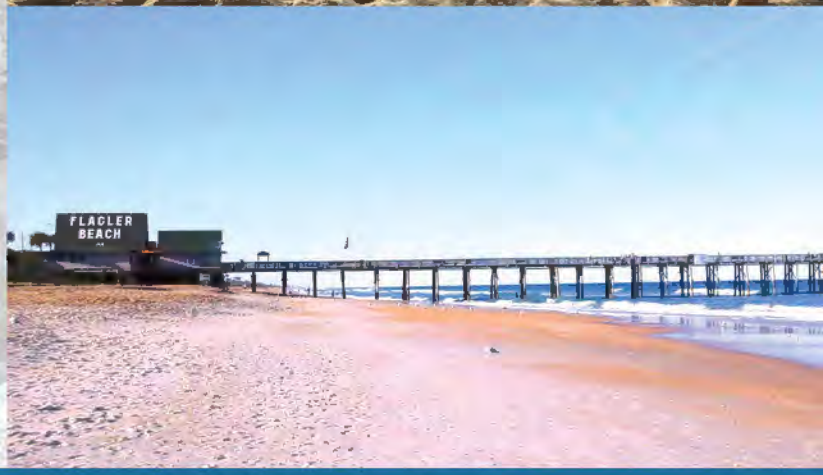


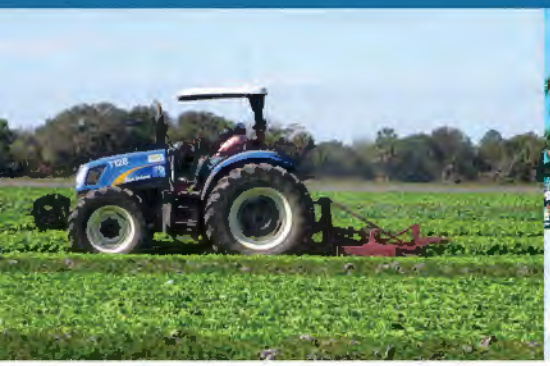
Preserving Heritage Embracing the Future

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2017



Preserving Heritage / Embracing the Future

Flagler County celebrated its centennial in 2017, marking 100 years as a county. The bill creating Flagler County named the city of Bunnell as the county seat and it remains the case today. The bill was signed by Governor Sidney J. Catts on April 28,1917 and the county is 493 square miles in area and was carved out of the southern end of St. Johns County and the northern tip of Volusia County.

Flagler county's heritage is farming with production of potatoes, particularly Irish potatoes dating back to its earliest days.

Over the next two decades, Flagler County's population would slowly increase, growing from 2,442 in 1920 to 3,008 in 1940 to its current population of around 106,000.

As you can see from its diverse beginnings, Flagler County has come a long way from where it was 100 years ago. While it is important to preserve our heritage, it is equally important to embrace our future. And what a future we have.

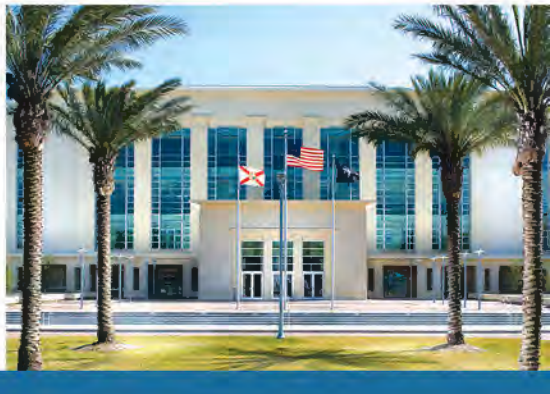
With the lure of sunshine, affordable living and abundant recreation, the future is bright in Flagler County.

We are experiencing a bit of a renaissance in Flagler County and are now welcoming back the children of those who made this county their home in the 70's & 80's. These 20 & 30 somethings are starting families of their own and are becoming the next generation of "native" Floridians and are embracing Flagler County's future. And why not? The county has about 3,272 businesses and in 2016, the leading industries are retail, health care and social services. The County's current labor force is about 41,901 people and it has an unemployment rate of 4.50%.

A reliable and skilled workforce is critical for the county's future and the county's leaders are forging ahead with plans to capitalize on the assets that we have to maximize and diversify our growth.

At the end of the day, Flagler county has two stories to tell. The first describes where we have been and the second describes where we are going. So come along for the ride; a ride that will take you through our proud past and into our promising future.

FLAGLER COUNTY
FLORIDA



FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2017

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, 2017
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FLAGLER COUNTY, FLORIDA

PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Nate McLaughlin **– Chair -** District 4

Charles Ericksen, Jr. **– Vice Chair –** District 1

Gregory L. Hansen – District 2

David Sullivan – District 3

Donald T. O'Brien, Jr. **–** District 5

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

Tom Bexley

TAX COLLECTOR

Suzanne Johnston

SHERIFF

Rick Staly

PROPERTY APPRAISER

James Gardner

SUPERVISOR OF ELECTIONS

Kaitlyn Lenhart

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Flagler County

Florida

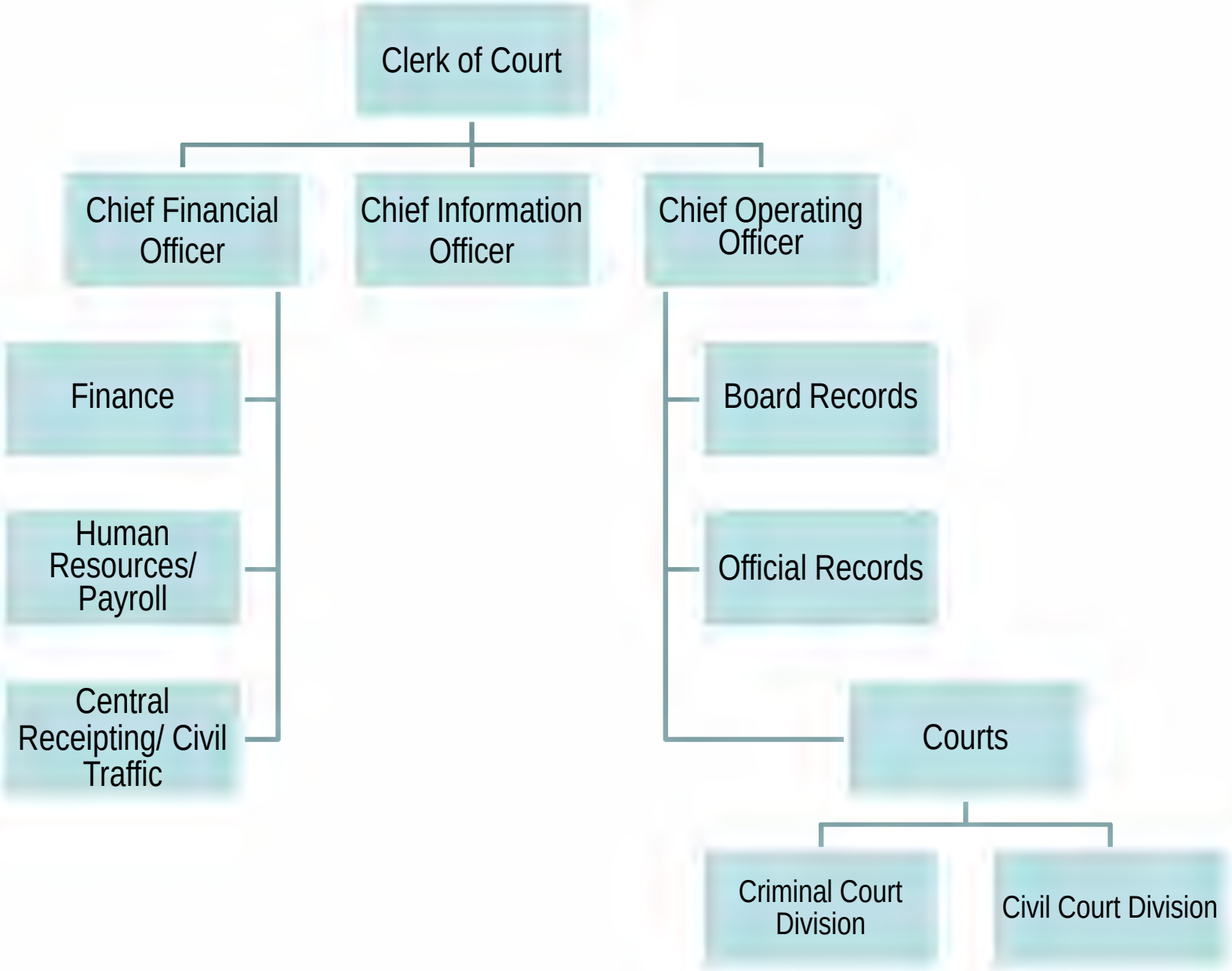
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

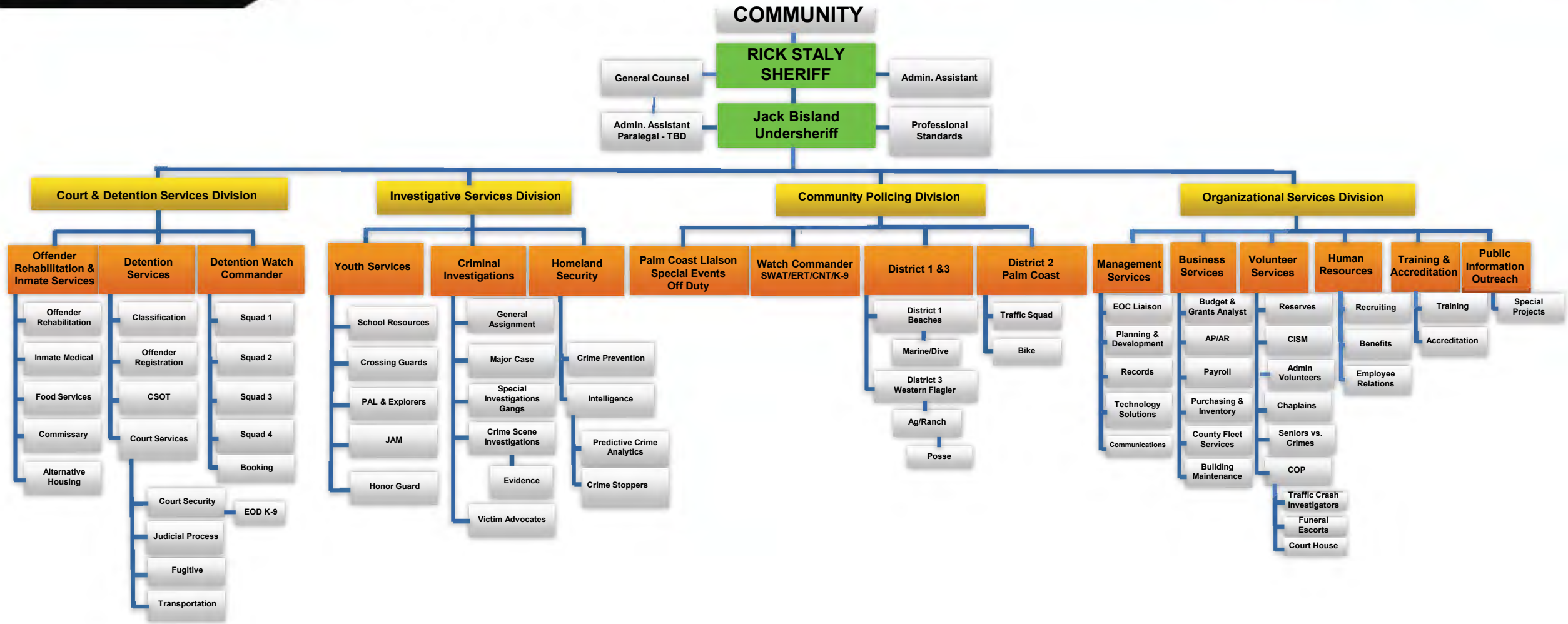
2017 Flagler County Organizational Chart


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

SHERIFF
FLAGLER COUNTY

RICK STALY, SHERIFF

"An honor to serve, a duty to protect."



FLAGLER COUNTY TAX COLLECTOR 2016-2017
DOR

TAX COLLECTOR
ELECTED OFFICIAL
#1

ASSISTANT TAX COLLECTOR
#2

DIRECTOR OF MOTORIST SERVICES
#17

TAX DIRECTOR
#15

AMBULANCE
SUPERVISOR #31

MOTORIST SERV ADMINISTRATION

- TAG DIRECTOR #4
- DRIVER LICENSE MANAGER #21
- DRIVER LICENSE MANAGER #22

PHONE ROOM

- COMMUNICATION SUPERVISOR #11
- COMMUNICATION SPECIALIST #13

MAIN OFFICE

- DEALER SERVICES OPER/INVENT #10
- TAX/TAG/DL AGENT II #3
- TAX/TAG/DL AGENT II #6
- TAX/TAG/DL AGENT II #5
- TAX/TAG/DL AGENT I #29
- TAX/TAG/DL AGENT I #26
- TAX/TAG/DL AGENT II #23
- TAX/TAG/DL/CW AGENT I # 35
- TAX/TAG/DL/ AGENT I # 38
- TAX/TAG/DL AGENT I # 39
- TAX/TAG/DL/CW AGENT I # 40
- TAX/TAG/DL/ AGENT I # 41
- TAX/TAG/DL/CW AGENT II DIGITAL MEDIA/PROJ #18
- TAX/TAG/DL AGENT I H/S PROCESSOR #7

BRANCH OFFICE

- TAX/TAG/DL AGENT II ACTING MANAGER #16
- TAX/TAG/DL AGENT II #27
- TAX/TAG/DL AGENT II #30
- TAX/TAG/DL AGENT I #24
- TAX/TAG/DL AGENT I #20
- TAX/TAG/DL AGENT I #28
- TAX/TAG/DL AGENT I # 37
- TAX/TAG/DL AGENT I # 12

TAX DEPARTMENT

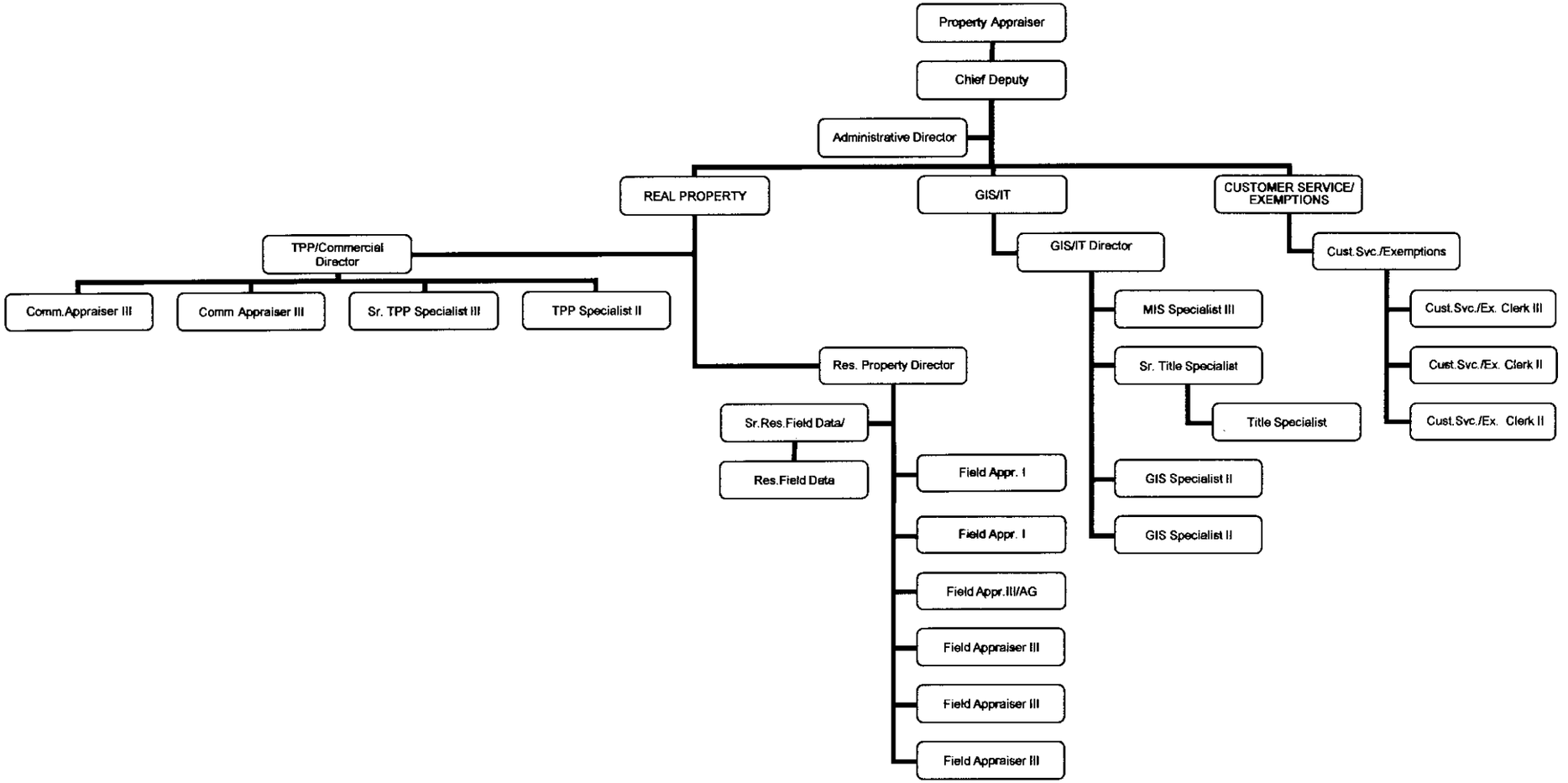
- BANKRUPTCY SPECIALIST #19
- DELINQUENT SPECIALIST #8

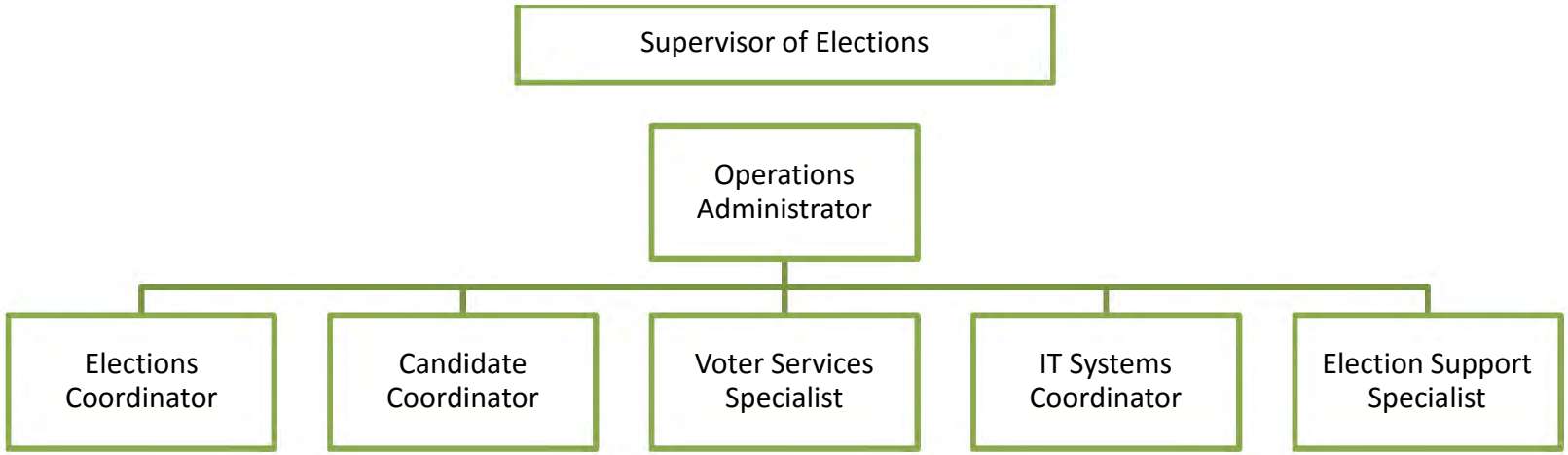
AMBULANCE BILLING/COLLECT

- AMBULANCE SPECIALIST #32
- AMBULANCE BILLER #33
- AMBULANCE CODER Tax/Tag/DL #36

FINANCE

- FINANCE TAX/TAG/DL #34
- FINANCE SPECIALIST PT #14


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
GIS Specialist II
GIS Specialist II
Field Appr. I
Field Appr. I
Field Appr.III/AG
Field Appraiser III
Field Appraiser III
Field Appraiser III


Supervisor of Elections
Operations Administrator
Elections Coordinator
Candidate Coordinator
Voter Services Specialist
IT Systems Coordinator
Election Support Specialist

TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

October 17, 2018

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, 2017.

