0	69.0	60.0
Sheriff	285.0	278.0	278.0	285.0	285.0	279.0	279.0	279.0	279.0	277.0
Tax Collector	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	23.0
Property Appraiser	27.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0	32.0
Supervisor of Elections	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total	406.0	400.0	394.0	399.5	399.5	397.5	393.5	403.0	415.0	398.0

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17

FLAGLER COUNTY, FLORIDA

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Number of Building Permits Reviewed and Issued	2,029	2,033	1,914	1,931	1,560	1,940	1,555	1,313	1,830	1,521
Number of Registered Voters	78,586	73,296	69,290	70,337	66,515	65,814	62,869	61,826	55,197	50,571
Public Safety										
Physical Arrests by Sheriff's Department	2,649	2,794	2,845	2,759	3,350	3,616	3,202	3,143	3,100	2,978
Total Fire	4,564	5,301	1,258	962	793	1,010	950	1,447	(1)	(1)
Total EMS Runs	13,353	10,100	14,143	11,887	11,005	10,411	10,154	8,366	(1)	(1)
Flight Operations-Air Ambulance Transports	25	22	21	41	41	25	20	30	38	46
Human Services										
Number of acres sprayed by Mosquito Control	1,218	1,200	2,345	1,418	6,073	3,200	655	7,088	(1)	3,384
Meals on Wheels	26,361	21,449	25,245	27,775	30,630	27,590	36,499	21,792	20,253	34,924
Number of applicants for assistance	717	507	804	808	1,011	916	1,011	813	803	732
Culture Recreation										
Collection items circulated in County Libraries	411,988	418,053	428,284	443,261	447,450	451,741	479,294	514,124	552,648	502,560
Number of persons who visited County Libraries	291,352	289,846	318,039	318,039	337,659	360,561	407,444	487,707	487,541	383,149
Transportation										
Number of Trips	109,183	101,896	97,995	93,906	91,518	83,430	79,666	72,669	92,757	98,082
Physical Environment										
Wastewater flow, in millions of gallons	182.89	17.679	15.677	17.114	15.969	14.986	14.640	12.223	6.798	15.212
Drinking water flow, in millions of gallons	76.624	23.316	22.467	22.842	21.890	20.669	19.618	19.136	13.501	23.787
Number of water customers serviced	2307	522	482	497	465	458	462	466	467	432

(1) Information is unavailable

Source: Various Departments

Schedule 18

FLAGLER COUNTY, FLORIDA

CAPITAL ASSETS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program/Function										
Public Safety										
Fire/Rescue Vehicles	51	52	48	45	44	44	40	40	44	44
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	95.52	92.98	92.62	91.87	91.47
Unpaved	133.70	133.70	133.70	133.70	131.70	131.70	131.70	131.70	132.20	132.60
Public Works Vehicles	24	27	28	27	27	30	28	28	27	35
Public Works Heavy Machinery	65	65	52	50	54	47	49	49	48	54
Transit Vehicles	40	41	38	40	39	34	31	32	28	30
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	9,599	9,599	6,400	6,400	6,400	6,400	6,400	6,400	5,299
Number of Parks	26	21	21	20	20	20	20	20	20	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