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, 2017.

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, 2017 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, 2017 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 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.

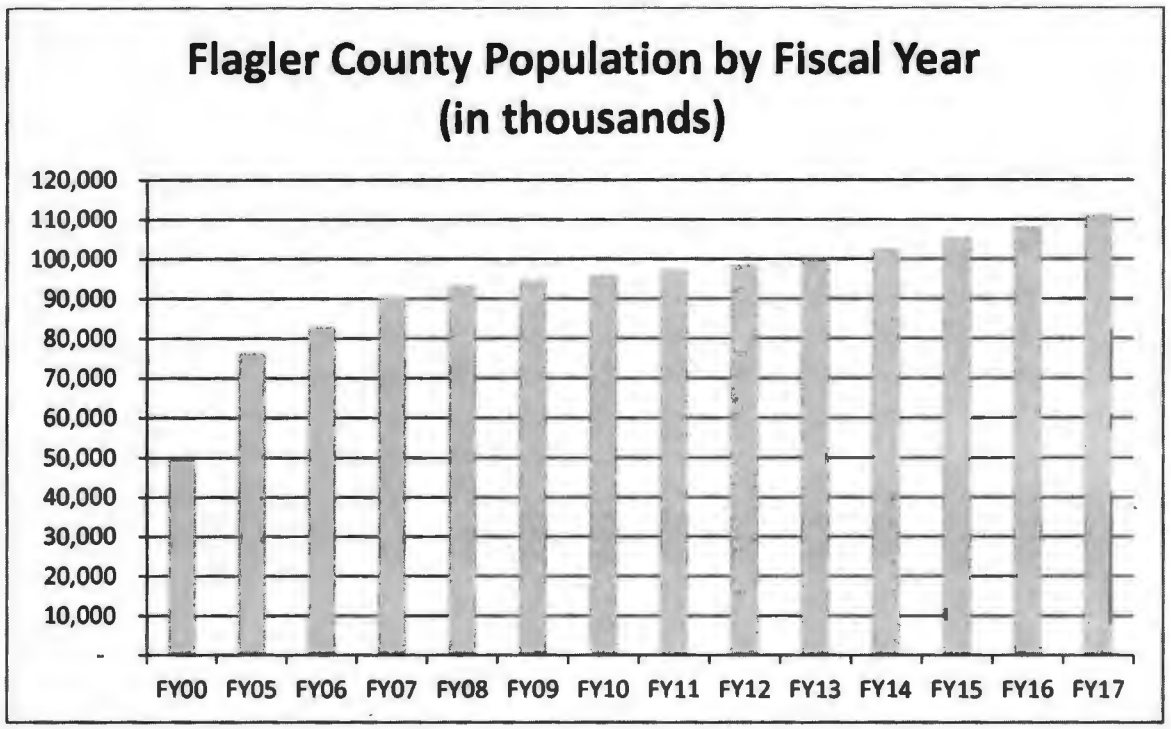
In developing and evaluating the accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designated to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records in order to prepare accurate financial 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 plus 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 2,596 building permits in the 2017 fiscal year representing a slight increase of 28% 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 4.7% rate, slightly higher than the state and national averages. The median household income is hovering at about $48,898, comparably equal to the State of Florida per household median of $48,900. A stagnant school enrollment of around 13,000 students at the two local high schools, two middle schools, five elementary schools and two charter 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 plus years demands infrastructure improvements. The previous population graphic, showing a more than doubling of population in the last 15 plus years from 50,000 to 111,000 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 Tourist Development Tax Revenue Bond, Series 2017 with an original face value of $6,536,000, to provide funds for beach restoration as a result of damage by Hurricane Matthew.

- The County issued $1,021,000 to lease/purchase a voting tabulation and new phone system.

- 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.

- 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 and construction continues for the Malacompra drainage project. Phase #1 - $2.2M, Phase #2 - $2.5M, Phase III - $3M.

- Flagler County Airport
  - 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 is expected to be completed next fiscal year.

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, 2017, the County earned approximately 97 basis points on investments. Given the established benchmark yield of 0.99%, actual rate of return of 0.97% slightly underperformed the benchmark yield of 0.99% by 0.02%.

Flagler County has FY 2017 assets totaling approximately $355 million with total liabilities of $192 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, 2016. This was the third 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
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 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, 2017 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 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows 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. 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 combining and individual fund financial statements are 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 October 17, 2018 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 solely 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 effectiveness of the County's 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
October 17, 2018

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

Management's Discussion and Analysis

Flagler County's management discussion and analysis presents a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2017. Readers are encouraged to consider its content in conjunction with the County's financial statements beginning on page 15.

Financial Highlights

- Total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows, reported as net position, by $269,613,539 as of September 30, 2017.

- Total net position decreased by $11,057,290, including prior period adjustments.

- Total governmental activities net position decreased by $21,490,549. This is attributed to expenditures exceeding revenues primarily in the areas of public safety and transportation. Public safety incurred approximately $4.5M of expenses incurred due to Hurricanes Matthew and Irma. Transportation had significant increases in expenditures of $21.9M for infrastructure while receiving $8.2M less in capital grants and contributions.

- Total business-type activities net position increased by $10,433,259. This is as a result of elevated revenues for all activities in all programs; most notably, a $5.6M increase in capital grants and contributions.

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, 2017. 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 15 - 16 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, Constitutional Gas Tax, Capital ESL 2008 Referendum and Capital Projects 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 17 - 20 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 21 - 24 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 25 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 27 - 64 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 66 - 70 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA
NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	**2017**	**2016**	**2017**	**2016**	**2017**
Current and other assets	$ 68,443	$ 69,453	$ 6,782	$ 8,513	$ 75,225	$ 77,966
Capital assets	335,198	311,035	35,902	44,490	371,100	355,525
Total Assets	403,641	380,488	42,684	53,003	446,325	433,491
Deferred Outflows	35,186	32,511	476	389	35,662	32,900
Non-current liabilities	147,493	150,875	15,339	14,072	162,832	164,947
Other liabilities	23,784	23,407	2,666	3,847	26,450	27,254
Total Liabilities	171,277	174,282	18,005	17,919	189,282	192,201
Deferred Inflows	11,946	4,605	88	(28)	12,034	4,577
Net position						
Net investment in capital assets	246,725	228,457	20,677	30,691	267,402	259,148
Restricted	33,031	38,198	1,234	1,226	34,265	39,424
Unrestricted	(24,152)	(32,542)	3,156	3,584	(20,996)	(28,958)
Total net position	$ 255,604	$ 234,113	$ 25,067	$ 35,501	$ 280,671	$ 269,614

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 $269,613,539 as of the fiscal year ended September 30, 2017.

The largest reported amount of the County's net position $259,147,011 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.

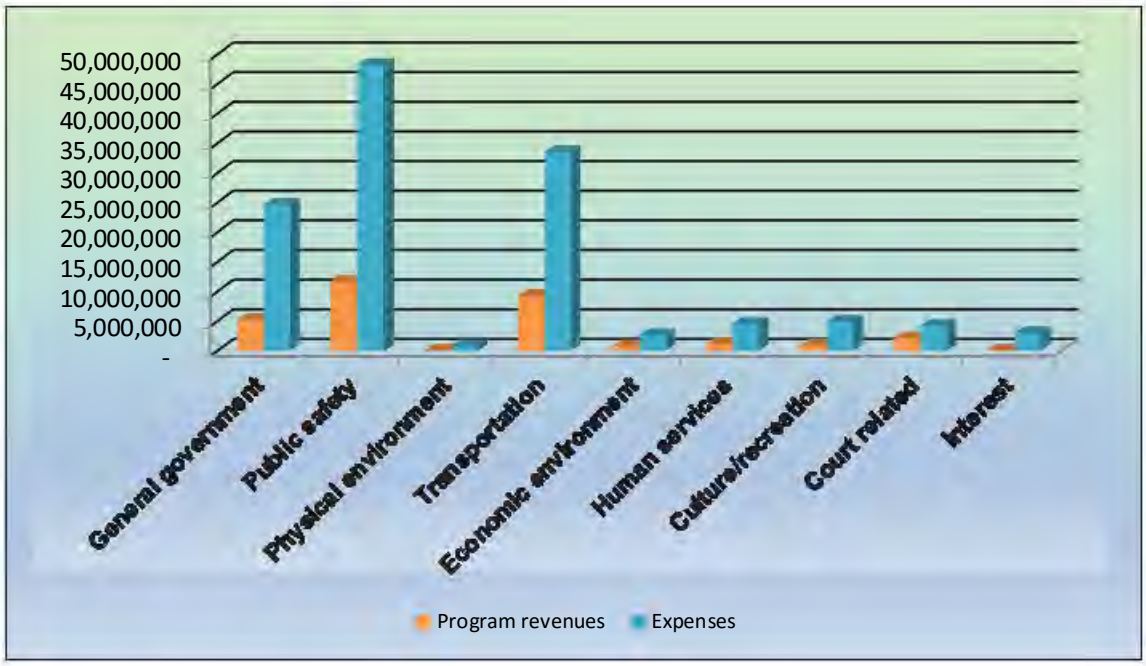
The County's Restricted Net Position amounted to $39,424,003 this amount represents resources that are subject to external restrictions on their use. The County reported negative Unrestricted Net Position in the amount of $28,957,475 unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2017 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.

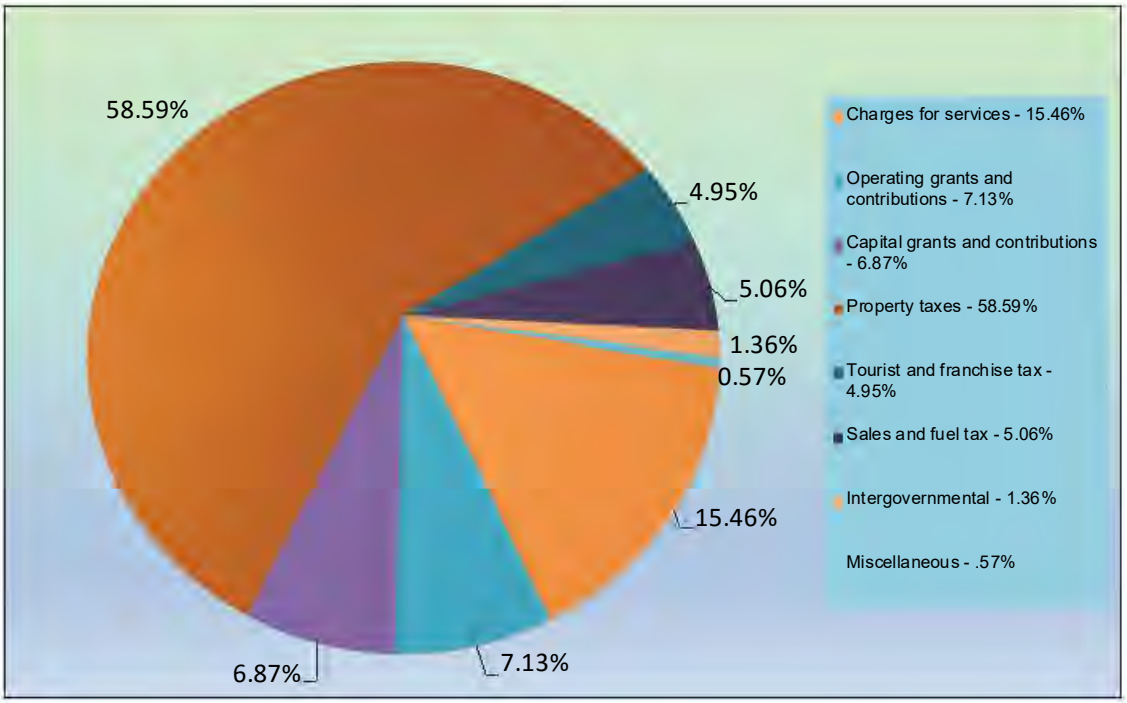
FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues						
Program revenues						
Charges for Services	$ 13,990	$ 16,339	$ 5,864	$ 6,221	$ 19,854	$ 22,560
Operating grants and contributions	5,041	7,510	164	276	5,205	7,786
Capital grants and contributions	15,463	7,229	4,940	10,629	20,403	17,858
General revenues						
Property taxes	57,166	61,692	-	-	57,166	61,692
Other taxes	10,073	10,547	526	665	10,599	11,212
Intergovernmental	1,358	1,437	-	-	1,358	1,437
Miscellaneous	344	540	127	126	471	666
Total revenues	103,435	105,294	11,621	17,917	115,056	123,211
Expenses						
General government	21,676	24,394	-	-	21,676	24,394
Public safety	40,426	49,432	-	-	40,426	49,432
Physical environment	861	667	-	-	861	667
Transportation	11,349	33,294	-	-	11,349	33,294
Economic environment	2,418	2,635	-	-	2,418	2,635
Human services	4,449	4,490	-	-	4,449	4,490
Culture/recreation	4,620	4,736	-	-	4,620	4,736
Court related	4,042	4,063	-	-	4,042	4,063
Interest long-term debt	4,568	3,008	-	-	4,568	3,008
Airport	-	-	2,903	2,933	2,903	2,933
Utilities	-	-	3,022	2,759	3,022	2,759
Landfill	-	-	250	306	250	306
Waste management	-	-	1,432	1,491	1,432	1,491
Total expenses	94,409	126,719	7,607	7,489	102,016	134,208
Change in net position before transfers	9,026	(21,425)	4,014	10,428	13,040	(10,997)
Transfers	(8)	(6)	8	6	-	-
Special item - Utility merger	-	-	432	-	432	-
Change in net position	9,018	(21,431)	4,454	10,434	13,472	(10,997)
Net position, beginning, as previously reported	246,586	255,603	20,614	25,067	267,200	280,670
Restatement	-	(61)	-	-	-	(61)
Net position, beginning, as restated	246,586	255,542	20,614	25,067	267,200	280,609
Net position, ending	$ 255,604	$ 234,111	$ 25,068	$ 35,501	$ 280,672	$ 269,612

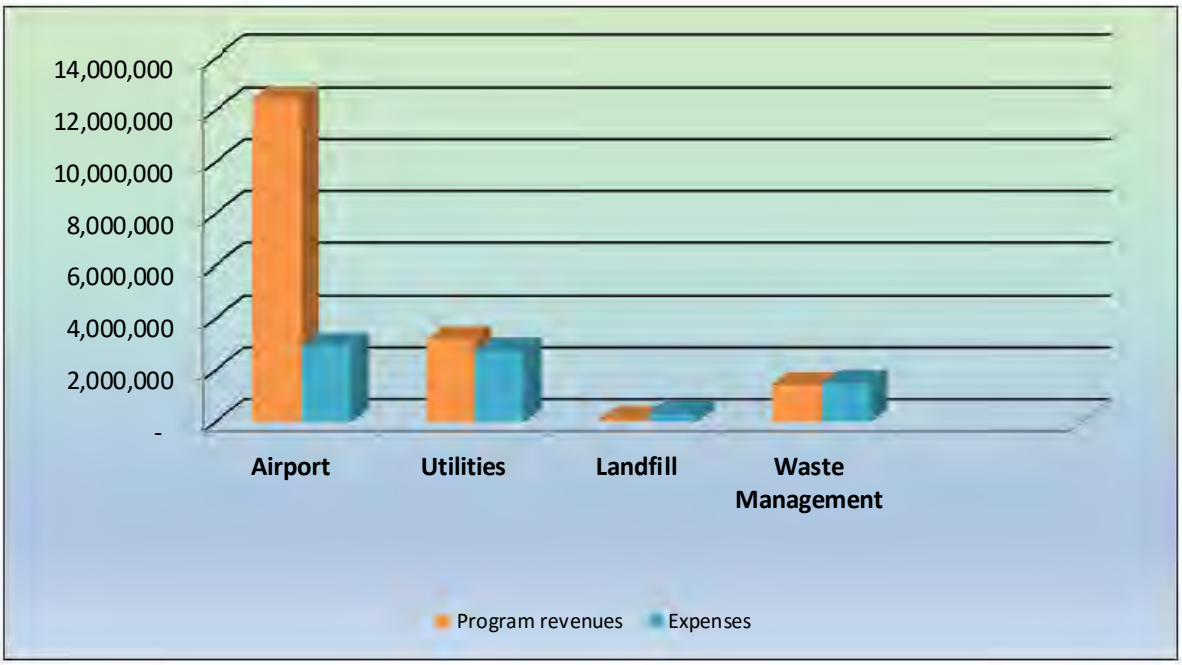
Expenses and Program Revenues - Governmental Activities



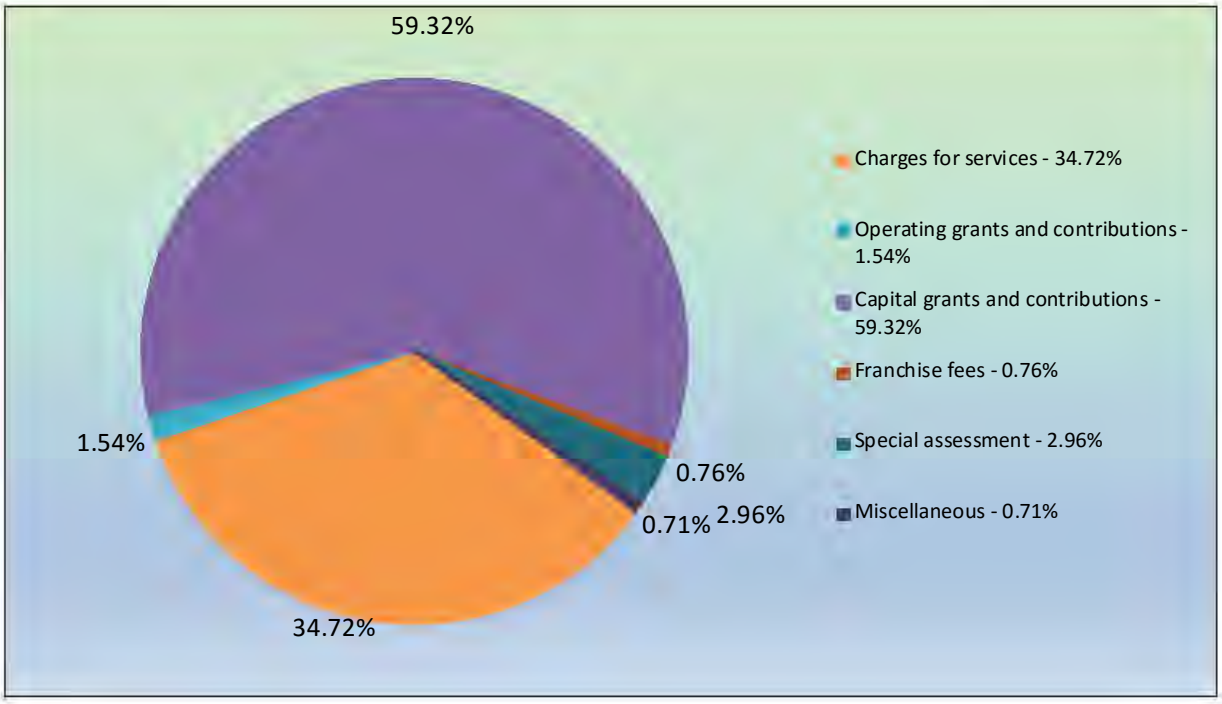
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities decreased the County's net position by $21,490,549.

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

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

Business-type activities

Business-type activities increased the County's net position in the amount of $10,433,259.

The above expenses and program revenues graph, shows that the two major business-type programs are the airport and utilities. Both activities sufficiently generate revenue to support their activities.

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

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, 2017, the County's governmental funds reported combined ending fund balances of $48,979,088, a decrease of $1,529,621. Assigned and unassigned fund balance of $7,973,961 in the general fund is available for spending at the County's discretion; $35,503,522 of fund balances of other governmental funds are restricted for spending within the limitations of the funds' revenue source. The amount reported as restricted for debt service was $4,767,582.

The General Fund is the operating fund of the County. At September 30, 2017, assigned and unassigned fund balance of this fund was $7,973,961 while the total fund balance amounted to $12,902,896. 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 $3,029,580 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 17/18 budget.

The fund balance of the County's general fund decreased by $2,421,872 during the fiscal year ended September 30, 2017. This decrease was primarily the result of expenditures related with Hurricanes Matthew and Irma.

The special revenue funds have a total fund balance of $22,879,387. The County's special revenue fund reported as major funds is Constitutional Gas Tax, which reported a fund balance increase of $645,102, primarily as a result of capital and project expenditures being below the amounts anticipated and budgeted.

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 $3,584,443 at September 30, 2017.

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, 2017 amounts to $355,524,736 (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 decrease in the County's investment in capital assets for the fiscal year ended September 30, 2017 was $15,575,267 ($24,163,136 net decrease for governmental activities and a net increase of $8,587,869 for business-type activities).

The net decrease of $24.1M for governmental activities is primarily due to the transfer of ownership of Matanzas Woods Parkway (approximately 293 acres) to the City of Palm Coast.

Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 42 – 43 of this report.

Long-term debt

On February 23, 2017, the County issued $1,021,000 to lease/purchase a voting tabulation and phone systems for five years. The interest is paid at a fixed rate of 1.82%. This lease is expected to be paid by September 9, 2021.

On August 29, 2017, the County issued Tourist Development Tax Revenue Bond, Series 2017 with an original face value of $6,536,000, to provide funds for beach restoration as a result of damage by Hurricane Matthew. This interest is paid at 2.39%. The payment of principal and interest on this bond is payable from and secured by Tourist Development Taxes. This bond is expected to be paid by November 1, 2030.

Additional information on the County's debt can be found in Note 7 on pages 44 - 52 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 0.2450 mills and an ESL millage rate of .25 mills for the fiscal year 2018.

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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 18,404,210	$ 5,414,078	$ 23,818,288
Cash with fiscal agent	68,368	-	68,368
Investments	38,298,293	2,501,725	40,800,018
Internal balances	1,926,502	(1,926,502)	-
Due from other governmental agencies	6,837,976	1,973,301	8,811,277
Accounts receivable, net	3,357,793	492,405	3,850,198
Note receivable	183,000	-	183,000
Inventory	247,237	46,690	293,927
Other assets	129,505	11,814	141,319
Capital assets			
Land and work in process	102,730,921	16,512,510	119,243,431
Capital assets being depreciated, net	208,304,233	27,977,072	236,281,305
Total capital assets, net of depreciation	311,035,154	44,489,582	355,524,736
TOTAL ASSETS	380,488,038	53,003,093	433,491,131
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments - interest rate swaps	128,069	45,841	173,910
Bond refunding	2,065,430	-	2,065,430
Pension related	30,317,865	343,450	30,661,315
Total deferred outflows	32,511,364	389,291	32,900,655
LIABILITIES			
Accounts payable and accrued expenses	8,489,958	2,038,990	10,528,948
Due to other governmental agencies	1,664,892	20,673	1,685,565
Deposits	2,980,307	299,783	3,280,090
Unearned revenue	2,838,659	793,394	3,632,053
Long-term liabilities:			-
Due within one year:			-
Notes and bonds payable	3,844,000	577,937	4,421,937
Compensated absences	3,010,204	112,682	3,122,886
Net pension liability	319,919	3,881	323,800
Capital leases	258,767	-	258,767
Due in more than one year:			-
Notes and bonds payable	82,538,859	13,221,177	95,760,036
Capital leases	809,299	-	809,299
OPEB liability	2,271,059	38,606	2,309,665
Net pension liability	65,127,848	766,656	65,894,504
Derivative liabilities	128,069	45,841	173,910
TOTAL LIABILITIES	174,281,840	17,919,620	192,201,460
DEFERRED INFLOWS OF RESOURCES			
Pension related	4,604,692	(27,905)	4,576,787
Total deferred inflows	4,604,692	(27,905)	4,576,787
NET POSITION			
Net investment in capital assets	228,456,543	30,690,468	259,147,011
Restricted for:			
Debt service	6,255,935		6,255,935
Capital projects	22,820,860	1,225,758	24,046,618
Federal and state law	7,121,474	-	7,121,474
Federal and state grants	421,007	-	421,007
Other purposes	1,578,969	-	1,578,969
Unrestricted	(32,541,918)	3,584,443	(28,957,475)
TOTAL NET POSITION	$ 234,112,870	$ 35,500,669	$ 269,613,539

FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenue and Changes in Net Position: Primary Government: Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 24,394,093	$ 4,390,011	$ 841,898	$ 25,752	$ (19,136,432)	$ -	$ (19,136,432)
Public safety	49,431,822	8,579,248	3,141,390	-	(37,711,184)	-	(37,711,184)
Physical environment	666,737	-	35,432	4,066	(627,239)	-	(627,239)
Transportation	33,293,759	834,842	1,350,310	7,023,262	(24,085,345)	-	(24,085,345)
Economic environment	2,635,179	-	775,834	-	(1,859,345)	-	(1,859,345)
Human services	4,490,535	176,236	911,911	37,121	(3,365,267)	-	(3,365,267)
Culture and recreation	4,736,216	274,993	453,266	138,773	(3,869,184)	-	(3,869,184)
Court related	4,062,907	2,084,193	-	-	(1,978,714)	-	(1,978,714)
Interest on long term debt	3,007,741	-	-	-	(3,007,741)	-	(3,007,741)
Total governmental activities	126,718,989	16,339,523	7,510,041	7,228,974	(95,640,451)	-	(95,640,451)
Business-type activities							
Airport	2,933,124	2,005,680	57,683	10,354,438	-	9,484,677	9,484,677
Utilities	2,759,147	2,795,378	126,953	274,560	-	437,744	437,744
Landfill	306,547	903	91,000	-	-	(214,644)	(214,644)
Waste management	1,490,769	1,419,147	151	-	-	(71,471)	(71,471)
Total business-type activities	7,489,587	6,221,108	275,787	10,628,998	-	9,636,306	9,636,306
TOTAL PRIMARY GOVERNMENT	$ 134,208,576	$ 22,560,631	$ 7,785,828	$ 17,857,972	$ (95,640,451)	$ 9,636,306	$ (86,004,145)
	GENERAL REVENUES						
	Property taxes				61,692,330	-	61,692,330
	Tourist and franchise taxes				5,215,235	135,318	5,350,553
	Impact fees				-	529,690	529,690
	Sales and fuel taxes				5,332,393	-	5,332,393
	Intergovernmental				1,436,687	-	1,436,687
	Miscellaneous				540,000	126,380	666,380
	TRANSFERS				(5,565)	5,565	-
	Total general revenues and transfers				74,211,080	796,953	75,008,033
	Change in net position				(21,429,371)	10,433,259	(10,996,112)
	NET POSITION, BEGINNING OF YEAR				255,603,419	25,067,410	280,670,829
	Restatement, prior period adjustments				(61,178)	-	(61,178)
	NET POSITION, BEGINNING OF YEAR, AS RESTATED				255,542,241	25,067,410	280,609,651
	NET POSITION, END OF YEAR				$ 234,112,870	$ 35,500,669	$ 269,613,539

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

FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Constitutional Gas Tax	Capital ESL 2008 Referendum	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 7,206,422	$ 967,805	$ 342,901	$ 374,644	$ 7,986,302	$ 16,878,074
Cash with fiscal agent	-	-	68,368	-	-	68,368
Investments	7,365,179	3,032,320	2,555,632	4,647,709	18,481,330	36,082,170
Accounts receivable (net of allowance for uncollectibles)	3,183,344	4,433	3,473	7,297	61,662	3,260,209
Notes receivable	183,000	-	-	-	-	183,000
Due from other funds	131,997	-	-	195,255	319,840	647,092
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Due from other governments	2,779,834	2,703,360	-	302,997	1,051,393	6,837,584
Inventory	247,237	-	-	-	-	247,237
Prepaids	3,472	-	-	-	32,670	36,142
Other assets	28,334	-	-	-	65,029	93,363
Total assets	$ 23,008,819	$ 6,707,918	$ 2,970,374	$ 5,527,902	$ 27,998,226	$ 66,213,239
LIABILITIES						
Accounts payable and accrued liabilities	$ 3,318,168	$ 1,789,405	289	$ 51,252	$ 947,330	$ 6,106,444
Deposits	2,019,519	-	-	-	948,158	2,967,677
Due to other funds	475,254	-	-	42,180	111,714	629,148
Due to other governments	1,174,701	39	-	-	490,152	1,664,892
Unearned revenue	22,898	145,531	2,342,330	-	259,848	2,770,607
Total liabilities	7,010,540	1,934,975	2,342,619	93,432	2,757,202	14,138,768
DEFERRED INFLOWS OF RESOURCES						
Unavailable resources	3,095,383	-	-	-	-	3,095,383
FUND BALANCES						
Nonspendable				-		
Inventories	247,237	-	-	-	-	247,237
Parks and recreation	-	-	-	-	540,000	540,000
Prepaids	3,472	-	-	-	32,670	36,142
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Restricted for						
Bond covenants or debt service	-	-	-	-	4,767,582	4,767,582
Grant programs and projects	29,360	-	-	-	6,222,669	6,252,029
Federal and state law	221,905	4,772,943	-	-	5,478,228	10,473,076
Capital projects and acquisitions	2,259,555	-		5,434,470	3,130,186	10,824,211
ESL acquisitions	-	-	627,755	-	196,312	824,067
Impact fees	-	-	-	-	3,660,996	3,660,996
Other purposes	287,406	-	-	-	1,212,381	1,499,787
Assigned for FY 2018 expenditures	3,029,580	-	-	-	-	3,029,580
Unassigned	4,944,381	-	-	-	-	4,944,381
Total fund balances	12,902,896	4,772,943	627,755	5,434,470	25,241,024	48,979,088
Total liabilities, deferred inflows of resources and fund balances	$ 23,008,819	$ 6,707,918	$ 2,970,374	$ 5,527,902	$ 27,998,226	$ 66,213,239

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, 2017

Total fund balances- governmental funds		$ 48,979,088
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	442,260,330	
Accumulated depreciation	(131,272,687)	
		310,987,643
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:		
Bonds payable	(80,332,000)	
Compensated absences	(3,008,800)	
OPEB liability	(2,270,498)	
Net pension liability	(65,418,728)	
Capital leases payable	(1,068,066)	
		(152,098,092)
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		(6,050,859)
Accrued interest payable		(1,207,464)
Unavailable resources are reported as deferred outflows and inflows in the governmental funds, but not in the governmental activities:		
Deferred outflows - bond refunding		2,065,430
Deferred inflows - long-term receivables		3,095,383
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		30,304,674
Deferred inflows - pension related		(4,601,928)
Internal service funds are reported as proprietary activities on the fund level statements, but as governmental activities on the county-wide statements. This amount represents unrestricted net position of the internal service funds.		2,638,995
Net position of governmental activities		$ 234,112,870

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, 2017

	General Fund	Constitutional Gas Tax	Capital ESL 2008 Referendum	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 58,015,987	$ -	$ -	$ 2,588,006	$ 7,068,624	$ 67,672,617
Special assessments/Impact fees	-	-	-	-	509,279	509,279
Licenses and permits	54,317	-	-	-	846,073	900,390
Intergovernmental	5,954,290	7,744,051	-	138,773	6,065,182	19,902,296
Charges for services	8,459,382	-	-	-	2,073,037	10,532,419
Fines and forfeitures	126,578	-	-	-	742,553	869,131
Miscellaneous revenue	1,323,958	-	-	59,527	120,477	1,503,962
Investment income	156,091	27,703	20,432	41,874	178,136	424,236
Total revenues	74,090,603	7,771,754	20,432	2,828,180	17,603,361	102,314,330
EXPENDITURES						
Current						
General government	20,608,856	-	-	1,203	106,450	20,716,509
Public safety	40,444,604	-	-	-	1,412,500	41,857,104
Physical environment	240,496	-	2,110	-	376,290	618,896
Transportation	2,202,904	289,510	-	-	3,280,947	5,773,361
Economic environment	536,249	-	-	-	1,977,361	2,513,610
Human services	4,316,753	-	-	-	54,463	4,371,216
Culture and recreation	3,436,661	-	3,751	-	362,794	3,803,206
Court related	1,210,955	-	-	-	2,740,845	3,951,800
Capital Outlay	3,480,629	6,837,142	-	558,395	940,437	11,816,603
Debt service						
Principal retirement	3,341,752	-	-	-	3,382,656	6,724,408
Interest and fiscal charges	244,365	-	-	-	3,031,271	3,275,636
Other debt service costs	-	-	-	-	7,031	7,031
Total expenditures	80,064,224	7,126,652	5,861	559,598	17,673,045	105,429,380
Excess (deficiency) of revenues over expenditures	(5,973,621)	645,102	14,571	2,268,582	(69,684)	(3,115,050)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,707,212	-	-	-	236,740	2,943,952
Transfers out	(186,457)	-	-	(2,694,560)	(68,500)	(2,949,517)
Long term debt issued	1,021,000	-	-	-	560,000	1,581,000
Sale of capital assets	9,994	-	-	-	-	9,994
Total other financing sources (uses)	3,551,749	-	-	(2,694,560)	728,240	1,585,429
Net changes in fund balance	(2,421,872)	645,102	14,571	(425,978)	658,556	(1,529,621)
Fund balances-beginning, as restated	15,324,768	4,127,841	613,184	5,860,448	24,582,468	50,508,709
Fund balances-ending	$ 12,902,896	$ 4,772,943	$ 627,755	$ 5,434,470	$ 25,241,024	$ 48,979,088

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, 2017

Net change in fund balances- total governmental funds		$ (1,529,621)
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	3,476,837	
Current year depreciation	(10,724,141)	
Loss on disposal of capital assets	(16,972,224)	
Contributions of capital assets	62,873	
		(24,156,655)
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	(151,257)	
Amortized bond premium	334,672	
		183,415
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	6,724,408	
Debt issued	(1,581,000)	
		5,143,408
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		2,521,569
Pension expense in the statement of activities has been amortized for related deferred inflows and outflows		
Deferred outflows - pension related		(3,617,597)
Deferred inflows - pension related		7,338,642
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	40,157	
OPEB liability	(48,895)	
Net pension liability	(8,423,339)	
Accrued interest payable	41,689	
		(8,390,388)
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	23,536	
Gain from operations	1,054,320	
		1,077,856
Change in net position of governmental activities		$ (21,429,371)

The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
ASSETS					
Current assets					
Cash and equivalents	$ 759,500	$ 2,795,987	$ 1,858,591	$ 5,414,078	$ 1,526,136
Investments	-	639,308	1,862,417	2,501,725	2,216,123
Accounts receivable, net	57,269	419,432	15,704	492,405	97,584
Due from other funds	3,050	1,028	5,690	9,768	28,650
Due from other governments	1,755,197	126,953	91,151	1,973,301	392
Inventory	46,690	-	-	46,690	-
Other current assets	11,814	-	-	11,814	-
Total current assets	2,633,520	3,982,708	3,833,553	10,449,781	3,868,885
Noncurrent assets					
Land and construction in progress	14,896,760	1,365,972	249,778	16,512,510	-
Other capital assets, net of accumulated depreciation	17,691,321	10,261,767	23,984	27,977,072	47,511
Total noncurrent assets	32,588,081	11,627,739	273,762	44,489,582	47,511
Total assets	35,221,601	15,610,447	4,107,315	54,939,363	3,916,396
DEFERRED OUTFLOWS OF RESOURCES					
Derivative instruments-Interest rate swaps	45,841	-	-	45,841	-
Pension related	186,026	90,695	66,729	343,450	13,191
Total deferred outflows	231,867	90,695	66,729	389,291	13,191
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	1,635,370	255,144	148,476	2,038,990	1,176,050
Due to other governmental agencies	6,281	14,253	139	20,673	-
Deposits	48,918	250,865	-	299,783	12,630
Unearned revenue	-	793,394	-	793,394	68,052
Due to other funds	23,210	19,456	13,604	56,270	92
Compensated absences	64,170	36,737	11,775	112,682	1,404
Net pension liability	1,757	1,551	573	3,881	108
Current portion of long term debt	371,718	206,219	-	577,937	-
Total current liabilities	2,151,424	1,577,619	174,567	3,903,610	1,258,336
Noncurrent liabilities					
Bonds payable	-	3,076,000	-	3,076,000	-
Notes payable	4,985,093	5,160,084	-	10,145,177	-
Advances from other funds	-	1,880,000	-	1,880,000	-
OPEB liability	17,979	11,631	8,996	38,606	561
Net pension liability	392,937	226,324	147,395	766,656	28,931
Derivative liabilities	45,841	-	-	45,841	-
Total noncurrent liabilities	5,441,850	10,354,039	156,391	15,952,280	29,492
Total liabilities	7,593,274	11,931,658	330,958	19,855,890	1,287,828
DEFERRED INFLOWS OF RESOURCES					
Pension related	(10,212)	(30,322)	12,629	(27,905)	2,764
NET POSITION					
Net investment in capital assets	27,231,270	3,185,436	273,762	30,690,468	47,511
Restricted for					
Future capital outlay	-	-	1,225,758	1,225,758	-
Unrestricted	639,136	614,370	2,330,937	3,584,443	2,591,484
Total net position	$ 27,870,406	$ 3,799,806	$ 3,830,457	$ 35,500,669	$ 2,638,995

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	$ 2,005,680	$ 2,795,378	$ 1,420,050	$ 6,221,108	$ -
Employee and employer contributions	-	-	-	-	9,091,354
Miscellaneous	82,122	2,392	5	84,519	70,223
Total operating revenues	2,087,802	2,797,770	1,420,055	6,305,627	9,161,577
OPERATING EXPENSES					
Personal services	444,212	665,680	253,722	1,363,614	45,746
Vehicle fuel	6,146	21,477	1,259	28,882	-
Aviation fuel	478,311	-	-	478,311	-
Contractual services	83,299	83,221	1,430,267	1,596,787	-
Repairs and maintenance	218,909	207,929	7,323	434,161	466
Professional services	11,099	212,080	87,771	310,950	528,335
Employee claims	-	-	-	-	6,730,805
Utilities	85,261	265,523	3,345	354,129	-
Insurance	72,504	23,108	2,817	98,429	779,171
Rentals and leases	16,760	9,359	1,825	27,944	-
Depreciation	1,232,236	858,747	5,997	2,096,980	6,480
Miscellaneous	66,961	147,844	2,990	217,795	16,254
Total operating expenses	2,715,698	2,494,968	1,797,316	7,007,982	8,107,257
Operating income (loss)	(627,896)	302,802	(377,261)	(702,355)	1,054,320
Nonoperating revenues (expenses)					
Intergovernmental	57,683	126,953	91,151	275,787	392
Franchise fees	-	-	135,318	135,318	-
Special assessments/Impact fees	-	529,690	-	529,690	-
Interest income	4,491	14,349	23,021	41,861	23,144
Other debt service costs	-	(7,135)	-	(7,135)	-
Interest expense	(217,426)	(257,044)	-	(474,470)	-
Total nonoperating revenues (expenses)	(155,252)	406,813	249,490	501,051	23,536
Special Item	-	-	-	-	-
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(783,148)	709,615	(127,771)	(201,304)	1,077,856
Capital grants	10,296,129		-	10,296,129	-
Capital contribution	58,309	274,560	-	332,869	-
Transfers in	-	-	5,565	5,565	-
Change in net position	9,571,290	984,175	(122,206)	10,433,259	1,077,856
Net position-beginning	18,299,116	2,815,631	3,952,663	25,067,410	1,561,139
Net position-ending	$ 27,870,406	$ 3,799,806	$ 3,830,457	$ 35,500,669	$ 2,638,995