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Passed though Florida Department of Economic Opportunity:				
Community Development Block Grants	14.228	12DB-Q5-04-28-01-F03	$ 683	
U.S. Department of Justice				
Passed through Florida Department of Law Enforcement:				
Bulletproof Vest Partnership Program	16.607		4,363	
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-JAGC-FLAG-1-H3-022	38,803	
Violence Against Women's Office				
Supervised Visitation, Safe Havens for Children	16.527	2011-CW-AX-K014	94,393	
Passed through Florida Office of the Attorney General:				
Crime Victim Assistance	16.575	V207-15034	40,225	
U.S. Department of Transportation				
Direct Assistance:				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-12-0009-016-2015	1,159,160	
Airport Improvement Program	20.106	3-12-0009-017-2015	1,054,800	
			2,213,960	
Federal Transit Administration				
Formula Grants for Rural Areas	20.509	ARA98; 422633-2-84-32	44,846	
Passed through the Florida Department of Transportation				
Highway Planning and Construction	20.205	AR310; 415963-1-58/68-01	481,003	
Highway Planning and Construction	20.205	ARG69; 428042-1-58/68-01	9,414	
Highway Planning and Construction	20.205	ARD51; 428040-1-58/68-01	770	
			491,187	
National Priority Safety Programs	20.616	M5HVE-16-06-20	44,852	
Enhanced Mobility of Seniors and Individuals with Disabilties	20.513	FL-16-X023-00	290,480	
Enhanced Mobility of Seniors and Individuals with Disabilties	20.513	G0818; 436945-1-84-02	188,379	
New Freedom Program	20.521	G0379&G0380; 437771-1-84-01/02	149,999	
			628,858	
Environmental Protection Agency				
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	00D13013	292,137	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS (continued)				
U.S. Election Assistance Commission				
Help America Vote Act Requirements	90.401	MOA # 2010-2011-0001-FLA	7,191	
Help America Vote Act Requirements	90.401	MOA # 2014-2015-0001-FLA	11,699	
Help America Vote Act Requirements	90.401	MOA # 2015-2016-0001-FLA	11,497	
			30,387	
U.S. Department of Health and Human Services				
Passed through the Northeast Florida Area Agency on Aging				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	A015FCBCC	40,248	
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	A016FCBCC	113,645	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	A015FCBCC	13,952	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	A016FCBCC	28,450	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	A015FCBCC	20,363	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	A016FCBCC	81,705	
Nutrition Services Incentive Program	93.053	U015FCBCC	657	
Nutrition Services Incentive Program	93.053	U016FCBCC	21,062	
			320,082	
National Family Caregiver Support Title III, Part E	93.052	A015FCBCC	15,734	
National Family Caregiver Support Title III, Part E	93.052	A016FCBCC	32,142	
			47,876	
Low-Income Home Energy Assistance	93.568	P015FCBCC	4,428	
Low-Income Home Energy Assistance	93.568	P016FCBCC	7,055	
			11,483	
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	- -	6,532	
Passed through the Florida Department of Revenue				
Child Support Enforcement	93.563	COC18	160,839	
Department of Homeland Security				
Passed through Florida Division of Emergency Management				
Emergency Management Peformance Grants	97.042	16-FG-5A-04-28-01-084	49,454	
Emergency Management Peformance Grants	97.042	16-CC-S9-04-28-01-298	5,720	
Emergency Management Peformance Grants	97.042	17-FG-P9-04-28-01-091	15,817	
			70,991	
Pre-Disaster Mitigation	97.047	15DM-K1-04-28-01-275	28,824	
Homeland Security Grant Program	97.067	15-DS-P4-04-28-01-248	1,132	
Homeland Security Grant Program	97.067	16-DS-T9-04-28-01-301	12,990	
			14,122	
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 4,585,443	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL ASSISTANCE				
Executive Office of the Governor				
Emergency Management Programs	31.063	16-BG-83-04-28-01-017	73,079	
Emergency Management Programs	31.063	17-BG-83-04-28-01-024	15,957	
			89,036	
Residential Construction Mitigation Project	31.066	15RC-E6-04-28-01-461	174,453	
Residential Construction Mitigation Project	31.066	16RC-Q3-04-28-01-261	66,640	
			241,093	
Emergency Management Projects	31.067	13-CP-11-04-28-01-222	2,862	
Emergency Management Projects	31.067	14-CP-11-04-28-01-379	2,610	
			5,472	
Hurricane Shelter Retrofit Project	31.068	15-SR-AA-04-28-01-445	15,295	
Department of Environmental Protection				
Small County Consolidated Grant	37.012	SC607	89,317	
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program (SHIP)	40.901	2015-2016	471,293	
Department of Agriculture and Consumer Services				
Mosquito Control	42.003	16082	363	
The Florida Agricultural Museum	42.032	021785	470,750	
Department of State and Secretary of State				
State Aid to Libraries	45.030	16-ST-10	29,530	
Acquisition, Restoration of Historic Properties	45.032	SC521	183,400	
Department of Community Affairs				
Emergency Management Projects	52.023	10-CP-04-04-28-01-188	1,079	
Florida Department of Transportation				
Trip and Equipment Grant Program	55.001	G0144; 43202718401/43202818401 GOB17; FM	213,367	
Trip and Equipment Grant Program	55.001	43202718401/43202818401	88,578	
			301,945	
Aviation Grant Programs	55.004	ARK30; 436218-1-94-01	117,172	
Aviation Grant Programs	55.004	ARR79; 404964-1-94-01	93,203	
Aviation Grant Programs	55.004	G0046; 437531-1-94-01	348,134	
Aviation Grant Programs	55.004	G0A25; 420843-2-94-04	25,970	
Aviation Grant Programs	55.004	GOA84; 436218-1-94-02	696,281	
			1,280,760	
County Incentive Grant Program (CIGP)	55.008	AQN99; 424354-1-38/58-01	208,564	
County Incentive Grant Program (CIGP)	55.008	AR310; 415963-1-58/68-01	642,685	
County Incentive Grant Program (CIGP)	55.008	AR106; 415964-1-38-01	560,748	
County Incentive Grant Program (CIGP)	55.008	ARP27; 411959-2-58-01/02	859,159	
County Incentive Grant Program (CIGP)	55.008	ARQ81; 415962-2-58-01	779,945	
			3,051,101	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL ASSISTANCE (continued)				
Department of Transportation (continued)				
Small County Outreach Program (SCOP)	55.009	ARR70; 435302-1-58-01	34,051	
Small County Outreach Program (SCOP)	55.009	ARS76; 424351-1-58-01	294,254	
Small County Outreach Program (SCOP)	55.009	ARS79; 430093-1-54-01	204,847	
Small County Outreach Program (SCOP)	55.009	G0A08; 424351-2-54-01	47,735	
Small County Outreach Program (SCOP)	55.009	G0A09; 433729-1-54-01	101,880	
			682,767	
Small County Road Assistance Program (SCRAP)	55.016	AQW86; 428444-1-58-01	65,526	
Small County Road Assistance Program (SCRAP)	55.016	ARB94; 428445-1-58-01	17,425	
Small County Road Assistance Program (SCRAP)	55.016	ARB93; 433614-1-58-01	69,115	
			152,066	
Transportation Regional Incentive Program (TRIP)	55.026	ARP27; 411959-2-58-01/02	2,463,582	
Transportation Regional Incentive Program (TRIP)	55.026	ARQ81; 415962-2-58-01	4,205,647	
			6,669,229	
Department of Children and Families				
Criminal Justice, Mental Health, & Substance Abuse	60.115	LHZ38	403,188	403,188
Department of Health				
County Grant Awards	64.005	C2018	8	
County Grant Awards	64.005	C4018	16,973	
			16,981	
Department of Elder Affairs				
Passed through the Northeast Florida Agency on Aging				
Home Care for the Elderly	65.001	H015FCBCC	2,608	
Home Care for the Elderly	65.001	H016FCBCC	967	
			3,575	
Alzheimer's Respite Services	65.004	Z015FCBCC	60,304	
Alzheimer's Respite Services	66.004	Z016FCBCC	18,024	
			78,328	
Local Services Program - Home Delivered Meals	65.009	L015FCBCC	23,904	
Local Services Program - Home Delivered Meals	65.009	L016FCBCC	3,601	
			27,505	
Community Care for the Elderly	65.010	C015FCBCC	145,926	
Community Care for the Elderly	65.010	C016FCBCC	100,623	
			246,549	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 14,510,622	$ 403,188

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State award activity of Flagler County, Florida for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). and Chapter 10.550, Rules of the Auditor General.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized when they become a demand on current available financial resources. Expenditures on contracts dated before or on December 26, 2014 are recognized following the cost principles in OMB Circular A-133, and expenditures on all subsequent contracts are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

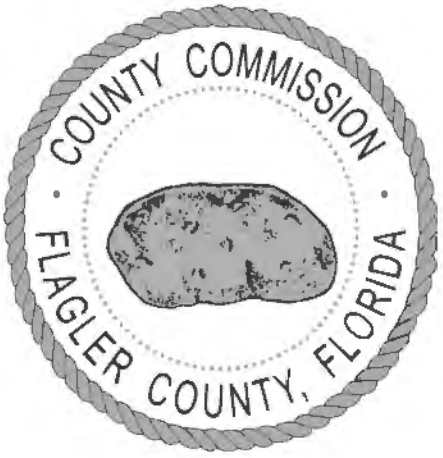
(3) **Indirect Cost Rate**

The County did not charge an indirect cost rate to any federal or state programs.