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, 2017

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utility			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 1,976,814	$ 2,752,370	$ 1,504,496	$ 6,233,680	$ 9,344,147
Payments to suppliers	323,635	(1,177,564)	(1,505,257)	(2,359,186)	(8,261,035)
Payments to employees	(404,578)	(626,343)	(241,314)	(1,272,235)	(43,569)
Increase (decrease) in due from other funds	3,174	(207)	6,469	9,436	(28,309)
Increase (decrease) in due to other funds	(5,348)	7,072	263	1,987	92
Other receipts	82,122	2,392	5	84,519	-
Net cash provided (used) by operating activities	1,975,819	957,720	(235,338)	2,698,201	1,011,326
NON-CAPITAL FINANCING ACTIVITIES					
Franchise fees	-	-	135,315	135,315	-
Special assessments/impact fees	-	529,690	-	529,690	
Transfers in	-	-	5,565	5,565	-
Net cash provided (used) by non-capital financing activities	-	529,690	140,880	670,570	-
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(10,490,927)	145,946	(7,000)	(10,351,981)	-
Payments on long term debt	(356,017)	(1,069,015)	-	(1,425,032)	-
Capital grants	8,954,540	-	-	8,954,540	-
Interest paid	(217,426)	(264,179)	-	(481,605)	-
Net cash provided (used) by capital and related financing activities	(2,109,830)	(1,187,248)	(7,000)	(3,304,078)	-
INVESTING ACTIVITIES					
Investment purchases	(251,994)	(29,933)	(716,929)	(998,856)	(1,366,187)
Proceeds from sale of investments	504,941	-	805,000	1,309,941	500,000
Interest on investments	4,841	14,501	23,707	43,049	22,616
Net cash provided (used) by investing activities	257,788	(15,432)	111,778	354,134	(843,571)
Net increase(decrease) in cash and equivalents	123,777	284,730	10,320	418,827	167,755
CASH AND EQUIVALENTS, BEGINNING OF YEAR	635,723	2,511,257	1,848,271	4,995,251	1,358,381
CASH AND EQUIVALENTS, END OF YEAR	$ 759,500	$ 2,795,987	$ 1,858,591	$ 5,414,078	$ 1,526,136

Continued

FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	**Utility**			
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (627,896)	$ 302,802	$ (377,261)	$ (702,355)	$ 1,054,320
Adjustment to reconcile operating income (loss) to net cash used in operations					
Depreciation	1,232,236	858,747	5,997	2,096,980	6,480
Changes in assets and liabilities					
Accounts receivable	(9,953)	(43,008)	(4,871)	(57,832)	182,570
Inventory	(19,937)	-	-	(19,937)	-
Due from other governments	(18,910)	-	89,317	70,407	-
Due from other funds	3,174	(207)	6,469	9,436	(28,309)
Accounts payable and accrued expenses	1,393,105	40,169	32,272	1,465,546	(219,509)
Unearned revenue	-	793,394	-	793,394	1,795
Due to other governments	(13,706)	(18,658)	68	(32,296)	-
Due to other funds	(5,348)	7,072	263	1,987	92
Deposits	3,420	(1,021,928)	-	(1,018,508)	11,710
Compensated absences	5,736	9,140	1,239	16,115	70
OPEB liability	390	618	230	1,238	43
Pension liability	33,508	29,579	10,939	74,026	2,064
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ 1,975,819	$ 957,720	$ (235,338)	$ 2,698,201	$ 1,011,326
NONCASH INVESTING ACTIVITIES					
Change in fair market value of investments	$ (350)	$ (152)	$ (685)	$ (1,187)	$ 528

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 3,652,218
Accounts receivable	91,093
Due from other governments	51
Total assets	3,743,362
LIABILITIES	
Due to other governments	76,335
Deposits	3,627,130
Other liabilities	39,897
Total liabilities	3,743,362
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 2016-17 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.

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.

Capital 2008 ESL Referendum – 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.

Capital Projects – 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.

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; such as ad valorem taxes, cash bonds, traffic fines and support payments. The County reports these funds for Clerk of Courts, Sheriff and Tax Collector.

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 recorded at acquisition value at 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. See notes 7 and 9 for additional information.

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 2018. The statements address:

- Irrevocable split-interest agreements;
- Accounting and Financial Reporting for postemployment benefits other than pensions;
- Various practice issues (Omnibus); and
- Certain debt extinguishment issues

The County is currently evaluating the effects that these statements will have on its 2018 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, 2017, the County had the following cash deposits balances:

	Maturity Date	Carrying Amounts
Cash and cash equivalents	N/A	$ 23,818,288
Cash and cash equivalents with trustee	N/A	3,652,218
Cash and cash equivalents with fiscal agent	N/A	68,368
Total		$ 27,538,874

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, 2017, the County had the following investment types and weighted average duration presented in terms of years:

Security Type	Fair Value	Weighted Average Maturity(Years)
Federal Instrumentalities Discount Notes	$ 3,984,080	0.36
Federal Instrumentalities Notes	3,499,370	0.21
U.S. Treasury Notes	8,998,540	0.11
Commercial Paper	3,995,600	0.09
Florida Education Investment Trust Fund (FEITF)	6,579,973	51 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	13,742,455	20 days
TOTAL	$ 40,800,018	0.13

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, 2017 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, 2017:

- 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 Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Federal Instrumentalities Discount Notes	$ 3,984,080	$ 3,984,080	$ -	$ -
Federal Instrumentalities Notes	3,499,370	3,499,370		
U.S. Treasury Notes	8,998,540	8,998,540	-	-
Commercial Paper	3,995,600	3,995,600	-	-
WF Advantage Heritage MM Fund	13,742,455	13,742,455	-	-
Total Investments by Fair Value Level	$ 34,220,045	$ 34,220,045	$ -	$ -
Investments measured at the Net Asset Value (NAV):				
Florida Education Investment Trust Fund (FEITF)	6,579,973		-	-
Total Investments measured at the NAV:	$ 6,579,973	$ -	$ -	$ -
Total Investments	$ 40,800,018	$ 34,220,045	$ -	$ -
Investment Derivative Instruments:				
Interest Rate Swaps	$ (173,910)	$ -	$ (173,910)	$ -

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, 2017, the investment portfolio had a weighted average duration of .13 years.

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

B. Credit Risk

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

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

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

NOTE 2 - Cash Deposits and Investments: (continued)

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

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

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

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

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

As of September 30, 2017, 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+	9.76%
Federal Instrumentalities Notes	AA+	8.58%
U.S. Treasury Notes		22.06%
Commercial Paper	A-1	9.79%
Florida Education Investment Trust Fund (FEITF)	AAAm	16.13%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	33.68%
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, 2017, the County's investments were held with a third-party custodian as required by the County's investment policy.

NOTE 2 - Cash Deposits and Investments: (continued)

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 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, 2017, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Discount Notes	$ 3,984,080	12.00%
Federal Instrumentalities Notes	3,499,370	10.00%
U.S. Treasury Notes	8,998,540	26.00%
Commercial Paper	3,995,600	12.00%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	13,742,455	40.00%
TOTAL	$ 34,220,045	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.

NOTE 3 - Property Taxes: (continued)

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.

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 $4,067,715 in the General Fund and, $10,375, $11,719 and $742 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, 2016	Additions	Deletions	Balance September 30, 2017
Capital assets, not being depreciated:				
Land	$ 100,481,499	$ 97,172	$ 3,253,566	$ 97,325,105
Fine art collection	123,700			123,700
Construction in process	22,827,506	3,774,170	21,319,560	5,282,116
Total capital assets, not being depreciated	123,432,705	3,871,342	24,573,126	102,730,921
Capital assets, being depreciated:				
Buildings	102,243,399	343,477		102,586,876
Improvements other than buildings	20,455,919	386,873		20,842,792
Equipment	37,933,691	1,673,122	4,388,840	35,217,973
Vehicles	19,092,338	2,394,654	1,026,944	20,460,048
Infrastructure	157,822,192	24,480,530	21,789,656	160,513,066
Total capital assets being depreciated	337,547,539	29,278,656	27,205,440	339,620,755
Less accumulated depreciation for:				
Buildings	17,264,877	2,035,591		19,300,468
Improvements other than buildings	14,773,540	1,135,057		15,908,597
Equipment	29,371,946	2,515,858	2,964,336	28,923,468
Vehicles	13,780,406	1,504,063	592,587	14,691,882
Infrastructure	50,591,185	3,540,052	1,639,130	52,492,107
Total accumulated depreciation	125,781,954	10,730,621	5,196,053	131,316,522
Total capital assets being depreciated, net	211,765,585	18,548,035	22,009,387	208,304,233
	$ 335,198,290	$22,419,377	$ 46,582,513	$311,035,154

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

Governmental activities:	
General government	$ 2,388,070
Public safety	3,049,795
Physical environment	50,802
Transportation	4,077,211
Economic environment	76,535
Human services	83,252
Culture/recreation	868,759
Court related	136,197
Total depreciation expense - governmental activities	$ 10,730,621

NOTE 6 - Capital Assets – Business-type Activities:

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,863,173			$ 3,863,173
Construction in process	2,711,471	10,599,977	662,111	12,649,337
Total capital assets, not being depreciated	6,574,644	10,599,977	662,111	16,512,510
Capital assets, being depreciated:				
Buildings	18,419,636			18,419,636
Improvements other than buildings	19,745,700	378,224		20,123,924
Equipment	1,707,918	25,927	94,527	1,639,318
Infrastructure	4,096,335	343,025		4,439,360
Total capital assets being depreciated	43,969,589	747,176	94,527	44,622,238
Less accumulated depreciation for:				
Buildings	3,327,074	438,788		3,765,862
Improvements other than buildings	9,371,643	1,355,216		10,726,859
Equipment	1,398,667	104,415	94,334	1,408,748
Infrastructure	545,136	198,561		743,697
Total accumulated depreciation	14,642,520	2,096,980	94,334	16,645,166
Total capital assets being depreciated, net	29,327,069	(1,349,804)	193	27,977,072
Business-type activities capital assets, net	$ 35,901,713	$ 9,250,173	$ 662,304	$ 44,489,582

Depreciation expense was charged as follows:

Business-type activities:	
Airport	$ 1,232,236
Utilities	858,747
Sanitary landfill	5,997
Total depreciation expense - business-type activities	$ 2,096,980

NOTE 7 - Long-Term Debt:

The balance of bonds and notes payable at September 30, 2017, are as follows:

Bonds and Notes Payable from Governmental Activities

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.	$ 915,000
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.	23,645,000
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.	41,010,000
Note Payable - was issued on September 28, 2005 in the amount of $11,346,000 to finance the purchase and installation of an 800 megahertz communication system and the purchase of additional emergency services vehicles. Payments of principal and interest at 4.73% are due on October 1 and April 1 each year. Maturity is October 1, 2020. Principal and interest payments made during the year amounted to $951,647. Payments are to be made from legally available non ad valorem revenues of the County.	2,997,000
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 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.	11,205,000

NOTE 7 - Long-Term Debt: (continued)

Tourist Development Tax Revenue Bond, Series 2017 with an original face value of $6,536,000 were issued August 30, 2017 to provide funds for beach restoration as a result of damage by Hurricane Matthew. Interest is paid at 2.39%. The payment of principal and interest on the bond is payable from and secured by Tourism Development Taxes. Principal payments are due on November 1. Interest payments are due on May 1 and November 1 of each year. Maturity is November 1, 2030. The approximate amount of the pledge is equal to the remaining principal and interest of $7,505,974. The amount drawn at closing in August 2017 was $560,000. The remaining balance of $5,976,000 is scheduled to be withdrawn on 11/28/17.	560,000
Bonds and notes payable from governmental activities	80,332,000
Note Payable from Business-Type Activities	
Water and Sewer System Revenue Bond, Series 2013 - was issued April 12, 2013 with an original face value of $3,254,000 to finance the acquisition, construction and equipping of improvements to the County's water and sewer system. Interest payable at a fixed rate of 3.5% per annum. The principal and interest are payable by a pledge of the net revenues derived from the operation of the System. Payments are due yearly on September 1st. Maturity date is September 1, 2052. The approximate amount of the pledge is equal to the remaining principal and interest of $5,777,080. Payments made during the fiscal year were for principal and interest amounted of $155,880.	3,123,000
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.	624,811
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. In January 6, 2017, the interest rate was reduced to 3.47%	2,211,000
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. In January 6, 2017, the interest rate was reduced to 3.47%.	2,521,000
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.	5,239,047
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, notes payable and capital leases from business-type activities	13,799,114

NOTE 7 - Long-Term Debt: (continued)

Capital Lease Obligation from Governmental Activities

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 excavator is $243,270.	162,066
Master Equipment Lease/Purchase agreement was executed on February 23, 2017 to purchased a voting tabulation and phone systems for five years. Interest is paid at a fixed rate of 1.82%. Aggregate historical cost is $1,050,000.	906,000
Capital leases from governmental activities	1,068,066
Accrued Compensated Absences	
Governmental Activities	3,010,204
Business-Type Activities	112,682
OPEB Liability	
Governmental Activities	2,271,059
Business-Type Activities	38,606
Net Pension Liability	
Governmental Activities	65,447,767
Business-Type Activities	770,537
Add Unamortized Premium	
Governmental Activities	6,050,859
Total Long-Term Obligations	$ 172,900,894

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NOTE 7 - Long-Term Debt: (continued)

Debt service requirements to maturity on the County's long-term obligations at September 30, 2017, are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	Bonds		Notes payable		Total Long-Term Obligations and Interest
	Principal	Interest	Principal	Interest	
2018	$ 3,035,000	$ 2,883,493	$ 809,000	$ 132,486	$ 6,859,979
2019	3,257,812	2,768,992	848,000	93,751	6,968,555
2020	3,317,834	2,648,903	886,000	53,170	6,905,907
2021	3,407,130	2,539,202	454,000	10,743	6,411,075
2022	4,092,901	2,381,151	-	-	6,474,052
2023-2027	23,297,015	9,059,687	-	-	32,356,702
2028-2032	24,447,308	4,393,843	-	-	28,841,151
2033-2037	12,480,000	822,365	-	-	13,302,365
Total principal and interest	77,335,000	27,497,636	2,997,000	290,150	108,119,786
Less interest to be paid	-	(27,497,636)	-	(290,150)	(27,787,786)
Total principal	77,335,000	-	2,997,000	-	80,332,000
Deferred amounts	6,050,859	-	-	-	6,050,859
Totals	$ 83,385,859	$ -	$ 2,997,000	$ -	$ 86,382,859

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	
2018	$ 47,000	$ 109,305	$ 530,937	$ 310,730	$ 997,972
2019	48,000	107,660	561,278	293,612	1,010,550
2020	50,000	105,980	582,377	275,074	1,013,431
2021	52,000	104,230	600,015	255,515	1,011,760
2022	54,000	102,410	599,672	235,656	991,738
2023-2027	300,000	482,300	2,934,645	885,918	4,602,863
2028-2032	354,000	426,195	2,255,878	442,001	3,478,074
2033-2037	420,000	359,800	1,103,508	251,867	2,135,175
2038-2042	499,000	280,945	1,241,473	113,903	2,135,321
2043-2047	594,000	187,180	266,331	4,743	1,052,254
2048-2052	705,000	75,775	-	-	780,775
Total principal and interest	3,123,000	2,341,780	10,676,114	3,069,019	19,209,913
Less interest to be paid	-	(2,341,780)	-	(3,069,019)	(5,410,799)
Totals	$ 3,123,000	$ -	$ 10,676,114	$ -	$ 13,799,114

Governmental Activities Long-term obligations not included above:	
Accrued compensated absences payable	3,010,204
OPEB liability	2,271,059
Net pension liability	65,447,767
Capitalized lease obligations	1,068,066
Business-type Activities Long-term obligations not included above:	
Accrued compensated absences payable	112,682
OPEB liability	38,606
Net pension liability	770,537
Total long-term obligations	$ 172,900,894

Changes in long-term liabilities for the fiscal year ended September 30, 2017, are summarized as follows:

NOTE 7 - Long-Term Debt: (continued)

Governmental activities:	Balance October 1, 2016, as restated*	Additions	Reductions	Balance September 30, 2017	Due within one year
General long-term obligations:					
Bonds payable	$ 80,120,000	$ 560,000	$ 3,345,000	$ 77,335,000	$ 3,035,000
Notes payable	5,704,959		2,707,959	2,997,000	809,000
Deferred amounts:					
Issuance premiums	6,385,531		334,671	6,050,859	-
Total bonds and notes payable	92,210,490	560,000	6,387,630	86,382,859	3,844,000
Accrued compensated absences	3,050,291	3,105,301	3,145,388	3,010,204	3,010,204
OPEB liability	2,222,121	48,938		2,271,059	-
Net pension liability	57,020,732	8,427,035	-	65,447,767	319,919
Arbitrage liability	-			-	-
Capitalized lease obligations	718,515	1,021,000	671,449	1,068,066	258,767
Total governmental activity long-term obligations	155,222,149	13,162,274	10,204,467	158,179,955	7,432,890
Business-type activities:					
Bonds payable	3,168,000		45,000	3,123,000	47,000
Notes payable	12,056,146		1,380,032	10,676,114	530,937
Total bonds and notes payable	15,224,146	-	1,425,032	13,799,114	577,937
Accrued compensated absences	96,567	112,682	96,567	112,682	112,682
OPEB liability	37,368	1,238		38,606	-
Net pension liability	637,933	132,604	-	770,537	3,881
Total business-type activity long-term obligations	15,996,014	246,524	1,521,599	14,720,939	694,500
TOTAL LONG-TERM LIABILITIES	$ 171,218,163	$ 13,408,798	$ 11,726,066	$ 172,900,894	$ 8,127,390

*See Note 16 - Restatement for additional information.

For governmental activities, compensated absences are liquidated by the respective funds obligated for the related payroll cost, that is, 83 percent by the general fund, 7 percent by the county transportation fund, and the remaining 10 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, 2017 and for the remaining terms are as follows:

NOTE 7 - Long-Term Debt: (continued)

Fiscal Year Ending September 30	Amount
2018	$ 280,037
2019	280,033
2020	280,956
2021	280,789
Total principal and interest	1,121,815
Less amounts representing interest	(53,749)
Total principal	$ 1,068,066

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, 2017	Remaining balance, September 30, 2017
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, 2017 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	1,225,758
Totals	$ 1,450,758

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, 2017 $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, 2017, 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, 2017 was $624,811. 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, 2017, the underlying swaps had a negative fair value of $45,841. 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, 2017 was $2,997,000. 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, 2017, the underlying swaps had a negative fair value of $128,069. 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, 2017 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	$ 114,348	Debt	$ (128,069)	$ 2,997,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	29,642	Debt	(45,841)	624,811

Swap Payments and Associated Debt

Assuming that interest rated remain the same, at September 30, 2017, 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		
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	101,287	3,328	6,771	10,099
2023-2024	160,770	2,739	3,580	6,319
	$ 3,621,811	$ 146,613	$ 242,581	$ 389,194

Credit risk – As of September 30, 2017 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, 2016	Additions	Deletions	Balance September 30, 2017
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 1.19% and matured February 1, 2017. It was secured by a pledge of and lien upon ad valorem tax receipts collected during the 2016/2017 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 February 2022. Monthly lease expense ranges from $52 to $4,951. During the year ended September 30, 2017, the lease payments totaled $291,192.

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

Year Ending September 30,		Amount
2018	$	293,753
2019		219,554
2020		204,452
2021		84,507
2022		3,121
	$	805,387

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, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, *Florida Statutes,* or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, *Florida Statutes.* The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their

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, 2017 are as follows:

	FRS	HIS
Regular Employees	6.26%	1.66%
Elected County Officials	43.84%	1.66%
Senior Management	21.05%	1.66%
Special Risk	21.61%	1.66%
Deferred Retirement Option Programs Employees	11.60%	1.66%

The County's contributions to FRS and HIS for the year ended September 30, 2017, were $4,846,090 to the FRS and $605,102 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2017, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017. 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	$ 54,182,208	$ 12,036,096
Proportion at:		
Current measurement date	0.1832%	0.1126%
Prior measurement date	0.1785%	0.1080%
Pension expense (benefit)	$ 9,202,716	$ 1,026,854

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, 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	$ 4,972,623	$ 300,142	$ -	$ 25,061
Changes of assumptions	18,209,047	-	1,691,861	1,040,774
Net difference between projected and actual earnings on pension plan investments	-	1,342,771	6,675	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,459,942	1,723,452	823,643	144,588
Employer contributions subsequent to the measurement date	1,338,257	-	159,270	-
TOTALS	$ 27,979,869	$ 3,366,365	$ 2,681,449	$ 1,210,423

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
2018	$ 2,978,366	$ 307,509
2019	7,716,893	307,509
2020	5,673,426	307,509
2021	1,632,600	276,591
2022	3,936,484	183,216
Thereafter	1,337,478	(70,578)
TOTAL	$23,275,247	$ 1,311,756

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2017. The total pension liabilities for FRS pension plans was determined by an actuarial valuation dated July 1, 2017. For the Retiree Health Insurance Subsidy (HIS) Program, the total pension liability was determined by an actuarial valuation dated July 1, 2016, rolled forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.10%	N/A
Discount rate	7.10%	3.58%

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

For both plans, the actuarial assumptions 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 2017:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.60% to 7.10%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.85% to 3.58%.

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.

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%	4.50%	4.40%
Global equity	53%	7.80%	6.60%
Real estate (property)	10%	6.60%	5.90%
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 7.10%. The FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees, therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.58% 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 (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Employer's proportionate share of the net pension liability	$ 98,066,524	$ 54,182,208	$ 17,748,171	$ 13,734,779	$ 12,036,096	$ 10,621,187

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, 2017, totaled $584,321.

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 $1,176,050 at September 30, 2017 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 $4,675,121 to the plan for the year ended September 30, 2017.

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

	Liability October 1,	Claims incurred	Claims paid	Liability at September 30
2016 - 2017	$ 1,400,801	$ 6,730,805	$ 6,955,556	$ 1,176,050
2015 - 2016	1,105,444	6,339,923	6,044,566	1,400,801

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, 2017, interfund balances consisted of:

NOTE 13 - Interfund Balances and Transfers: (continued)

	Due from other funds	Due to other funds
General fund	$ 131,997	$ 475,254
General fund advances	1,880,000	-
Capital Projects	195,255	42,180
Nonmajor governmental funds	319,840	111,714
Airport	3,050	23,210
Utility	1,028	19,456
Utility fund advances	-	1,880,000
Nonmajor business-type funds	5,690	13,604
Internal services fund	28,650	92
	$ 2,565,510	$ 2,565,510

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	$ 2,707,212	$ 186,457
Capital Projects	-	2,694,560
Nonmajor governmental funds	236,740	68,500
Nonmajor business-type funds	5,565	-
Total transfers	$ 2,949,517	$ 2,949,517

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, 2017. The main project for the County, is the Dune Restoration due to Hurricane Matthew. This project will be executed by segments and has different funding sources. At September 30, 2017, the County's significant construction commitments are as follows:

NOTE 14 - Commitments and Contingencies: (continued)

	Total Adjusted Contract Amounts	Remaining Commitments
North Dune Restoration Project	$ 22,528,236	$ 22,528,236
Roadway Constructions	18,393,762	14,309,723
Runway 11-29 Relocation/Extension	16,458,092	2,879,870
Water Treatment Plant Improvements	2,020,000	1,897,695

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. This is a single-employer defined benefit plan administrated by the County. Per Section 112.0801, 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 Pension Plan are eligible to participate in the plan. All employees of the FRS Pension Plan actively enrolled on or after July 1, 2001 thru June 30, 2011, are vested upon completing six years of creditable service regardless of their membership class. Employees initially enrolled on or after July 1, 2011, are vested upon completing eight years of creditable service, regardless of their membership class.

For regular class, elected officers' class and senior management service class employees initially enrolled before July 1, 2011, vested and age 62 or after 30 years of creditable service regardless of age (may include optional service credit). For employees initially enrolled on or after July 1, 2011, vested and age 65 or after 33 years of creditable service regardless of age (may include optional service credit).

For special risk employees initially enrolled before July 1, 2011, six years of special risk service and age 55; or 25 total years of special risk service and age 52 (may include up to four years of military service); or 25 years of special risk service regardless of age; or 30 years of any creditable service (may include up to four years of military service). For employees initially enrolled on or after July 1, 2011, eight years of special risk services and age 60; or after 30 total years of special risk service and age 57 (may include up to four years of military service); or after 30 years of special risk service regardless of age; or after 33 years of any creditable service (may include optional service credit and service in other membership classes). Employees who become disabled in the line of duty are allowed to continue coverage. Retirees may cover spouses and eligible dependent children. Surviving spouses and eligible dependent children 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	9/30/2017	9/30/2016	9/30/2015
Normal cost (service cost for one year)	$ 208,445	$ 237,844	$ 231,886
Amortization of UAAL	165,889	161,278	152,210
Interest on normal cost and amortization	14,973	15,965	15,364
Annual required contribution (ARC)	389,307	415,087	399,460
NOO at beginning of year	2,259,489	1,926,467	1,653,129
Annual required contribution (ARC)	389,307	415,087	399,460
Interest on NOO	90,035	80,655	71,365
Adjustment to ARC	(86,495)	(77,483)	(68,558)
Annual OPEB cost	392,847	418,259	402,267
Employer contribution	(342,671)	(85,237)	(128,929)
Increase in NOO	50,176	333,022	273,338
NOO at end of year	$ 2,309,665	$ 2,259,489	$ 1,926,467

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
2015	$ 402,267	$ 128,929	32%	$ 1,926,467
2016	418,259	85,237	20%	2,259,489
2017	392,847	342,671	87%	2,309,665

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 30 years. Health insurance trends start at 5.50% for the fiscal year ending in 2017 and 4.75% for 2018, grading down to 4.0% - the ultimate trend rate in 2019.

NOTE 16 – Restatement

Beginning balances of the governmental activities and the General Fund were restated primarily to correct prior ambulance revenues and to defer prior year Limited GO Bond Series 2009 & 2010 bond refunding loss amortization. In addition, corrections were made to 2016 interest payable and 2016 Sheriff Capital lease escrow. The effects of these restatements are summarized below:

	Governmental Activities	General Fund
Net position/Fund balance, September 30, 2016, as previously reported	$ 255,603,419	$ 17,336,973
Ambulance revenues	(1,649,324)	(2,012,205)
Deferred outflows-bond refunding	1,210,229	-
Interest payable	268,820	-
Capital lease payable	109,097	-
Net position/Fund balance, October 1, 2016, as restated	$ 255,542,241	$ 15,324,768

NOTE 17 - Subsequent Events Disclosure:

Tourist Development Tax Revenue Bond, Series 2017

On August 30, 2017, the County issued a Tourist Development Tax Revenue Bond, Series 2017, with an original face value of $6,536,000, to finance the costs of Flagler County beach restoration efforts in response to the damage caused by Hurricane Matthew. The amount drawn at closing was $560,000 and the remaining balance of $5,976,000 was withdrawn on 11/28/17. See Note 7 for additional information.

Taxable Tax Anticipation Note, Series 2017

On October 5, 2017, the County issued a $15,000,000 Taxable Tax Anticipation Note, Series 2017, bearing interest at a fixed rate of 1.82%, and maturing on February 1, 2018. The County, in its annual budget, budgeted and appropriated Ad Valorem Funds sufficient to pay the principal and interest on this Note. The proceeds from the Note were to pay for operating expenses and the associated costs of issuing this Note. The Note was paid off on January 1, 2018.

Taxable Special Assessment Revenue Note, Series 2018

On March 20, 2018, the County issued a $1,520,000 Taxable Special Assessment Note, Series 2018, bearing interest at a fixed rate of 3.94% and maturing July 1, 2033. The County, in its annual budget, budgeted and appropriated Special Assessment Tax Funds sufficient to pay the principal and interest on this Note. The proceeds from the Note were to fund the construction of a seawall to protect adjacent homes along the Painters Hill Shoreline.

Master Equipment Lease / Purchase Agreement

On May 24, 2018, the entered into a $13,730,000 Master Equipment Lease / Purchase Agreement for funding of a new Public Safety Communications Network. This Master Equipment Lease consists of two separate leases. Lease A represents Public Safety Equipment lease – Radios and Software in the amount of $5,230,000, bearing interest at a fixed rate of 3.30%, and maturing December 1, 2029. Lease B represents Public Safety Equipment Lease - Infrastructure in the amount of $8,500,000, bearing interest at a fixed rate of 3.42%, and maturing December 1, 2035. The County, in its annual budget, budgeted and appropriated Ad Valorem Funds and user fees sufficient to pay the principal and interest on the Leases.

Taxable Special Assessment Revenue Note, Series 2018B

On June 22, 2018, the County issued a $3,112,000 Taxable Special Assessment Note, Series 2018B, bearing interest at a fixed rate of 3.97% and maturing July 1, 2023. The County, in its annual budget, budgeted and appropriated Special Assessment Tax Funds sufficient to pay the principal and interest on this Note. The proceeds from the Note were to fund the restoration of emergency berm (dune) and partial engineered dune to mitigate against loss of land and structures.

NOTE 17 - Subsequent Events Disclosure: (continued)

Taxable Tax Anticipation Note, Series 2018

On September 25, 2018, the County issued a $15,000,000 Taxable Tax Anticipation Note, Series 2018, bearing a variable interest rate, and maturing on February 1, 2019. The County, in its annual budget, budgeted and appropriated Ad Valorem Funds sufficient to pay the principal and interest on this Note. The proceeds from the Note were to pay for operating expenses and the associated costs of issuing this Note.

Merger of the Fire Department of the City of Bunnell with Flagler County Fire Rescue

On August 15, 2017, the County received a letter from the Mayor of the City of Bunnell, requesting a Joint Workshop to discuss the possible merger of the City Fire Department with Flagler County Fire Rescue. A joint workshop was held on August 28, 2017 and both boards agreed the merger would be the best option for the City of Bunnell.

On October 2, 2017, an Interlocal Agreement was approved with the City of Bunnell for the merger of the City Fire Department with Flagler County Fire Rescue Department. In one of the sections of this interlocal agreement, the City agrees to transfer ownership of all assets related with Fire Suppression Services, so the county can provide this service within the City limits and unincorporated areas of the County. The transfers of all these assets are going to be reported in the County financial statements as of September 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	**Final**		
REVENUES				
Taxes	$ 60,359,003	$ 60,363,739	$ 58,015,987	$ (2,347,752)
Licenses and permits	32,000	37,017	37,017	-
Intergovernmental	4,726,526	5,175,139	5,675,563	500,424
Charges for services	8,965,041	9,278,128	8,125,436	(1,152,692)
Fines and forfeitures	182,000	182,000	126,568	(55,432)
Miscellaneous revenue	734,115	1,234,692	1,316,731	82,039
Investment income	6,000	149,218	147,245	(1,973)
TOTAL REVENUES	75,004,685	76,419,933	73,444,547	(2,975,386)
EXPENDITURES				
Current				
County commission	543,811	499,539	486,913	12,626
County administration	13,804,428	14,167,756	12,841,635	1,326,121
County attorney	718,725	588,868	659,442	(70,574)
County engineering	775,834	703,748	704,198	(450)
Recreation, Fleet and Facilities	5,538,665	5,961,670	5,880,080	81,590
Emergency services	36,464,740	42,849,592	40,712,438	2,137,154
Transportation	1,655,481	1,620,103	1,525,447	94,656
Agriculture agent	293,195	295,395	257,448	37,947
Community services	3,884,325	3,914,576	3,705,179	209,397
Public library	1,173,266	1,185,139	1,129,952	55,187
Veteran services	140,248	140,248	123,652	16,596
Medical examiner	355,061	355,061	338,592	16,469
Pre-trial services	67,733	67,733	56,815	10,918
Judiciary	939,421	938,224	937,213	1,011
Pooled expenditures	4,236,329	5,349,979	5,026,346	323,633
Federal and State grants	1,687,468	1,919,363	1,199,220	720,143
Capital projects	1,473,085	1,717,612	257,630	1,459,982
Debt service				
Principal retirement	1,477,152	3,171,712	3,341,752	(170,040)
Interest and fiscal charges	273,562	294,562	244,365	50,197
TOTAL EXPENDITURES	75,502,529	85,740,880	79,428,317	6,312,563
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(497,844)	(9,320,947)	(5,983,770)	3,337,177
OTHER FINANCING SOURCES (USES)				
Transfers in	451,082	3,160,281	2,707,212	(453,069)
Transfers out	(1,285,844)	(2,074,557)	(186,457)	1,888,100
Long term debt issued	-	1,021,000	1,021,000	-
Capital lease proceeds	-	-	-	-
Sale of Capital Assets	25,000	25,000	9,994	(15,006)
TOTAL OTHER FINANCING SOURCES (USES)	(809,762)	2,131,724	3,551,749	1,420,025
NET CHANGE IN FUND BALANCE	(1,307,606)	(7,189,223)	(2,432,021)	4,757,202
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,307,606	7,189,223	14,654,971	7,465,748
FUND BALANCES, END OF YEAR	$ -	$ -	12,222,950	$ 12,222,950
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	679,946	
FUND BALANCE, END OF YEAR - GAAP BASIS			$ 12,902,896	

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, 2017

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	$ 16,503,798	$ 21,133,011	$ 7,744,051	$ (13,388,960)
Investment income	5,000	5,000	27,703	22,703
Total revenues	16,508,798	21,138,011	7,771,754	(13,366,257)
EXPENDITURES				
Current				
Transportation	3,415,500	3,052,752	289,510	2,763,242
Capital Outlay	14,944,882	20,974,013	6,837,142	14,136,871
Total expenditures	18,360,382	24,026,765	7,126,652	16,900,113
Excess (deficiency) of revenues over expenditures	(1,851,584)	(2,888,754)	645,102	3,533,856
Fund balances-beginning	1,851,584	2,888,754	4,127,841	1,239,087
Fund balances-ending	$ -	$ -	$ 4,772,943	$ 4,772,943

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

Florida Retirement System	2017	2016	2015
Employer's proportion of net pension liability (asset)	0.1832%	0.1785%	0.1601%
Employer's proportionate share of the net pension liability (asset)	$54,182,208	$45,074,952	$20,680,574
Employer's covered payroll **	$35,947,885	$33,394,967	$31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	150.72%	134.98%	65.99%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%

Health Insurance Subsidy Program	2017	2016	2015
Employer's proportion of net pension liability (asset)	0.1126%	0.1080%	0.1033%
Employer's proportionate share of the net pension liability (asset)	$12,036,096	$12,583,713	$10,534,340
Employer's covered payroll **	$35,947,885	$33,394,967	$31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.48%	37.68%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	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 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 - FRS
LAST 10 FISCAL YEARS*

Florida Retirement System	2017	2016	2015
Contractually required contribution	$ 4,846,090	$ 3,314,059	$ 3,954,117
Contributions in relation to the contractually required contribution	4,846,090	3,314,059	3,954,117
Contribution deficiency (excess)	$ -	$ -	$ -
Employer's covered payroll **	$36,477,402	$34,970,520	$31,711,994
Contributions as a percentage of covered payroll	13.29%	9.48%	12.47%

Health Insurance Subsidy Program	2017	2016	2015
Contractually required contribution	$ 605,102	$ 573,674	$ 425,713
Contributions in relation to the contractually required contribution	605,102	573,674	425,713
Contribution deficiency (excess)	$ -	$ -	$ -
Employer's covered payroll **	$36,477,402	$34,970,520	$31,711,994
Contributions as a percentage of covered payroll	1.66%	1.64%	1.34%

Notes to schedules:
** Covered 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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2012	$ -	$ 4,272,162	$ 4,272,162	0%	$27,262,112	15.67%
10/1/2014	-	4,119,432	4,119,432	0%	31,711,994	12.99%
10/1/2016	-	4,489,658	4,489,658	0%	30,305,827	14.81%

Schedule of Employer Contribution

Year End September 30,	Annual Required Contribution	% of ARC
2015	399,460	32.28%
2016	415,087	20.54%
2017	389,307	88.02%

Notes:

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

FLAGLER COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS AND MAJOR DEBT SERVICE AND CAPITAL PROJECT FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS:

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

County Transportation Trust Fund

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

Legal Aid Fund

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

Law Enforcement Trust Fund

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

Law Library

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

Court Facilities

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

Tourist Development Tax – Capital

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

Tourist Development Tax – Promotion

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

Tourist Development Tax – Beach Restoration

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

Environmentally Sensitive Lands

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

SPECIAL REVENUE FUNDS: (continued)

Environmentally Sensitive Lands – 2008 Referendum
This fund was established to account for and report proceeds from the .25 mills voter approved ad valorem levy. Expenditures in this fund are restricted to acquire environmentally sensitive lands, recreation areas and water recharge areas within the County.

Utility Regulatory Authority

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

800 MGHZ Expansion

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

Transportation Impact Fees – West

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

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.

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

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)

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.

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.

SPECIAL REVENUE FUNDS: (continued)

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.

North MalaCompra District

This fund was established to account for and report proceeds from a special assessment for drainage improvements and maintenance from the developments in the District to the Intracoastal Waterway

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) and FS 28.37(2).

Clerk Court Technology

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

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.

NONMAJOR

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.

ESL Bond Sinking

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

Capital Construction 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 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.

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 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.

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.

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 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.

Marineland Acres District

This fund was established to account for and report proceeds from a special assessment for drainage improvements and maintenance from individual parcels in this district and carry it to the backbone outfall.