(4) **Subrecipients**

Of the expenditures presented in the accompanying schedule of federal awards and state financial assistance, the various grantors provided awards to subrecipients as follows:

State Grantor Subrecipient Program	Contract/Grant Number	CSFA Number	Amount Provided to Subrecipients
Department of Children and Families			
Criminal Justice, Mental Health, & Substance Abuse	LHZ38	60.115	$ 403,188


COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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 *OMB 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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 requirements 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, 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, 2016.

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 the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 the Uniform Guidance 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 17, 2017, 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 the Uniform Guidance 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
July 17, 2017

PART I – SUMMARY OF AUDITOR'S RESULTS

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

(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
Transit Services Program Cluster	20.513/521
Brownfields Assessment and Cleanup Cooperative Agreements	66.818

State Projects	CSFA Number
The Florida Agricultural Museum	42.032
Aviation Grant Programs	55.004
Transportation Regional Incentive Program	55.026

(viii) A threshold of $750,000 was used to distinguish between Type A and Type B programs for federal programs, and $435,319 was used for state projects.

(ix) The County qualified as a low-risk auditee as that term is defined in the Uniform Guidance.

PART II – FINANCIAL STATEMENT FINDINGS

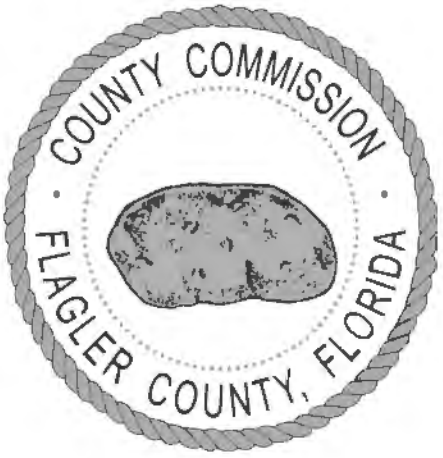
There were no findings relative to the financial statements.

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.


COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 17, 2017.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.
Gainesville, Florida
July 17, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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, 2016, and have issued our report thereon dated July 17, 2017. 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). 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, 2016, 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, 2016.

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
July 17, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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, 2016. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2016.

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
July 17, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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, 2016. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2016.

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.

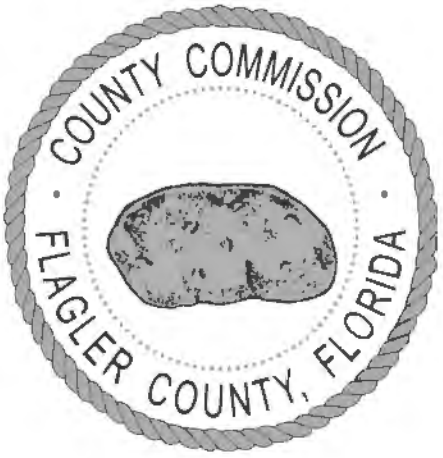
Gainesville, Florida
July 17, 2017

CLERK OF THE CIRCUIT COURT & COMPTROLLER

FLAGLER COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2016


COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2016

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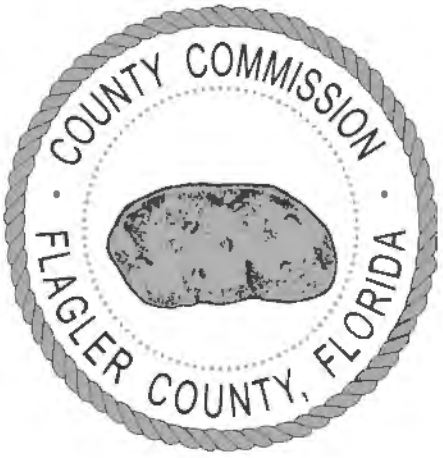
COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

The Honorable Tom Bexley
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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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 March 22, 2017, 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.

Palatka, Florida
March 22, 2017

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,502,475	$ 259,070	$ 191,742	$ 136,915	$ 2,090,202
Accounts receivable	1,306	1,048	2,687	95	5,136
Due from other funds	-	1,894	-	-	1,894
Due from Board of County Commissioners	262	-	-	-	262
Due from Constitutional Officers	7	-	2	1	10
Due from other governments	5,296	27,475	1,349	504	34,624
Prepaid	-	-	33,468	491	33,959
Other assets	20,132	1,438	-	-	21,570
TOTAL ASSETS	$ 1,529,478	$ 290,925	$ 229,248	$ 138,006	$ 2,187,657
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 72,829	$ 18,094	$ 4,355	$ 22	$ 95,300
Due to Board of County Commissioners	116,955	-	-	-	116,955
Due to other governments	515,655	272,831	-	-	788,486
Deposits	824,039	-	-	-	824,039
TOTAL LIABILITIES	1,529,478	290,925	4,355	22	1,824,780
FUND BALANCES					
Nonspendable:					
Prepaid	-	-	33,468	491	33,959
Restricted for					
Court related	-	-	191,425	-	191,425
Records modernization	-	-	-	137,493	137,493
TOTAL FUND BALANCES	-	-	224,893	137,984	362,877
TOTAL LIABILITIES AND FUND BALANCES	$ 1,529,478	$ 290,925	$ 229,248	$ 138,006	$ 2,187,657