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds				
	County Transportation Trust	**Legal Aid**	**Law Enforcement Trust**	**Law Library**	**Court Facilities**
ASSETS					
Cash and cash equivalents	$ 375,387	$ 14,976	$ 35,606	$ 2,404	$ 87,869
Investments	775,866	-	-	-	634,366
Accounts receivable	3,882	14	-	6	1,762
Due from other funds	79,100	1,356	-	1,356	13,300
Due from other governments	409,290	-	-	-	-
Other assets	-	-	-	-	-
Total assets	1,643,525	16,346	35,606	3,766	737,297
LIABILITIES					
Accounts payable and accrued liabilities	177,701	11,269	85	1,401	20,679
Deposits	48,158	-	-	-	-
Due to other funds	6,519	-	-	-	769
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	232,378	11,269	85	1,401	21,448
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	1,411,147	5,077	35,521	2,365	715,849
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	1,411,147	5,077	35,521	2,365	715,849
Total liabilities and fund balances (deficits)	$ 1,643,525	$ 16,346	$ 35,606	$ 3,766	$ 737,297

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
$ 181,104	$ 277,727	$ 1,049,668	$ 7,428	$ 1,016	$ 21,766
2,147,295	1,171,587	1,341,024	132,339	960,711	-
2,850	1,853	1,957	172	1,207	17
-	9	-	-	18	-
-	74,981	112,156	-	-	-
-	20,000	-	-	-	-
2,331,249	1,546,157	2,504,805	139,939	962,952	21,783
230	81,572	50,446	8,357	157	-
-	-	-	-	-	-
-	11,755	-	-	-	-
-	39	15,500	-	-	-
-	-	-	-	-	-
230	93,366	65,946	8,357	157	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,331,019	1,452,791	2,438,859	-	-	-
-	-	-	-	-	-
-	-	-	131,582	962,795	-
-	-	-	-	-	-
-	-	-	-	-	21,783
2,331,019	1,452,791	2,438,859	131,582	962,795	21,783
$ 2,331,249	$ 1,546,157	$ 2,504,805	$ 139,939	$ 962,952	$ 21,783

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds (Continued)				
	800 MGHZ Expansion	Transportation Impact Fees West	Transportation Impact Fees East	New Transportation Impact Fees- East	Road Impact Fees- Palm Coast
ASSETS					
Cash and cash equivalents	$ 2,465	$ 4,323	$ 887,544	$ 4,524	$ 207,390
Investments	914,386	127,670	1,833,907	799,634	-
Accounts receivable	1,148	164	3,050	1,008	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	917,999	132,157	2,724,501	805,166	207,390
LIABILITIES					
Accounts payable and accrued liabilities	85	29	215	584	-
Deposits	900,000	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	207,390
Unearned revenue	-	-	-	-	-
Total liabilities	900,085	29	215	584	207,390
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	-	-	-	-	-
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	17,914	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	132,128	2,724,286	804,582	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	17,914	132,128	2,724,286	804,582	-
Total liabilities and fund balances (deficits)	$ 917,999	$ 132,157	$ 2,724,501	$ 805,166	$ 207,390

Daytona North Service District	Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ -	$ 196,161	$ 230,385	$ 467,187	$ 20,968	$ 22,576
834,183	-	-	-	-	-
1,113	417	-	-	-	20
11,228	-	-	-	-	22
111,068	-	-	-	-	-
-	-	-	-	-	-
957,592	196,578	230,385	467,187	20,968	22,618
1,073	266	225	108,722	-	17
-	-	-	-	-	-
81,702	-	-	499	-	58
-	-	-	-	-	-
-	-	-	196,479	20,968	-
82,775	266	225	305,700	20,968	75
-	-	-	-	-	-
	-	-	-	-	-
-	-	-	-	-	-
-					
	-	-	-	-	-
-	-	230,160	161,487	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	196,312	-	-	-	-
-	-	-	-	-	-
874,817	-	-	-	-	22,543
874,817	196,312	230,160	161,487	-	22,543
$ 957,592	$ 196,578	$ 230,385	$ 467,187	$ 20,968	$ 22,618

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	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	$ 27,047	$ 66,802	$ 138,906	$ 9,477	$ 1,495
Investments	-	-	1,311,494	-	-
Accounts receivable	15	28	9,368	11	3
Due from other funds	5	10	187	133	345
Due from other governments	4,623	2,222	3,574	-	-
Other assets	-	-	-	-	-
Total assets	31,690	69,062	1,463,529	9,621	1,843
LIABILITIES					
Accounts payable and accrued liabilities	323	17	67,757	-	1,133
Deposits	-	-	-	-	-
Due to other funds	204	216	1,316	-	-
Due to other governments	-	-	8,944	-	-
Unearned revenue	8,980	33,421	-	-	-
Total liabilities	9,507	33,654	78,017	-	1,133
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	1,385,512	9,621	710
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	22,183	35,408	-	-	-
Total fund balances (deficits)	22,183	35,408	1,385,512	9,621	710
Total liabilities and fund balances (deficits)	$ 31,690	$ 69,062	$ 1,463,529	$ 9,621	$ 1,843

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ 140,829	$ 470	$ 14,034	$ 31,879	$ 1,735	$ 225,969
628,114	-	45,493	-	-	718,354
899	11	79	20	4	1,075
16,324	1,356	1,998	1,357	1,399	3
-	-	-	-	-	17,781
17,350	-	-	-	-	25,846
803,516	1,837	61,604	33,256	3,138	989,028
80,965	-	2,543	8,997	1,136	286,469
-	-	-	-	-	-
363	-	-	261	10	1,578
3,876	-	774	-	-	72
-	-	-	-	-	-
85,204	-	3,317	9,258	1,146	288,119
-	-	-	-	-	-
					-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
718,312	1,837	58,287	23,998	1,992	700,909
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
718,312	1,837	58,287	23,998	1,992	700,909
$ 803,516	$ 1,837	$ 61,604	$ 33,256	$ 3,138	$ 989,028

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds (Continued)			
	North Malacompra District	Court Operations	Clerk Court Technology	Records Modernization
ASSETS				
Cash and cash equivalents	$ 34,746	$ 231,330	$ 219,566	$ 151,507
Investments	-	-	-	-
Accounts receivable	29	4,242	219	121
Due from other funds	144	899	-	-
Due from other governments	-	39,057	1,955	780
Prepaid	-	32,670	-	-
Other assets	-	1,833	-	-
Total assets	34,919	310,031	221,740	152,408
LIABILITIES				
Accounts payable and accrued liabilities	22	23,804	85	26
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	253,557	-	-
Unearned revenue	-	-	-	-
Total liabilities	22	277,361	85	26
DEFERRED INFLOWS OF RESOURCES				
Unavailable resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable				
Parks and recreation	-	-	-	-
Prepaids	-	32,670	-	-
Restricted for				
Bond covenants or debt service	-	-	-	-
Grant programs and projects	-	-	-	-
Federal and state law	-	-	221,655	152,382
Capital projects and acquisitions	34,897	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	-	-	-
Other purposes		-	-	-
Total fund balances (deficits)	34,897	32,670	221,655	152,382
Total liabilities and fund balances (deficits)	$ 34,919	$ 310,031	$ 221,740	$ 152,408

Special Revenue Funds (Continued)

Federal Equitable Sharing Fund	Law Enforcement Education	Inmate Welfare	Total
$ 1,177	$ 427	$ 12,876	$ 5,408,746
-	-	-	14,376,423
-	-	18,374	55,138
-	-	200	130,749
-	-	-	777,487
-	-	-	32,670
-	-	-	65,029
1,177	427	31,450	20,846,242
-	-	-	936,390
-	-	-	948,158
-	-	-	105,250
-	-	-	490,152
-	-	-	259,848
-	-	-	2,739,798
-	-	-	-
-	-	-	-
-	-	-	32,670
-	-	-	391,647
-	-	-	6,222,669
1,177	427	31,450	5,478,228
-	-	-	1,147,188
-	-	-	196,312
-	-	-	3,660,996
-	-	-	976,734
1,177	427	31,450	18,106,444
$ 1,177	$ 427	$ 31,450	$ 20,846,242

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Debt Service Funds				
	ESL 2008 Referendum	ESL Bond Sinking	Capital Construction GO Issue	Capital Improvements & Refunding Series 2015	Total
ASSETS					
Cash and cash equivalents	$ 29,985	$ 18,620	$ 36,684	$ 2,198,962	$ 2,284,251
Investments	334,855	26,270	383,504	920,155	1,664,784
Accounts receivable	443	47	508	2,291	3,289
Due from other funds	972	537	1,834	147,387	150,730
Due from other governments	-	-	-	273,906	273,906
Prepaid	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	366,255	45,474	422,530	3,542,701	4,376,960
LIABILITIES					
Accounts payable and accrued liabilities	327	137	224	337	1,025
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	327	137	224	337	1,025
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	365,928	45,337	422,306	3,542,364	4,375,935
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	365,928	45,337	422,306	3,542,364	4,375,935
Total liabilities and fund balances (deficits)	$ 366,255	$ 45,474	$ 422,530	$ 3,542,701	$ 4,376,960

Capital Projects Funds					
Beach Front Parks	Park Maintenance Trust	Capital Improvement Revenue Bonds Series 2015	Marineland Acres District	Total	Total Non-Major Governmental Funds
$ 5,793	$ 45,790	$ 124,332	$ 117,390	$ 293,305	$ 7,986,302
386,467	695,444	1,358,212	-	2,440,123	18,481,330
490	895	1,760	90	3,235	61,662
-	37,873	-	488	38,361	319,840
-	-	-	-	-	1,051,393
-	-	-	-	-	32,670
-	-	-	-	-	65,029
392,750	780,002	1,484,304	117,968	2,775,024	27,998,226
87	531	9,223	74	9,915	947,330
-	-	-	-	-	948,158
-	3,824	2,640	-	6,464	111,714
-	-	-	-	-	490,152
-	-	-	-	-	259,848
87	4,355	11,863	74	16,379	2,757,202
-	-	-	-	-	-
-	540,000	-	-	540,000	540,000
-	-	-	-	-	32,670
				-	
-	-	-	-	-	4,767,582
-	-	-	-	-	6,222,669
-	-	-	-	-	5,478,228
392,663	-	1,472,441	117,894	1,982,998	3,130,186
-	-	-	-	-	196,312
-	-	-	-	-	3,660,996
-	235,647	-	-	235,647	1,212,381
392,663	775,647	1,472,441	117,894	2,758,645	25,241,024
$ 392,750	$ 780,002	$ 1,484,304	$ 117,968	$ 2,775,024	$ 27,998,226

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds				
	County Transportation Trust	**Legal Aid**	**Law Enforcement Trust**	**Law Library**	**Court Facilities**
REVENUES					
Taxes	$ 909,245	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	992,598	-	-	-	-
Charges for services	519,539	-	-	-	-
Fines and forfeitures	-	15,136	-	15,104	178,992
Miscellaneous revenue	18,300	-	-	-	-
Investment income	6,872	86	108	24	5,607
Total revenues	2,446,554	15,222	108	15,128	184,599
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	30,784	-	-
Physical environment	-	-	-	-	-
Transportation	2,080,102	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,079	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	10,848	258,730
Capital Outlay	1,699	-	-	-	2,071
Debt service					
Principal retirement	37,656	-	-	-	-
Interest and fiscal charges	5,892	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	2,125,349	45,079	30,784	10,848	260,801
Excess (deficiency) of revenues over expenditures	321,205	(29,857)	(30,676)	4,280	(76,202)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	27,500	-	-	-
Transfers out	-	-	-	(6,561)	-
Long term debt issued	-	-	-	-	-
Total other financing sources (uses)	-	27,500	-	(6,561)	-
Net change in fund balances	321,205	(2,357)	(30,676)	(2,281)	(76,202)
Fund balances-beginning	1,089,942	7,434	66,197	4,646	792,051
Fund balances-ending	$ 1,411,147	$ 5,077	$ 35,521	$ 2,365	$ 715,849

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
$ 274,555	$ 1,205,902	$ 733,511	$ -	$ 18	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	210	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	20	-	-	-	-
17,821	10,091	11,468	1,089	7,737	60
292,376	1,216,223	744,979	1,089	7,755	60
-	-	-	-	-	-
-	-	-	-	-	-
-	-	359,168	15,464	880	-
-	-	-	-	-	-
-	1,421,997	-	-	-	-
-	-	-	-	-	-
334,085	-	-	-	-	-
-	-	-	-	-	-
-	5,028	-	-	-	-
-	-	-	-	-	-
-	-	34,091	-	-	-
-	-	-	-	-	-
334,085	1,427,025	393,259	15,464	880	-
(41,709)	(210,802)	351,720	(14,375)	6,875	60
-	-	-	-	-	-
-	-	-	-	-	-
-	-	560,000	-	-	-
-	-	560,000	-	-	-
(41,709)	(210,802)	911,720	(14,375)	6,875	60
2,372,728	1,663,593	1,527,139	145,957	955,920	21,723
$ 2,331,019	$ 1,452,791	$ 2,438,859	$ 131,582	$ 962,795	$ 21,783

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds (Continued)				
	800 MGHZ Expansion	Transportation Impact Fees West	Transportation Impact Fees East	New Transportation Impact Fees- East	Road Impact Fees- Palm Coast
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	277,484
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	7,360	1,041	16,577	6,456	1,636
Total revenues	7,360	1,041	16,577	6,456	279,120
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	578	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	155	3,457	3,369	924,946
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	2,651
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	578	155	3,457	3,369	927,597
Excess (deficiency) of revenues over expenditures	6,782	886	13,120	3,087	(648,477)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	9,981	-	-
Transfers out	-	-		-	(9,981)
Long term debt issued	-	-	-	-	-
Total other financing sources (uses)	-	-	9,981	-	(9,981)
Net change in fund balances	6,782	886	23,101	3,087	(658,458)
Fund balances-beginning	11,132	131,242	2,701,185	801,495	658,458
Fund balances-ending	$ 17,914	$ 132,128	$ 2,724,286	$ 804,582	$ -

Special Revenue Funds (Continued)

Daytona North Service District	Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ 74,322	$ -	$ -	$ -	$ -	$ -
263,748	81,116	-	-	-	5,416
-	-	-	-	-	-
98,593	-	-	670,706	201	-
-	-	-	128	-	-
-	-	-	-	-	-
-	-	-	97,278	-	-
6,991	501	162	525	-	76
443,654	81,617	162	768,637	201	5,492
32,474	-	-	-	-	-
-	-	-	116,692	-	-
-	-	-	-	-	-
265,487	-	-	-	-	3,183
-	-	1,150	554,013	201	-
-	-	-	-	-	-
-	25	-	-	-	-
-	-	-	-	-	-
-	1,262	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
297,961	1,287	1,150	670,705	201	3,183
145,693	80,330	(988)	97,932	-	2,309
1,067	-	-	-	-	22
-	-	-	-	-	-
-	-	-	-	-	-
1,067	-	-	-	-	22
146,760	80,330	(988)	97,932	-	2,331
728,057	115,982	231,148	63,555	-	20,212
$ 874,817	$ 196,312	$ 230,160	$ 161,487	$ -	$ 22,543

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	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	1,345	2,439	-	-	-
Licenses and permits	-	-	846,073	-	-
Intergovernmental	10,619	4,966	925	-	-
Charges for services	-	-	3,071	-	-
Fines and forfeitures	-	-	1,700	7,986	3,674
Miscellaneous revenue	-	-	4,428	-	-
Investment income	57	109	10,934	35	23
Total revenues	12,021	7,514	867,131	8,021	3,697
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	704,033	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	6,302	3,082	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	13,536
Capital Outlay	-	-	45,014	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	6,302	3,082	749,047	-	13,536
Excess (deficiency) of revenues over expenditures	5,719	4,432	118,084	8,021	(9,839)
OTHER FINANCING SOURCES (USES)					
Transfers in	5	10	-	-	-
Transfers out	-	-	-	(4,949)	-
Long term debt issued	-	-	-	-	-
Total other financing sources (uses)	5	10	-	(4,949)	-
Net change in fund balances	5,724	4,442	118,084	3,072	(9,839)
Fund balances-beginning	16,459	30,966	1,267,428	6,549	10,549
Fund balances-ending	$ 22,183	$ 35,408	$ 1,385,512	$ 9,621	$ 710

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	517,211
-	-	-	-	-	300
250,754	15,090	22,851	15,071	18,660	-
-	-	-	-	-	-
5,995	25	431	190	73	6,104
256,749	15,115	23,282	15,261	18,733	523,615
-	-	-	-	-	-
-	-	5,201	-	-	385,169
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
249,516	-	-	121,531	74,039	-
152,450	-	-	-	-	274,011
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
401,966	-	5,201	121,531	74,039	659,180
(145,217)	15,115	18,081	(106,270)	(55,306)	(135,565)
-	-	-	103,258	52,983	-
-	(14,459)	(15,000)	-	-	-
-	-	-	-	-	-
-	(14,459)	(15,000)	103,258	52,983	-
(145,217)	656	3,081	(3,012)	(2,323)	(135,565)
863,529	1,181	55,206	27,010	4,315	836,474
$ 718,312	$ 1,837	$ 58,287	$ 23,998	$ 1,992	$ 700,909

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds (Continued)			
	North Malacompra District	Court Operations	Clerk Court Technology	Records Modernization
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Special assessments/Impact fees	35,432	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	468,196	-	-
Charges for services	-	1,127,977	238,216	81,610
Fines and forfeitures	-	163,752	33,783	-
Miscellaneous revenue	-	450	-	-
Investment income	100	6,256	442	302
Total revenues	35,532	1,766,631	272,441	81,912
EXPENDITURES				
Current				
General government	-	-	-	67,514
Public safety	-	-	-	-
Physical environment	778	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	1,754,516	258,129	-
Capital Outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	778	1,754,516	258,129	67,514
Excess (deficiency) of revenues over expenditures	34,754	12,115	14,312	14,398
OTHER FINANCING SOURCES (USES)				
Transfers in	143	20,555	-	-
Transfers out	-	-	(17,550)	-
Long term debt issued	-	-	-	-
Total other financing sources (uses)	143	20,555	(17,550)	-
Net change in fund balances	34,897	32,670	(3,238)	14,398
Fund balances-beginning	-	-	224,893	137,984
Fund balances-ending	$ 34,897	$ 32,670	$ 221,655	$ 152,382

Special Revenue Funds (Continued)

Federal Equitable Sharing Fund	Law Enforcement Education	Inmate Welfare	Total
$ -	$ -	$ -	$ 3,197,553
-	-	-	389,496
-	-	-	846,073
-	-	-	3,041,709
-	10,000	92,196	2,073,037
-	-	-	742,553
-	-	-	120,476
-	-	-	133,364
-	10,000	92,196	10,544,261
-	-	-	99,988
24,972	10,000	82,873	1,360,302
-	-	-	376,290
-	-	-	3,280,699
-	-	-	1,977,361
-	-	-	54,463
-	-	-	334,110
-	-	-	2,740,845
-	-	-	484,186
			-
-	-	-	37,656
-	-	-	39,983
-	-	-	-
24,972	10,000	82,873	10,785,883
(24,972)	-	9,323	(241,622)
-	-	-	215,524
-	-	-	(68,500)
-	-	-	560,000
-	-	-	707,024
(24,972)	-	9,323	465,402
26,149	427	22,127	17,641,042
$ 1,177	$ 427	$ 31,450	$ 18,106,444

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Debt Service Funds				
	ESL 2008 Referendum	ESL Bond Sinking	Capital Construction GO Issue	Capital Improvements & Refunding Series 2015	Total
REVENUES					
Taxes	$ 1,094,289	$ 692,521	$ 1,894,251	$ 190,010	$ 3,871,071
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	3,023,473	3,023,473
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	1	-	1
Investment income	4,111	1,426	5,575	10,951	22,063
Total revenues	1,098,400	693,947	1,899,827	3,224,434	6,916,608
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					-
Principal retirement	600,000	645,000	935,000	1,165,000	3,345,000
Interest and fiscal charges	317,696	23,381	853,936	1,796,275	2,991,288
Other debt service costs	1,981	650	2,033	2,367	7,031
Total expenditures	919,677	669,031	1,790,969	2,963,642	6,343,319
Excess (deficiency) of revenues over expenditures	178,723	24,916	108,858	260,792	573,289
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	178,723	24,916	108,858	260,792	573,289
Fund balances-beginning	187,205	20,421	313,448	3,281,572	3,802,646
Fund balances-ending	$ 365,928	$ 45,337	$ 422,306	$ 3,542,364	$ 4,375,935

Capital Projects Funds						
Beach Front Parks	Park Maintenance Trust	Capital Improvement Revenue Bonds Series 2015	Marineland Acres District	Total	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 7,068,624
-	-	-	119,783	119,783	509,279
-	-	-	-	-	846,073
-	-	-	-	-	6,065,182
-	-	-	-	-	2,073,037
-	-	-	-	-	742,553
-	-	-	-	-	120,477
3,129	5,911	13,398	271	22,709	178,136
3,129	5,911	13,398	120,054	142,492	17,603,361
-	-	4,066	2,396	6,462	106,450
-	-	52,198	-	52,198	1,412,500
-	-	-	-	-	376,290
-	-	-	248	248	3,280,947
-	-	-	-	-	1,977,361
-	-	-	-	-	54,463
478	28,206	-	-	28,684	362,794
-	-	-	-	-	2,740,845
-	-	456,251	-	456,251	940,437
-	-	-	-	-	3,382,656
-	-	-	-	-	3,031,271
-	-	-	-	-	7,031
478	28,206	512,515	2,644	543,843	17,673,045
2,651	(22,295)	(499,117)	117,410	(401,351)	(69,684)
-	20,732	-	484	21,216	236,740
-	-	-	-	-	(68,500)
-	-	-	-	-	560,000
-	20,732	-	484	21,216	728,240
2,651	(1,563)	(499,117)	117,894	(380,135)	658,556
390,012	777,210	1,971,558	-	3,138,780	24,582,468
$ 392,663	$ 775,647	$ 1,472,441	$ 117,894	$ 2,758,645	$ 25,241,024

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 805,651	$ 805,651	$ 909,245	$ 103,594
Intergovernmental	823,137	823,137	992,598	169,461
Charges for services	478,400	478,400	519,539	41,139
Miscellaneous revenue	5,300	5,300	18,300	13,000
Investment income	600	600	6,872	6,272
Total revenues	2,113,088	2,113,088	2,446,554	333,466
EXPENDITURES				
Current				
Public works	2,729,741	2,729,703	2,080,102	649,601
Capital outlay		1,700	1,699	1
Debt Service				
Principal retirement	43,693	43,693	37,656	6,037
Interest and fiscal charges	5,912	4,250	5,892	(1,642)
Total expenditures	2,779,346	2,779,346	2,125,349	653,997
Excess (deficiency) of revenues over expenditures	(666,258)	(666,258)	321,205	987,463
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,500)	(10,500)	-	10,500
Net change in fund balances	(676,758)	(676,758)	321,205	997,963
Fund balances-beginning	676,758	676,758	1,089,942	413,184
Fund balances-ending	$ -	$ -	$ 1,411,147	$ 1,411,147

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 15,000	$ 15,000	$ 15,136	$ 136
Investment income	35	35	86	51
Total revenues	15,035	15,035	15,222	187
EXPENDITURES				
Current				
Legal aid	48,616	48,616	45,079	3,537
Excess (deficiency) of revenues over expenditures	(33,581)	(33,581)	(29,857)	3,724
OTHER FINANCING SOURCES (USES)				
Transfers in	27,500	27,500	27,500	-
Net change in fund balances	(6,081)	(6,081)	(2,357)	3,724
Fund balances-beginning	6,081	6,081	7,434	1,353
Fund balances-ending	$ -	$ -	$ 5,077	$ 5,077

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ -	$ (20,000)
Investment income	100	100	108	8
Total revenues	20,100	20,100	108	(19,992)
EXPENDITURES				
Current				
Public safety	51,244	85,294	30,784	54,510
Excess (deficiency) of revenues over expenditures	(31,144)	(65,194)	(30,676)	34,518
Fund balances-beginning	31,144	65,194	66,197	1,003
Fund balances-ending	$ -	$ -	$ 35,521	$ 35,521

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,680	$ 13,680	$ 15,104	$ 1,424
Investment income	20	20	24	4
Total revenues	13,700	13,700	15,128	1,428
EXPENDITURES				
Current				
Public library	11,100	11,100	10,848	252
Excess (deficiency) of revenues over expenditures	2,600	2,600	4,280	1,680
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,542)	(6,561)	(6,561)	-
Net change in fund balances	58	(3,961)	(2,281)	1,680
Fund balances-beginning	(58)	3,961	4,646	685
Fund balances-ending	$ -	$ -	$ 2,365	$ 2,365

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 250,000	$ 250,000	$ 178,992	$ (71,008)
Investment income	4,000	4,000	5,607	1,607
Total revenues	254,000	254,000	184,599	(69,401)
EXPENDITURES				
Current				
Judiciary	872,211	872,211	258,730	613,481
Capital Outlay	247,000	247,000	2,071	244,929
Total expenditures	1,119,211	1,119,211	260,801	858,410
Excess (deficiency) of revenues over expenditures	(865,211)	(865,211)	(76,202)	789,009
Fund balances-beginning	865,211	865,211	792,051	(73,160)
Fund balances-ending	$ -	$ -	$ 715,849	$ 715,849

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT TAX- CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 450,000	$ 450,000	$ 274,555	$ (175,445)
Investment income	3,000	3,000	17,821	14,821
Total revenues	453,000	453,000	292,376	(160,624)
EXPENDITURES				
Current				
Tourist development	2,108,953	2,108,953	334,085	$ 1,774,868
Excess (deficiency) of revenues over expenditures	(1,655,953)	(1,655,953)	(41,709)	1,614,244
Fund balances-beginning	1,655,953	1,655,953	2,372,728	716,775
Fund balances-ending	$ -	$ -	$ 2,331,019	$ 2,331,019

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT TAX - PROMOTION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,325,000	$ 1,325,000	$ 1,205,902	$ (119,098)
Intergovernmental	-	-	210	210
Miscellaneous revenue			20	20
Investment income	2,000	2,000	10,091	8,091
Total revenues	1,327,000	1,327,000	1,216,223	(110,777)
EXPENDITURES				
Current				
Tourist development	3,017,844	3,017,844	1,427,025	$ 1,590,819
Excess (deficiency) of revenues over expenditures	(1,690,844)	(1,690,844)	(210,802)	1,480,042
Fund balances-beginning	1,690,844	1,690,844	1,663,593	(27,251)
Fund balances-ending	$ -	$ -	$ 1,452,791	$ 1,452,791

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT TAX - BEACH RESTORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 225,000	$ 225,000	$ 733,511	$ 508,511
Intergovernmental	1,000,000	6,375,000	-	(6,375,000)
Investment income	2,000	2,000	11,468	9,468
Total revenues	1,227,000	6,602,000	744,979	(5,857,021)
EXPENDITURES				
Current				
Tourist development	2,705,253	14,580,253	359,168	14,221,085
Debt Service				
Other debt service costs		60,000	34,091	25,909
Total expenditures	2,705,253	14,640,253	393,259	14,246,994
Excess (deficiency) of revenues over expenditures	(1,478,253)	(8,038,253)	351,720	8,389,973
OTHER FINANCIING SOURCES (USES)				
Long term debt issued	-	6,560,000	560,000	(6,000,000)
Net change in fund balance	(1,478,253)	(1,478,253)	911,720	2,389,973
Fund balances-beginning	1,478,253	1,478,253	1,527,139	48,886
Fund balances-ending	$ -	$ -	$ 2,438,859	$ 2,438,859

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 1,089	$ 89
EXPENDITURES				
Current				
Land management	6,250	45,100	15,464	29,636
Capital outlay	136,822	97,972	-	97,972
Total expenditures	143,072	143,072	15,464	127,608
Excess (deficiency) of revenues over expenditures	(142,072)	(142,072)	(14,375)	127,697
Fund balances-beginning	142,072	142,072	145,957	3,885
Fund balances-ending	$ -	$ -	$ 131,582	$ 131,582

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ -	$ 18	$ 18
Investment income	2,500	2,500	7,737	5,237
Total revenues	2,500	2,500	7,755	5,255
EXPENDITURES				
Current				
Land management	468,761	468,761	880	467,881
Capital outlay	471,383	471,383	-	471,383
Total expenditures	940,144	940,144	880	939,264
Excess (deficiency) of revenues over expenditures	(937,644)	(937,644)	6,875	944,519
Fund balances-beginning	937,644	937,644	955,920	18,276
Fund balances-ending	$ -	$ -	$ 962,795	$ 962,795

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 50	$ 50	$ 60	$ 10
EXPENDITURES				
Current				
Physical environment	21,776	21,776	-	21,776
Excess (deficiency) of revenues over expenditures	(21,726)	(21,726)	60	21,786
Fund balances-beginning	21,726	21,726	21,723	(3)
Fund balances-ending	$ -	$ -	$ 21,783	$ 21,783

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 2,500	$ 2,500	$ 7,360	$ 4,860
EXPENDITURES				
Current				
Public safety	911,999	911,999	578	911,421
Excess (deficiency) of revenues over expenditures	(909,499)	(909,499)	6,782	916,281
Fund balances-beginning	909,499	909,499	11,132	(898,367)
Fund balances-ending	$ -	$ -	$ 17,914	$ 17,914

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 300	$ 300	$ 1,041	$ 741
EXPENDITURES				
Current				
Transportation	131,091	131,091	155	130,936
Excess (deficiency) of revenues over expenditures	(130,791)	(130,791)	886	131,677
Fund balances-beginning	130,791	130,791	131,242	451
Fund balances-ending	$ -	$ -	$ 132,128	$ 132,128

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 1,510,289	$ 1,510,289	$ -	$ (1,510,289)
Investment income	3,000	3,000	16,577	13,577
Total revenues	1,513,289	1,513,289	16,577	(1,496,712)
EXPENDITURES				
Current				
Transportation	2,966,883	2,976,883	3,457	2,973,426
Capital outlay	1,510,289	1,500,289	-	1,500,289
Total expenditures	4,477,172	4,477,172	3,457	4,473,715
Excess (deficiency) of revenues over expenditures	(2,963,883)	(2,963,883)	13,120	2,977,003
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,981	9,981
Net change in fund balances	(2,963,883)	(2,963,883)	23,101	2,986,984
Fund balances-beginning	2,963,883	2,963,883	2,701,185	(262,698)
Fund balances-ending	$ -	$ -	$ 2,724,286	$ 2,724,286

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 700	$ 700	$ 6,456	$ 5,756
EXPENDITURES				
Current				
Transportation	798,270	798,270	3,369	794,901
Excess (deficiency) of revenues over expenditures	(797,570)	(797,570)	3,087	800,657
Fund balances-beginning	797,570	797,570	801,495	3,925
Fund balances-ending	$ -	$ -	$ 804,582	$ 804,582

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 1,258,497	$ 1,447,180	$ 277,484	$ (1,169,696)
Investment income	5,000	5,000	1,636	(3,364)
Total revenues	1,263,497	1,452,180	279,120	(1,173,060)
EXPENDITURES				
Current				
Transportation	868,786	2,521,690	924,946	1,596,744
Capital outlay	865,193	867,063	2,651	864,412
Total expenditures	1,733,979	3,388,753	927,597	2,461,156
Excess (deficiency) of revenues over expenditures	(470,482)	(1,936,573)	(648,477)	1,288,096
OTHER FINANCIING SOURCES (USES)				
Transfers out	-	-	(9,981)	(9,981)
Net change in fund balance	(470,482)	(1,936,573)	(658,458)	1,278,115
Fund balances-beginning	470,482	1,936,573	658,458	(1,278,115)
Fund balances-ending	$ -	$ -	$ -	$ -

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 65,292	$ 65,292	$ 74,322	$ 9,030
Special assessments	260,000	260,000	263,748	3,748
Intergovernmental			98,593	98,593
Investment income	1,500	1,500	6,991	5,491
Total revenues	326,792	326,792	443,654	116,862
EXPENDITURES				
Current				
Public works	984,778	984,778	297,961	686,817
Excess (deficiency) of revenues over expenditures	(657,986)	(657,986)	145,693	803,679
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	1,067	(433)
Net change in fund balances	(656,486)	(656,486)	146,760	803,246
Fund balances-beginning	656,486	656,486	728,057	71,571
Fund balances-ending	$ -	$ -	$ 874,817	$ 874,817

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 12,000	$ 12,000	$ 81,116	$ 69,116
Investment income	245	245	501	256
Total revenues	12,245	12,245	81,617	69,372
EXPENDITURES				
Current				
Recreation	63,773	63,773	25	63,748
Capital outlay	25,000	32,600	1,262	31,338
Total expenditures	88,773	96,373	1,287	95,086
Excess (deficiency) of revenues over expenditures	(76,528)	(84,128)	80,330	164,458
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,600)	-	-	-
Net change in fund balances	(84,128)	(84,128)	80,330	164,458
Fund balances-beginning	84,128	84,128	115,982	31,854
Fund balances-ending	$ -	$ -	$ 196,312	$ 196,312

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 210	$ 210	$ 162	$ (48)
EXPENDITURES				
Current				
CDBG grant	231,219	231,219	1,150	230,069
Excess (deficiency) of revenues over expenditures	(231,009)	(231,009)	(988)	230,021
Fund balances-beginning	231,009	231,009	231,148	139
Fund balances-ending	$ -	$ -	$ 230,160	$ 230,160

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 650,000	$ 820,786	$ 670,706	$ (150,080)
Charges for services	-	-	128	128
Miscellaneous revenue	-	-	97,278	97,278
Investment income	3,322	3,322	525	(2,797)
Total revenues	653,322	824,108	768,637	(55,471)
EXPENDITURES				
Current				
Economic environment	653,322	853,240	554,013	299,227
Public Safety		155,893	116,692	39,201
Total expenditures	653,322	1,009,133	670,705	338,428
Excess (deficiency) of revenues over expenditures	-	(185,025)	97,932	282,957
Fund balances-beginning		185,025	63,555	(121,470)
Fund balances-ending	$ -	$ -	$ 161,487	$ 161,487

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 21,445	$ 21,445	$ 201	$ (21,244)
EXPENDITURES				
Current				
CDBG grant	21,445	21,445	201	21,244
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BIMINI GARDENS MUNICIPAL SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 5,700	$ 5,700	$ 5,416	$ (284)
Investment income	20	20	76	56
Total revenues	5,720	5,720	5,492	(228)
EXPENDITURES				
Current				
Public works	23,632	23,632	3,183	20,449
Excess (deficiency) of revenues over expenditures	(17,912)	(17,912)	2,309	20,221
OTHER FINANCING SOURCES (USES)				
Transfers in	35	35	22	(13)
Net change in fund balances	(17,877)	(17,877)	2,331	20,208
Fund balances-beginning	17,877	17,877	20,212	2,335
Fund balances-ending	$ -	$ -	$ 22,543	$ 22,543

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 1,300	$ 1,300	$ 1,345	$ 45
Intergovernmental	600	600	10,619	10,019
Investment income	25	25	57	32
Total revenues	1,925	1,925	12,021	10,096
EXPENDITURES				
Current				
Mosquito control	17,394	17,394	6,302	11,092
Excess (deficiency) of revenues over expenditures	(15,469)	(15,469)	5,719	21,188
OTHER FINANCING SOURCES (USES)				
Transfers in	8	8	5	(3)
Net change in fund balances	(15,461)	(15,461)	5,724	21,185
Fund balances-beginning	15,461	15,461	16,459	998
Fund balances-ending	$ -	$ -	$ 22,183	$ 22,183

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 2,450	$ 2,450	$ 2,439	$ (11)
Intergovernmental	450	450	4,966	4,516
Investment income	40	40	109	69
Total revenues	2,940	2,940	7,514	4,574
EXPENDITURES				
Current				
Mosquito control	27,200	27,200	3,082	24,118
Excess (deficiency) of revenues over expenditures	(24,260)	(24,260)	4,432	28,692
OTHER FINANCING SOURCES (USES)				
Transfers in	15	15	10	(5)
Net change in fund balances	(24,245)	(24,245)	4,442	28,687
Fund balances-beginning	24,245	24,245	30,966	6,721
Fund balances-ending	$ -	$ -	$ 35,408	$ 35,408

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING DEPARTMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Licenses and permits	$ 682,590	$ 682,590	$ 846,073	$ 163,483
Intergovernmental	-	-	925	925
Charges for services	2,020	2,020	3,071	1,051
Fines and forfeitures	3,200	3,200	1,700	(1,500)
Miscellaneous revenue	1,500	1,500	4,428	2,928
Investment income	2,100	2,100	10,934	8,834
Total revenues	691,410	691,410	867,131	175,721
EXPENDITURES				
Current				
Building	1,677,208	1,677,208	704,033	973,175
Capital outlay	46,000	46,000	45,014	986
Total expenditures	1,723,208	1,723,208	749,047	974,161
Excess (deficiency) of revenues over expenditures	(1,031,798)	(1,031,798)	118,084	1,149,882
Fund balances-beginning	1,031,798	1,031,798	1,267,428	235,630
Fund balances-ending	$ -	$ -	$ 1,385,512	$ 1,385,512

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 5,200	$ 5,200	$ 7,986	$ 2,786
Investment income	10	10	35	25
Total revenues	5,210	5,210	8,021	2,811
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,949)	(11,499)	(4,949)	6,550
Net change in fund balances	261	(6,289)	3,072	9,361
Fund balances-beginning	(261)	6,289	6,549	260
Fund balances-ending	$ -	$ -	$ 9,621	$ 9,621

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 3,000	$ 3,000	$ 3,674	$ 674
Investment income	25	25	23	(2)
Total revenues	3,025	3,025	3,697	672
EXPENDITURES				
Current				
Judiciary	16,374	16,374	13,536	2,838
Excess (deficiency) of revenues over expenditures	(13,349)	(13,349)	(9,839)	3,510
Fund balances-beginning	13,349	13,349	10,549	(2,800)
Fund balances-ending	$ -	$ -	$ 710	$ 710

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 200,000	$ 200,000	$ 250,754	$ 50,754
Investment income	700	700	5,995	5,295
Total revenues	200,700	200,700	256,749	56,049
EXPENDITURES				
Current				
Judiciary	875,036	748,948	249,516	499,432
Capital outlay	52,784	178,872	152,450	26,422
Total expenditures	927,820	927,820	401,966	525,854
Excess (deficiency) of revenues over expenditures	(727,120)	(727,120)	(145,217)	581,903
Fund balances-beginning	727,120	727,120	863,529	136,409
Fund balances-ending	$ -	$ -	$ 718,312	$ 718,312

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Budget**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 15,300	$ 15,300	$ 15,090	$ (210)
Investment income	25	25	25	-
Total revenues	15,325	15,325	15,115	(210)
EXPENDITURES				
Current				
Judiciary	100	100	-	100
Excess (deficiency) of revenues over expenditures	15,225	15,225	15,115	(110)
OTHER FINANCING SOURCES (USES)				
Transfers out	(14,459)	(15,640)	(14,459)	1,181
Net change in fund balances	766	(415)	656	1,071
Fund balances-beginning	(766)	415	1,181	766
Fund balances-ending	$ -	$ -	$ 1,837	$ 1,837

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 22,851	$ 2,851
Investment income	200	200	431	231
Total revenues	20,200	20,200	23,282	3,082
EXPENDITURES				
Current				
Public safety	55,694	55,694	5,201	50,493
Excess (deficiency) of revenues over expenditures	(35,494)	(35,494)	18,081	53,575
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,000)	(15,000)	(15,000)	-
Net change in fund balances	(50,494)	(50,494)	3,081	53,575
Fund balances-beginning	50,494	50,494	55,206	4,712
Fund balances-ending	$ -	$ -	$ 58,287	$ 58,287

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,200	$ 13,200	$ 15,071	$ 1,871
Investment income	45	45	190	145
Total revenues	13,245	13,245	15,261	2,016
EXPENDITURES				
Current				
Judiciary	136,029	140,048	121,531	18,517
Excess (deficiency) of revenues over expenditures	(122,784)	(126,803)	(106,270)	20,533
OTHER FINANCING SOURCES (USES)				
Transfers in	99,239	103,258	103,258	-
Net change in fund balances	(23,545)	(23,545)	(3,012)	20,533
Fund balances-beginning	23,545	23,545	27,010	3,465
Fund balances-ending	$ -	$ -	$ 23,998	$ 23,998