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, 2016

	General Fund	Court Operations	Court Technology	Records Modernization	Governmental Funds
REVENUES					
Intergovernmental	$ -	$ 391,947	$ -	$ -	$ 391,947
Charges for services	643,612	1,101,460	221,625	75,117	2,041,814
Fines and forfeitures	-	154,305	41,892	-	196,197
Miscellaneous revenue	26,334	452	-	-	26,786
Investment income	6,413	-	7,091	433	13,937
TOTAL REVENUES	676,359	1,648,164	270,608	75,550	2,670,681
EXPENDITURES					
Current					
General government					
Personal services	1,603,726	-	-	-	1,603,726
Operating expenses	173,463	-	-	54,523	227,986
Capital outlay	103,005	-	-	-	103,005
Court related					
Personal services	-	1,548,981	90,076	-	1,639,057
Operating expenses	11,487	75,296	179,053	-	265,836
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	1,891,681	1,624,277	269,129	54,523	3,839,610
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,215,322)	23,887	1,479	21,027	(1,168,929)
OTHER FINANCING SOURCES (USES)					
Appropriation from- Board of County Commissioners	1,440,175	-	-	-	1,440,175
Transfers in- other funds	-	129,751	-	-	129,751
Reversion to other governments	-	(153,638)	-	-	(153,638)
Reversion to Board of County Commissioners	(95,102)	-	-	-	(95,102)
Transfers out- other funds	(129,751)	-	-	-	(129,751)
TOTAL OTHER FINANCING SOURCES (USES)	1,215,322	(23,887)	-	-	1,191,435
NET CHANGE IN FUND BALANCES	-	-	1,479	21,027	22,506
FUND BALANCES, BEGINNING OF YEAR	-	-	223,414	116,957	340,371
FUND BALANCES, END OF YEAR	$ -	$ -	$ 224,893	$ 137,984	$ 362,877

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, 2016

		Agency Funds
ASSETS		
Cash and cash equivalents	$	2,653,879
Due from other governments		112
TOTAL ASSETS	$	2,653,991
LIABILITIES		
Accounts payable	$	25,369
Due to other funds		1,894
Due to Board of County Commissioners		25,388
Due to constitutional officers		3,107
Due to other governments		108,954
Deposits		2,489,279
TOTAL LIABILITIES		2,653,991
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 non-major 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.

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

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 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.

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

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 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, 2016 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.

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

Prepaid

Certain payments to vendors for software maintenance agreements applicable to future accounting periods are recorded as prepaid in the accompanying financial statements. An offsetting non-spendable fund balance is reported in the fund financial statements to indicate that prepaid do not represent available spendable resources.

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 three operating leases for office equipment. The leases expire at varying dates from December 27, 2016 to June 23, 2021. Monthly payments range from $212 to $700. Lease payments for the year ended September 30, 2016 was $39,015. The future minimum lease payments for the next three years are as follows:

Year Ending September 30,	Amount
2017	$ 28,742
2018	26,923
2019	24,823
	$ 80,489

NOTE 3 - 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, 2016, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
Governmental funds:		
Court Operations Fund	$ 1,894	$ -
Agency funds:		
Child Support	-	1,894
Totals	$ 1,894	$ 1,894

NOTE 4 - Due From/To Entities of Flagler County:

At September 30, 2016, the amounts due from/to entities of Flagler County consist of the following:

General Fund		
Due from Property Appraiser	$	7
Due from Board of County Commissioners		262
Records Modernization		
Due from Property Appraiser		1
Court Technology		
Due from Property Appraiser		2
Due from entities of Flagler County	$	272

General Fund		
Due to Board of County Commissioners	$	116,955
Agency Funds		
Due to Sheriff		3,107
Due to Board of County Commissioners		25,388
Due to entities of Flagler County	$	145,450

There were $95,102 of excess revenues reverted to the Board of County Commissioners.

NOTE 5 - 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 $500,064 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, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 580,500	$ 643,540	$ 643,612	$ 72
Miscellaneous revenue	9,878	26,296	26,334	38
Investment income	6,000	6,400	6,413	13
TOTAL REVENUES	596,378	676,236	676,359	123
EXPENDITURES				
Current				
General government				
Personal services	1,692,253	1,603,757	1,603,726	31
Operating expenses	200,849	173,495	173,463	32
Capital outlay	-	103,000	103,005	(5)
Court related				
Operating expenses	13,700	11,490	11,487	3
TOTAL EXPENDITURES	1,906,802	1,891,742	1,891,681	61
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,310,424)	(1,215,506)	(1,215,322)	184
OTHER FINANCING SOURCES (USES)				
Appropriation from- Board of County Commissioners	1,440,175	1,440,175	1,440,175	-
Reversion to Board of County Commissioners	-	(94,918)	(95,102)	(184)
Transfer out- other funds	(129,751)	(129,751)	(129,751)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,310,424	1,215,506	1,215,322	(184)
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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 253,896	$ 384,517	$ 391,947	$ 7,430
Charges for services	1,299,600	1,109,463	1,101,460	(8,003)
Fines and forfeitures	146,500	154,250	154,305	55
Miscellaneous revenue	-	-	452	452
TOTAL REVENUES	1,699,996	1,648,230	1,648,164	(66)
EXPENDITURES				
Court related				
Personal services	1,717,761	1,549,090	1,548,981	109
Operating expenses	111,986	75,253	75,296	(43)
TOTAL EXPENDITURES	1,829,747	1,624,343	1,624,277	66
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(129,751)	23,887	23,887	-
OTHER FINANCING SOURCES (USES)				
Transfers in- other funds	129,751	129,751	129,751	-
Reversion to other governments	-	(153,638)	(153,638)	-
TOTAL OTHER FINANCING SOURCES (USES)	129,751	(23,887)	(23,887)	-
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 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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 200,000	$ 221,600	$ 221,625	$ 25
Fines and forfeitures	52,000	41,900	41,892	(8)
Investment income	-	6,600	7,091	491
TOTAL REVENUES	252,000	270,100	270,608	508
EXPENDITURES				
Court related				
Personal services	90,764	90,076	90,076	-
Operating expenses	173,660	179,159	179,053	106
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	264,424	269,235	269,129	106
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,424)	865	1,479	614
NET CHANGE IN FUND BALANCES	(12,424)	865	1,479	614
FUND BALANCES, BEGINNING OF YEAR	211,500	219,100	223,414	4,314
FUND BALANCES, END OF YEAR	$ 199,076	$ 219,965	$ 224,893	$ 4,928

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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 70,000	$ 75,000	$ 75,117	$ 117
Investment income	-	-	433	433
TOTAL REVENUES	70,000	75,000	75,550	550
EXPENDITURES				
Current				
General government				
Operating expenses	57,465	54,585	54,523	62
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,535	20,415	21,027	612
NET CHANGE IN FUND BALANCES	12,535	20,415	21,027	612
FUND BALANCES, BEGINNING OF YEAR	93,000	116,956	116,957	1
FUND BALANCES, END OF YEAR	$ 105,535	$ 137,371	$ 137,984	$ 613

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.

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

MANAGEMENT LETTER

The Honorable Tom Bexley
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, 2016, and have issued our report thereon dated March 22, 2017. 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
March 22, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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 Tom Bexley
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, 2016, 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 March 22, 2017.

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.

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

Palatka, Florida
March 22, 2017

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CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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

The Honorable Tom Bexley
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, 2016. 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, 2016.

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
March 22, 2017

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CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Tom Bexley
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, 2016. 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, 2016. However, we did note an immaterial instance of noncompliance that is reported in the accompanying schedule of findings as item 2016-001.

The Office's response to item 2016-001 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.

Palatka, Florida
March 22, 2017

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(386) 328-1014 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Tom Bexley
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, 2016. 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, 2016.

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
March 22, 2017

Schedule of Findings

2016-001

Condition: The Office did not achieve the following performance measures for one quarter:

- Collections performance standards for Circuit Criminal.
- Timely juror payments.

Recommendation: The Office should continue to pursue the goal of meeting the performance standards for which it has the ability to control.

TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

March 22, 2017

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, 2016. 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."

2016-001 Condition: The Office did not achieve the following performance measures for one quarter: Collections performance standards for circuit criminal and timely juror payments.

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. 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.

TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

The timeliness of juror payments was affected for one quarter as a result of transition from one software system to another. Since that time, software setup and processes have been restored to full working capacity and are performing within established standards.

We will continue to apply every effort and available resource to achieve meeting and/or exceeding minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges and court costs.

Sincerely,

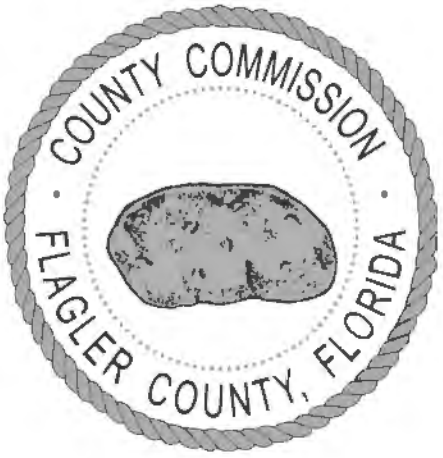
Tom Bexley, Clerk of Court & Comptroller

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

Flagler County Sheriff

Audit Report

September 30, 2016


COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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September 30, 2016

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COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Rick Staly
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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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 April 4, 2017, 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.

Palatka , Florida
April 4, 2017

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	$ 714,847	$ 43,917	$ 758,764
Due from other funds	9,573	200	9,773
Due from other county agencies	107,932	-	107,932
Due from other governments	98,749	-	98,749
Accounts receivable	35,899	22,374	58,273
Total assets	$ 967,000	$ 66,491	$ 1,033,491
Liabilities			
Accounts payable and accrued liabilities	$ 314,398	$ -	$ 314,398
Accrued wages	467,402	-	467,402
Due to other funds	-	9,573	9,573
Due to other county agencies	184,450	-	184,450
Total liabilities	966,250	9,573	975,823
Deferred inflows			
Unavailable revenue	750	8,215	8,965
Fund balances			
Restricted:			
Law enforcement education	-	427	427
Federal equitable sharing	-	26,149	26,149
Committed:			
Inmate benefits	-	22,127	22,127
Total fund balances	-	48,703	48,703
Total liabilities, deferred inflows and fund balances	$ 967,000	$ 66,491	$ 1,033,491

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, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	$ 146,957	$ -	$ 146,957
Charges for services	3,137,133	75,378	3,212,511
Fines and forfeitures	30,835	9,457	40,292
Miscellaneous	95,817	-	95,817
Total revenues	3,410,742	84,835	3,495,577
Expenditures			
Current:			
Public safety:			
Personal services	19,317,115	-	19,317,115
Operating expenditures	3,570,140	160,459	3,730,599
Capital outlay	899,746	-	899,746
Court related:			
Personal services	703,871	-	703,871
Operating expenditures	13,785	-	13,785
Debt service:			
Principal	245,778	-	245,778
Interest	16,575	-	16,575
Total expenditures	24,767,010	160,459	24,927,469
Excess of revenues over (under) expenditures	(21,356,268)	(75,624)	(21,431,892)
Other financing sources (uses)			
Appropriation from board of county commissioners	21,415,339	-	21,415,339
Reversion to board of county commissioners	(76,044)	-	(76,044)
Sale of capital assets	16,973	-	16,973
Total other financing sources (uses)	21,356,268	-	21,356,268
Net change in fund balances	-	(75,624)	(75,624)
Fund balances - beginning of year	-	124,327	124,327
Fund balances - end of year	$ -	$ 48,703	$ 48,703

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash and equivalents	$ 10,553
Accounts receivable	4,214
Total assets	$ 14,767
Liabilities	
Due to other funds	$ 200
Due to other county agencies	4,802
Assets held for others	9,765
Total liabilities	14,767
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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Inflows of Resources

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 – 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, 2016, was $43,292. The future minimum payments for the remaining terms are as follows:

Year ending September 30,	Amount
2017	$ 50,138
2018	57,564
2019	14,852
	$ 122,554

NOTE 3 – INTERFUND BALANCES

The following interfund balances arose through the normal course of operations.

	Due from	Due to
General fund	$ 9,573	$ -
Special revenue funds (nonmajor):		
Inmate welfare fund	200	-
Federal equitable sharing fund		9,573
Agency funds:		
Inmate fund	-	200
Totals	$ 9,773	$ 9,773

NOTE 4 – 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 5 – CONTINGENCIES AND COMMITMENTS

The Office was the defendant in lawsuits filed by former employees seeking compensation for wrongful termination. Subsequent to year-end, settlements were reached net of insurance for approximately $64, 000.

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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ 555,000	$ 208,474	$ 146,957	$ (61,517)
Charges for services	3,073,741	3,138,741	3,137,133	(1,608)
Fines and forfeitures	-	-	30,835	30,835
Miscellaneous	-	160,000	95,817	(64,183)
Total revenues	3,628,741	3,507,215	3,410,742	(96,473)
Expenditures				
Public safety:				
Personal services	19,928,014	19,746,661	19,317,115	429,546
Operating expenditures	3,903,210	3,643,637	3,570,140	73,497
Capital outlay	85,000	475,000	899,746	(424,746)
Court related:				
Personal services	697,811	697,811	703,871	(6,060)
Operating expenditures	19,445	19,445	13,785	5,660
Debt service:				
Principal	365,000	365,000	245,778	119,222
Interest	-	-	16,575	(16,575)
Total expenditures	24,998,480	24,947,554	24,767,010	180,544
Excess of revenues over (under) expenditures	(21,369,739)	(21,440,339)	(21,356,268)	84,071
Other financing sources (uses)				
Appropriation from board of county commissioners	21,369,739	21,415,339	21,415,339	-
Reversion to board of county commissioners	-	-	(76,044)	(76,044)
Sale of capital assets	-	25,000	16,973	(8,027)
Total other financing sources (uses)	21,369,739	21,440,339	21,356,268	(84,071)
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.

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	$ 17,768	$ -	$ 26,149	$ 43,917
Due from other funds	200	-	-	200
Accounts receivable	12,374	10,000	-	22,374
Total assets	$ 30,342	$ 10,000	$ 26,149	$ 66,491
Liabilities				
Due to other funds	$ -	$ 9,573	$ -	$ 9,573
Deferred inflows				
Unavailable revenue	8,215	-	-	8,215
Fund balances				
Restricted	-	427	26,149	26,576
Committed	22,127	-	-	22,127
Total fund balances	22,127	427	26,149	48,703
Total liabilities, deferred inflows and fund balances	$ 30,342	$ 10,000	$ 26,149	$ 66,491

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	$ 65,378	$ 10,000	$ -	$ 75,378
Fines and forfeitures	-	-	9,457	9,457
Total revenues	65,378	10,000	9,457	84,835
Expenditures				
Current:				
Public safety:				
Operating expenditures	92,909	10,000	57,550	160,459
Excess of revenues over (under) expenditures	(27,531)	-	(48,093)	(75,624)
Fund balances - beginning of year	49,658	427	74,242	124,327
Fund balances - end of year	$ 22,127	$ 427	$ 26,149	$ 48,703

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2016

	Inmate Fund	Suspense Fund	Total Agency Funds
Assets			
Cash and equivalents	$ 9,148	$ 1,405	$ 10,553
Accounts receivable	4,214	-	4,214
Total assets	$ 13,362	$ 1,405	$ 14,767
Liabilities			
Due to other funds	$ 200	$ -	$ 200
Due to other county agencies	4,802	-	4,802
Assets held for others	8,360	1,405	9,765
Total liabilities	13,362	1,405	14,767
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

MANAGEMENT LETTER

The Honorable Rick Staly
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, 2016, and have issued our report thereon dated April 4, 2017. 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
April 4, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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 Rick Staly
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, 2016, 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 April 4, 2017 .

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.

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 2016-001 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.*

The Office's Response to Finding

The Office's response to the finding 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.

Palatka, Florida
April 4, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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

The Honorable Rick Staly
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, 2016. 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, 2016.

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
April 4, 2017

Schedule of Findings

2016-001

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.

Rick Staly, Sheriff
FLAGLER COUNTY SHERIFF'S OFFICE
"An honor to serve, a duty to protect."

April 4, 2017

Ms. Sherill F. Norman, CPA
111 West Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

I write to you in response to the findings noted in the audit of the Flagler County Sheriff's Office prepared by Carr, Riggs & Ingram for the year ended on September 30, 2016. Please note that I was not the Sheriff during the audit period. I assumed office on January 3, 2017.

2016-001 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.

Resolution: This Office will consider and evaluate the costs and benefits of improving inter controls relative to the financial reporting process in order to resolve this condition in future years.

Sincerely,

RICK STALY
Sheriff

RS/ms

Flagler County Tax Collector

Audit Report

September 30, 2016

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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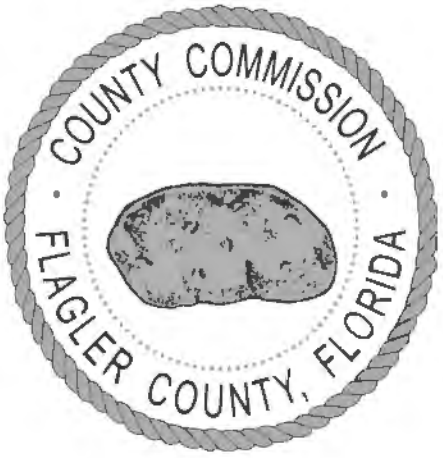
COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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 February 28, 2017, 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.

Palatka, Florida
February 28, 2017

Balance Sheet – Governmental Funds
September 30, 2016

		General Fund
Assets		
Cash	$	1,310,711
Due from other funds		21,718
Due from other county agencies		7,288
Due from other governments		381
Total assets	$	1,340,098
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	159,936
Due to other county agencies		1,115,329
Due to other governments		64,833
Total liabilities		1,340,098
Fund balance		-
Total liabilities and fund balance	$	1,340,098

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, 2016

		General Fund
Revenues		
Charges for services	$	3,483,441
Miscellaneous revenue		4,769
Total revenues		3,488,210
Expenditures		
General government services:		
Personal services		2,002,234
Operating expenditures		429,978
Capital outlay		28,760
Total expenditures		2,460,972
Excess of revenues over expenditures		1,027,238
Other financing uses		
Reversion to board of county commissioners		(1,027,238)
Net change in fund balance		-
Fund balance - October 1, 2015		-
Fund balance - September 30, 2016	$	-

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash	$ 2,007,058
Receivables	86,189
Due from other county agencies	7,853
Total assets	2,101,100
Liabilities	
Assets held for others	1,959,680
Due to other funds	21,718
Due to other county agencies	119,702
Total liabilities	2,101,100
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.

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	$ 21,718	$ -
Agency funds:		
Tax fund	-	21,718
Total	$ 21,718	$ 21,718

NOTE 3 – 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 4 – 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 5 – 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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 3,280,289	$ 3,280,289	$ 3,483,441	$ 203,152
Miscellaneous revenues	2,500	2,500	4,769	2,269
Total revenues	3,282,789	3,282,789	3,488,210	205,421
Expenditures				
General government services:				
Personal services	2,082,885	2,120,004	2,002,234	117,770
Operating expenditures	493,266	501,276	429,978	71,298
Capital Outlay	-	28,760	28,760	-
Total expenditures	2,576,151	2,650,040	2,460,972	189,068
Excess of revenues over expenditures	706,638	632,749	1,027,238	394,489
Other financing uses				
Reversion to board of county commissioners	(706,638)	(632,749)	(1,027,238)	(394,489)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2015	-	-	-	-
Fund balances - September 30, 2016	$ -	$ -	$ -	$ -

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.

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, 2016

	Tax Fund	Tag Fund	Totals
Assets			
Cash	$ 1,844,583	$ 162,475	$ 2,007,058
Receivables	79,943	6,246	86,189
Due from other county agencies	7,853	-	7,853
Total assets	1,932,379	168,721	2,101,100
Liabilities			
Assets held for others	1,793,835	165,845	1,959,680
Due to other funds	21,718	-	21,718
Due to other county agencies	116,825	2,877	119,702
Total liabilities	1,932,379	168,721	2,101,100
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, and have issued our report thereon dated February 28, 2017. 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
February 28, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, 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 February 28, 2017.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2016-001.

Office's Response to Finding

The Office's response to the finding 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.

Palatka, Florida
February 28, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016. 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, 2016.

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
February 28, 2017

Schedule of Findings

2016-001

Condition – During the audit period, it was determined that the commission rate charged to the water management district was higher than the rate established in Section 192.01(2)(b), Florida Statutes. This condition occurred because the Office based its commission rate on an outdated legal opinion.

Recommendation – We recommend that the Office address and resolve this issue, and ensure future compliance with the provisions of Section 192.091(2)(b), Florida Statutes.

SUZANNE JOHNSTON
FLAGLER COUNTY TAX COLLECTOR

P.O. BOX 846
BUNNELL, FL 32110
PHONE: 386-313-4160

February 28, 2017

The Honorable Sherrill F. Norman, CPA
State of Florida, Office of the Auditor General
Suite G72-E, 111 West Madison Street
Tallahassee, FL 32399-1450

Dear Honorable Norman:

Thank you for the opportunity to respond to the recommendation made by our independent auditors, Carr, Riggs & Ingram, LLC in connection with their audit of the Flagler County Tax Collector's Office for the fiscal year ending September 30, 2016. This response is offered pursuant to the provisions of Section 218.39(6) and (7), Florida Statutes which provide for "The officer's written statement of explanation or rebuttal concerning the auditor's findings, including corrective action to be taken".

2016-001 Commission calculation of Water Management District

Response: In 1997, the Fla. 1st DCA reversed the decision of the lower court that commissions for Water Management Districts should be calculated according to Section 192.091(2)(a) Florida Statutes. The Appellant Court determined in Case No. 96-3953 that the calculation should be according to Section 192.091(2)(b) Florida Statutes.

By using Section 192.091(2)(a) for commission calculation, the Water Management District was charged a higher commission for the collection of property taxes. The amount charged in error is reduced substantially due to the return of unused (excess) fees as the Water Management District received a higher pro rata share.
The Tax Collector's Office immediately changed the calculation model for St. Johns River Water Management District to comply with the 1997 Appellant Court ruling.

Please note that we have had a perfect audit for all previous years and with this fiscal year also having a perfect audit with the only exception being a 1997 Appellant Court decision reversal which previous audits done by both the St. Johns River Water Management auditors and our auditors did not reveal any error in calculations. Otherwise, this would have been changed immediately.

We take accountability of public funds very seriously and we took immediate action once this was brought to our attention.

Should you have any further questions or require additional information, please contact me.

Sincerely,

Suzanne Johnston
Flagler County Tax Collector

Flagler County Property Appraiser

Audit Report

September 30, 2016

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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 March 23, 2017 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.

St. Augustine, Florida
March 23, 2017

Flagler County Property Appraiser

Balance Sheet – Governmental Funds
September 30, 2016

		General Fund
Assets		
Cash	$	87,988
Due from board of county commissioners		19,482
Due from other governments		1,500
Total assets	$	108,970
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	16,750
Due to other governments		10,006
Due to board of county commissioners		82,214
Total liabilities		108,970
Fund balance		-
Total liabilities and fund balance	$	108,970

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2016

	General Fund
Revenues	
Charges for services	$ 63,540
Miscellaneous revenue	21,209
Total revenues	84,749
Expenditures	
General government:	
Personal services	1,893,008
Operating expenditures	213,542
Capital outlay	3,980
Total expenditures	2,110,530
Excess of revenues under expenditures	(2,025,781)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,103,349
Reversion to board of county commissioners	(77,568)
Total other financing sources (uses)	2,025,781
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.

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 – 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 3 – LEASE COMMITMENTS

The Office has eight vehicle operating leases. During the year ended September 30, 2016, the lease payments on all vehicle operating leases were $19,980.

NOTE 3 – LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments for noncancellable operating leases as of September 30, 2016 are as follows:

Year	Amount
2017	$ 22,095
2018	16,162
2019	250
Total	$ 38,507

NOTE 4 – 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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 57,924	$ 51,637	$ 63,540	$ 11,903
Miscellaneous revenue	-	-	21,209	21,209
Total revenues	57,924	51,637	84,749	33,112
Expenditures				
General government:				
Personal services	1,946,454	1,940,171	1,893,008	47,163
Operating expenditures	224,958	224,954	213,542	11,412
Capital outlay	-	-	3,980	(3,980)
Total expenditures	2,171,412	2,165,125	2,110,530	54,595
Excess of revenues under expenditures	(2,113,488)	(2,113,488)	(2,025,781)	87,707
Other financing sources (uses)				
Appropriation from board of county commissioners	2,113,488	2,113,488	2,103,349	(10,139)
Reversion to board of county commissioners	-	-	(77,568)	(77,568)
Total other financing sources (uses)	2,113,488	2,113,488	2,025,781	(87,707)
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.

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

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, 2016, and have issued our report thereon dated March 23, 2017. 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.

St. Augustine, Florida
March 23, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

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, 2016, 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 March 23, 2017.

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.

St. Augustine, Florida
March 23, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

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, 2016. 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, 2016.

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.

St. Augustine, Florida
March 23, 2017

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

Flagler County
Supervisor of Elections

Audit Report

September 30, 2016

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

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September 30, 2016

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COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, 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, 2016, 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 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 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 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 March 17, 2017, 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.

Palatka, Florida
March 17, 2017

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds
As of September 30, 2016

		General Fund
Assets		
Cash	$	27,360
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	1,905
Due to other county agencies		17,743
Total liabilities		19,648
Fund balance:		
Restricted by grantor		7,712
Total liabilities and fund balance	$	27,360

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2016

	General Fund
Revenues	
Intergovernmental revenue	$ 12,041
Charges for services	5,961
Miscellaneous revenue	13
Total revenues	18,015
Expenditures	
General government:	
Personal services	531,984
Operating expenditures	370,244
Total expenditures	902,228
Excess of revenues under expenditures	(884,213)
Other financing sources (uses)	
Appropriation from board of county commissioners	848,497
Reversion to board of county commissioners	(17,459)
Total other financing sources (uses)	831,038
Net change in fund balance	(53,175)
Fund balance - October 1, 2015	60,887
Fund balance - September 30, 2016	$ 7,712

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.

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 – 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 3 – 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, 2016 was $4,254.

The following is a schedule of future minimum rental payments required under the above operating leases:

Year Ending September 30:		
2017	$	2,700
2018		351
Total	$	3,051

Required Supplementary Information

Flagler County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts			Variance With final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenue	$ -	$ 12,041	$ 12,041	$ -
Charges for services	-	-	5,961	5,961
Miscellaneous revenue	-	-	13	13
Total revenues	-	12,041	18,015	5,974
Expenditures				
General government:				
Personal services	569,936	569,936	531,984	37,952
Operating expenditures	273,917	314,643	370,244	(55,601)
Reserve for contingencies	4,644	4,644	-	4,644
Total expenditures	848,497	889,223	902,228	(13,005)
Excess of revenues under expenditures	(848,497)	(877,182)	(884,213)	(7,031)
Other financing sources (uses)				
Appropriation from board of county commissioners	848,497	848,497	848,497	-
Reversion to board of county commissioners	-	-	(17,459)	(17,459)
Total other financing sources (uses)	848,497	848,497	831,038	(17,459)
Net change in fund balances	-	(28,685)	(53,175)	(24,490)
Fund balances – October 1, 2015	-	28,685	60,887	32,202
Fund balances – September 30, 2016	$ -	$ -	$ 7,712	$ 7,712

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. The final budget shown above includes grant balances of $28,685 carried forward from a prior year and $12,041 grant award received during 2016 that were anticipated to be expended during 2016.

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, and have issued our report thereon dated March 17, 2017. 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. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

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
March 17, 2017

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
Palatka, Florida 32177

(386) 325-4561
(386) 328-1014 (fax)
www.cricpa.com

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, 2016, 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 March 17, 2017.

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 2016-001 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

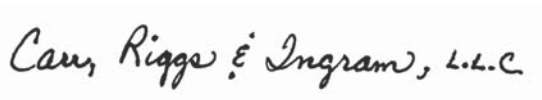
material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2016-002.

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.



Palatka, Florida
March 17, 2017

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CPAs and Advisors

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Palatka, Florida 32177

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www.cricpa.com

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, 2016. 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, 2016.

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
March 17, 2017

Schedule of Findings

2016-001 (Reported previously as item 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.

2016-002 Condition: Total expenditures for the fiscal year were in excess of the approved budget. It appears that the Office did not adequately budget all the carryforward from the prior year. Additionally, certain expenditures were not properly charged to the budget when incurred.

Recommendation: The Office should budget accurately, and monitor its budget position during the year to ensure that expenditures do not exceed approved totals.

Kaiti Lenhart ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

1769 E. Moody Boulevard, Building 2, Suite 101 ★ PO Box 901 ★ Bunnell, Florida 32110-0901
Phone (386) 313-4170 ★ Fax (386) 313-4171 ★ www.FlaglerElections.com

Sherrill F. Norman, CPA
Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399-1450

March 17, 2017

Dear Auditor General:

We are grateful to the accountants of Carr, Riggs & Ingram, LLC., for their assistance with the financial statements for this budget year which included two historic Presidential election cycles and record-breaking turnout in our county. Let it be noted that we always made every effort to be highly responsive and prompt to the many requests made by the auditors during the course of their work.

> 2016-001 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:

After evaluating the financial statements from this fiscal year, we have gained the knowledge to make substantial improvements to prepare our financial statements in accordance with GAAP. The Office has established written procedures and internal control measures to improve our efficiency and to provide for consistent, reliable financial reporting.

> 2016-002 Condition: *Total expenditures for the fiscal year were in excess of the approved budget. It appears that the office did not adequately budget all the carryforward from the prior year. Additionally, certain expenditures were not properly charged to the budget when incurred.*

Kaiti Lenhart ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

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Response:

We are certain that the operational expenditures for the office did not exceed the approved budget. The retained expenditure from the prior year was introduced eight months into the current budget year. After review of the financial statements, we have established new procedures which now ensure all expenditures are properly charged to the budget.

Sincerely,

Kaiti Lenhart
Flagler County Supervisor of Elections