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 23,000	$ 23,000	$ 18,660	$ (4,340)
Investment income	40	40	73	33
Total revenues	23,040	23,040	18,733	(4,307)
EXPENDITURES				
Current				
Judiciary	71,743	77,043	74,039	3,004
Excess (deficiency) of revenues over expenditures	(48,703)	(54,003)	(55,306)	(1,303)
OTHER FINANCING SOURCES (USES)				
Transfers in	47,683	52,983	52,983	-
Net change in fund balances	(1,020)	(1,020)	(2,323)	(1,303)
Fund balances-beginning	1,020	1,020	4,315	3,295
Fund balances-ending	$ -	$ -	$ 1,992	$ 1,992

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 459,217	$ 459,217	$ 517,211	$ 57,994
Charges for services	50	50	300	250
Investment income	1,200	1,200	6,104	4,904
Total revenues	460,467	460,467	523,615	63,148
EXPENDITURES				
Current				
Public safety	992,844	867,286	385,169	482,117
Capital outlay	150,000	299,708	274,011	25,697
Total expenditures	1,142,844	1,166,994	659,180	507,814
Excess (deficiency) of revenues over expenditures	(682,377)	(706,527)	(135,565)	570,962
OTHER FINANCING SOURCES (USES)				
Transfers in	-	24,150	-	(24,150)
	(682,377)	(682,377)	(135,565)	546,812
Fund balances-beginning	682,377	682,377	836,474	154,097
Fund balances-ending	$ -	$ -	$ 700,909	$ 700,909

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- NORTH MALACOMPRA DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 24,840	$ 24,840	$ 35,432	$ 10,592
Investment income	-	-	100	100
Total revenues	24,840	24,840	35,532	10,692
EXPENDITURES				
Capital Outlay	24,840	24,840	778	24,062
Excess (deficiency) of revenues over expenditures	-	-	34,754	34,754
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	143	143
Net change in fund balances	-	-	34,897	34,897
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 34,897	$ 34,897

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 530,055	$ 461,702	$ 468,196	$ 6,494
Charges for services	1,061,900	1,117,720	1,127,977	10,257
Fines and forfeitures	114,700	160,730	163,752	3,022
Miscellaneous revenue	-	-	450	450
Investment income	-	5,503	6,256	753
Total revenues	1,706,655	1,745,655	1,766,631	20,976
EXPENDITURES				
Current				
Judiciary	1,753,655	1,648,018	1,647,560	458
Excess (deficiency) of revenues over expenditures	(47,000)	97,637	119,071	21,434
OTHER FINANCING SOURCES (USES)				
Reversions to other governments	-	(97,637)	(106,956)	(9,319)
Transfers in - other funds	47,000	-	20,555	20,555
Transfers out - other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	47,000	(97,637)	(86,401)	11,236
Net change in fund balances	-	-	32,670	32,670
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 32,670	$ 32,670

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CLERK COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 200,000	$ 235,000	$ 238,216	$ 3,216
Fines and forfeitures	40,000	40,000	33,783	(6,217)
Investment income	4,300	4,800	442	(4,358)
Total revenues	244,300	279,800	272,441	(7,359)
EXPENDITURES				
Current				
Judiciary	243,877	289,377	258,129	31,248
Excess (deficiency) of revenues over expenditures	423	(9,577)	14,312	23,889
OTHER FINANCING SOURCES (USES)				
Transfers out - other funds	-	-	(17,550)	(17,550)
Net change in fund balances	423	(9,577)	(3,238)	6,339
Fund balances-beginning	(423)	9,577	224,893	215,316
Fund balances-ending	$ -	$ -	$ 221,655	$ 221,655

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 68,000	$ 81,175	$ 81,610	$ 435
Investment revenue	500	325	302	(23)
Total revenues	68,500	81,500	81,912	412
EXPENDITURES				
Current				
General government	31,770	67,560	67,514	46
Excess (deficiency) of revenues over expenditures	36,730	13,940	14,398	458
Fund balances-beginning	(36,730)	(13,940)	137,984	151,924
Fund balances-ending	$ -	$ -	$ 152,382	$ 152,382

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 15,000	$ 15,000	$ -	$ (15,000)
EXPENDITURES				
Current				
Public safety	15,000	15,000	24,972	(9,972)
Excess (deficiency) of revenues over expenditures	-	-	(24,972)	(24,972)
Fund balances-beginning	-	-	26,149	26,149
Fund balances-ending	$ -	$ -	$ 1,177	$ 1,177

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- INMATE WELFARE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ -	$ -	$ 92,196	$ 92,196
EXPENDITURES				
Current				
Public safety	-	-	82,873	(82,873)
Excess (deficiency) of revenues over expenditures	-	-	9,323	9,323
Fund balances-beginning	-	-	22,127	22,127
Fund balances-ending	$ -	$ -	$ 31,450	$ 31,450

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,138,512	$ 1,138,512	$ 1,094,289	$ (44,223)
Investment income	1,000	1,000	4,111	3,111
Total revenues	1,139,512	1,139,512	1,098,400	(41,112)
EXPENDITURES				
Debt service				
Principal retirement	847,337	847,337	600,000	247,337
Interest and fiscal charges	317,697	317,697	317,696	1
Other debt service costs	600	600	1,981	(1,381)
Total expenditures	1,165,634	1,165,634	919,677	245,957
Excess (deficiency) of revenues over expenditures	(26,122)	(26,122)	178,723	204,845
Fund balance-beginning	26,122	26,122	187,205	161,083
Fund balance-ending	$ -	$ -	$ 365,928	$ 365,928

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 720,586	$ 720,586	$ 692,521	$ (28,065)
Investment income	500	500	1,426	926
Total revenues	721,086	721,086	693,947	(27,139)
EXPENDITURES				
Debt service				
Principal retirement	663,422	663,422	645,000	18,422
Interest and fiscal charges	24,207	24,207	23,381	826
Other debt service costs	900	900	650	250
Total expenditures	688,529	688,529	669,031	19,498
Excess (deficiency) of revenues over expenditures	32,557	32,557	24,916	(7,641)
Fund balance-beginning	(32,557)	(32,557)	20,421	52,978
Fund balance-ending	$ -	$ -	$ 45,337	$ 45,337

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION GO ISSUE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,970,645	$ 1,970,645	$ 1,894,251	$ (76,394)
Miscellaneous revenue	-	-	1	1
Investment income	2,000	2,000	5,575	3,575
Total revenues	1,972,645	1,972,645	1,899,827	(72,818)
EXPENDITURES				
Debt service				
Principal retirement	935,000	935,000	935,000	-
Interest and fiscal charges	854,763	853,938	853,936	2
Other debt service costs	1,000	2,075	2,033	42
Total expenditures	1,790,763	1,791,013	1,790,969	44
Excess (deficiency) of revenues over expenditures	181,882	181,632	108,858	(72,774)
Fund balance-beginning	(181,882)	(181,632)	313,448	495,080
Fund balance-ending	$ -	$ -	$ 422,306	$ 422,306

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 200,000	$ 200,000	$ 190,010	$ (9,990)
Intergovernmental	2,840,981	2,840,981	3,023,473	182,492
Investment income	2,000	2,000	10,951	8,951
Total revenues	3,042,981	3,042,981	3,224,434	181,453
EXPENDITURES				
Debt service				
Principal retirement	1,165,000	1,165,000	1,165,000	-
Interest and fiscal charges	1,796,276	1,796,276	1,796,275	1
Other debt service costs	5,825	5,825	2,367	3,458
Total expenditures	2,967,101	2,967,101	2,963,642	3,459
Excess (deficiency) of revenues over expenditures	75,880	75,880	260,792	184,912
Fund balance-beginning	(75,880)	(75,880)	3,281,572	3,357,452
Fund balance-ending	$ -	$ -	$ 3,542,364	$ 3,542,364

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 2,342,334	$ 2,342,334	$ -	$ (2,342,334)
Investment income	1,000	1,000	20,432	19,432
Total revenues	2,343,334	2,343,334	20,432	(2,322,902)
EXPENDITURES				
Land management	2,962,127	2,962,127	5,861	2,956,266
Excess (deficiency) of revenues over expenditures	(618,793)	(618,793)	14,571	633,364
Fund balances-beginning	618,793	618,793	613,184	(5,609)
Fund balances-ending	$ -	$ -	$ 627,755	$ 627,755

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 2,496,115	$ 2,496,115	$ 2,588,006	$ 91,891
Intergovernmental	800,000	1,480,000	138,773	(1,341,227)
Miscellaneous income	1,060,000	1,119,527	59,527	(1,060,000)
Investment income	3,000	3,000	41,874	38,874
Total revenues	4,359,115	5,098,642	2,828,180	(2,270,462)
EXPENDITURES				
Capital outlay	6,581,558	7,590,500	559,598	7,030,902
Excess (deficiency) of revenues over expenditures	(2,222,443)	(2,491,858)	2,268,582	4,760,440
OTHER FINANCING SOURCES (USES)				
Transfers in	1,085,000	1,085,000	-	(1,085,000)
Transfers out	(1,000,000)	(2,694,560)	(2,694,560)	-
TOTAL OTHER FINANCING SOURCES (USES)	85,000	(1,609,560)	(2,694,560)	(1,085,000)
Net change in fund balances	(2,137,443)	(4,101,418)	(425,978)	3,675,440
Fund balances-beginning	2,137,443	4,101,418	5,860,448	1,759,030
Fund balances-ending	$ -	$ -	$ 5,434,470	$ 5,434,470

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 500	$ 500	$ 3,129	$ 2,629
EXPENDITURES				
Current				
Recreation	386,573	386,573	478	386,095
Excess (deficiency) of revenues over expenditures	(386,073)	(386,073)	2,651	388,724
Fund balances-beginning	386,073	386,073	390,012	3,939
Fund balances-ending	$ -	$ -	$ 392,663	$ 392,663

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 500	$ 500	$ 5,911	$ 5,411
EXPENDITURES				
Current				
Recreation	804,095	824,828	28,206	796,622
Excess (deficiency) of revenues over expenditures	(803,595)	(824,328)	(22,295)	802,033
OTHER FINANCIING SOURCES (USES)				
Transfers in	-	20,733	20,732	(1)
Net change in fund balance	(803,595)	(803,595)	(1,563)	802,032
Fund balances-beginning	803,595	803,595	777,210	(26,385)
Fund balances-ending	$ -	$ -	$ 775,647	$ 775,647

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 7,500	$ 7,500	$ 13,398	$ 5,898
EXPENDITURES				
Capital outlay	1,255,110	1,935,086	512,515	1,422,571
Excess (deficiency) of revenues over expenditures	(1,247,610)	(1,927,586)	(499,117)	1,428,469
Fund balances-beginning	1,247,610	1,927,586	1,971,558	43,972
Fund balances-ending	$ -	$ -	$ 1,472,441	$ 1,472,441

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS - MARINELAND ACRES DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 133,545	$ 133,545	$ 119,783	$ (13,762)
Investment income	-	-	271	271
Total revenues	133,545	133,545	120,054	(13,491)
EXPENDITURES				
Capital outlay	133,545	133,545	2,644	130,901
Excess (deficiency) of revenues over expenditures	-	-	117,410	117,410
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	484	484
Net change in fund balances	-	-	117,894	117,894
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 117,894	$ 117,894

FLAGLER COUNTY, FLORIDA
NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

ENTERPRISE FUNDS:

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

The County maintains the following non-major Enterprise Funds:

Landfill

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

Waste Management Fund

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

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION -
- NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Landfill Fund	Waste Management	Total
ASSETS			
Current assets			
Cash and equivalents	$ 1,653,141	$ 205,450	$ 1,858,591
Investments	1,443,256	419,161	1,862,417
Accounts receivable, net	3,096	12,608	15,704
Due from other funds	88	5,602	5,690
Due from other governments	91,000	151	91,151
Total current assets	3,190,581	642,972	3,833,553
Noncurrent assets			
Land and construction in progress	249,778	-	249,778
Other capital assets, net of accumulated depreciation	23,984	-	23,984
Total noncurrent assets	273,762	-	273,762
Total assets	3,464,343	642,972	4,107,315
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	43,839	22,890	66,729
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	37,201	111,275	148,476
Due to other governmental agencies	139	-	139
Due to other funds	626	12,978	13,604
Compensated absences	9,767	2,008	11,775
Net pension liability	369	204	573
Total current liabilities	48,102	126,465	174,567
Noncurrent liabilities			
OPEB liability	7,100	1,896	8,996
Net pension liability	96,542	50,853	147,395
Total noncurrent liabilities	103,642	52,749	156,391
Total liabilities	151,744	179,214	330,958
DEFERRED INFLOWS OF RESOURCES			
Pension related	8,688	3,941	12,629
NET POSITION			
Net investment in capital assets	273,762	-	273,762
Restricted for			
Future capital outlay	1,225,758	-	1,225,758
Unrestricted	1,848,229	482,708	2,330,937
Total net position	$ 3,347,749	$ 482,708	$ 3,830,457

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION- NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Landfill Fund	Waste Management	Total
OPERATING REVENUES			
Charges for services	$ 903	$ 1,419,147	$ 1,420,050
Miscellaneous	5	-	5
Total operating revenues	908	1,419,147	1,420,055
OPERATING EXPENSES			
Personal services	163,211	90,511	253,722
Vehicle fuel	1,259	-	1,259
Contractual services	36,585	1,393,682	1,430,267
Repairs and maintenance	2,110	5,213	7,323
Professional services	87,285	486	87,771
Utilities	3,230	115	3,345
Insurance	2,817	-	2,817
Rentals and leases	1,825	-	1,825
Depreciation	5,997	-	5,997
Miscellaneous	2,228	762	2,990
Total operating expenses	306,547	1,490,769	1,797,316
Operating income (loss)	(305,639)	(71,622)	(377,261)
Nonoperating revenues (expenses)			
Intergovernmental	91,000	151	91,151
Franchise fees	-	135,318	135,318
Interest income	17,128	5,893	23,021
Total nonoperating revenues (expenses)	108,128	141,362	249,490
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(197,511)	69,740	(127,771)
Transfers in	-	5,565	5,565
Change in net position	(197,511)	75,305	(122,206)
Net position-beginning	3,545,260	407,403	3,952,663
Net position-ending	$ 3,347,749	$ 482,708	$ 3,830,457

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Landfill	Waste Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 89,522	$ 1,414,974	$ 1,504,496
Payments to suppliers	(113,314)	(1,391,943)	(1,505,257)
Payments to employees	(156,029)	(85,285)	(241,314)
Increase (decrease) in due from other funds	(60)	6,529	6,469
Increase (decrease) in due to other funds	87	176	263
Other receipts	5	-	5
Net cash provided (used) by operating activities	(179,789)	(55,549)	(235,338)
NON-CAPITAL FINANCING ACTIVITIES			
Franchise fees	-	135,315	135,315
Transfers in	-	5,565	5,565
Net cash provided (used) by non-capital financing activities	-	140,880	140,880
CAPITAL AND RELATED FINANCING ACTIVTIES			
Acquistion and construction of capital assets	(7,000)	-	(7,000)
INVESTING ACTIVITIES			
Investment purchases	(11,830)	(705,099)	(716,929)
Proceeds from sale of investments	155,000	650,000	805,000
Interest on investments	17,763	5,944	23,707
Net cash provided (used) by investing activities	160,933	(49,155)	111,778
Net increase(decrease) in cash and equivalents	(25,856)	36,176	10,320
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,678,997	169,274	1,848,271
CASH AND EQUIVALENTS, END OF YEAR	$ 1,653,141	$ 205,450	$ 1,858,591
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (305,639)	$ (71,622)	$ (377,261)
Adjustment to reconcile operating loss to net cash used in operations:			
Depreciation	5,997	-	5,997
Changes in assets and liabilities:			
Accounts receivable	(698)	(4,173)	(4,871)
Due from other governments	89,317	-	89,317
Due from other funds	(60)	6,529	6,469
Accounts payable and accrued expenses	23,957	8,315	32,272
Due to other governments	68	-	68
Due to other funds	87	176	263
Compensated absences	(11)	1,250	1,239
OPEB liability	148	82	230
Net pension liability	7,045	3,894	10,939
Net cash provided (used) by operating activities	$ (179,789)	$ (55,549)	$ (235,338)
NONCASH INVESTING ACTIVITIES			
Change in fair market value of investments	$ (634)	$ (51)	$ (685)

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

FLAGLER COUNTY, FLORIDA
FIDUCIARY FUNDS DESCRIPTIONS

FIDUCIARY AGENCY FUNDS:

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

Clerk of the Circuit Court and Comptroller Agency

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

Sheriff Agency

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

Tax Collector Agency

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

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
SEPTEMBER 30, 2017

	Clerk Agency	Sheriff Agency	Tax Collector Agency	Total Agency Funds
ASSETS				
Cash and cash equivalents	$ 1,706,969	$ 12,722	$ 1,932,527	$ 3,652,218
Accounts receivable	6,889	-	84,204	91,093
Due from other governments	51	-	-	51
Total assets	1,713,909	12,722	2,016,731	3,743,362
LIABILITIES				
Due to other governments	76,335	-	-	76,335
Deposits	1,597,677	12,722	2,016,731	3,627,130
Other liabilities	39,897	-	-	39,897
Total liabilities	1,713,909	12,722	2,016,731	3,743,362
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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
CLERK OF COURT:				
ASSETS				
Cash and cash equivalents	$ 2,623,490	$ 10,362,682	$ 11,279,203	$ 1,706,969
Accounts receivable	-	6,889	-	6,889
Due from other governments	112	2,262	2,323	51
Total assets	$ 2,623,602	$ 10,371,833	$ 11,281,526	$ 1,713,909
LIABILITIES				
Due to other governments	$ 108,954	$ 1,726,734	$ 1,759,353	$ 76,335
Deposits	2,489,279	8,646,868	9,538,470	1,597,677
Other liabilities	25,369	9,455,090	9,440,562	39,897
Total liabilities	$ 2,623,602	$ 19,828,692	$ 20,738,385	$ 1,713,909

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
SHERIFF:				
ASSETS				
Cash and cash equivalents	$ 5,551	$ 930,823	$ 923,652	$ 12,722
Accounts receivable	4,214	-	4,214	-
Total assets	$ 9,765	$ 930,823	$ 927,866	$ 12,722
LIABILITIES				
Due to other governments	$ -	$ -	$ -	$ -
Deposits	9,765	930,823	927,866	12,722
Total liabilities	$ 9,765	$ 930,823	$ 927,866	$ 12,722

(Continued)

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

(Continued)

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
TAX COLLECTOR:				
ASSETS				
Cash and cash equivalents	$ 1,869,445	$ 243,646,664	$ 243,583,582	$ 1,932,527
Accounts receivable	86,189	15,375,909	15,377,894	84,204
Total assets	$ 1,955,634	$ 259,022,573	$ 258,961,476	$ 2,016,731
LIABILITIES				
Deposits	$ 1,955,634	$ 204,066,962	$ 204,005,865	$ 2,016,731

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
TOTAL ALL AGENCY:				
ASSETS				
Cash and cash equivalents	$ 4,498,486	$ 254,940,169	$ 255,786,437	$ 3,652,218
Accounts receivable	86,189	15,382,798	15,377,894	91,093
Due from other governments	112	2,262	2,323	51
	$ 4,584,787	$ 270,325,229	$ 271,166,654	$ 3,743,362
LIABILITIES				
Due to other governments	$ 108,954	$ 1,726,734	$ 1,759,353	$ 76,335
Deposits	4,454,678	213,644,653	214,472,201	3,627,130
Other liabilities	25,369	9,455,090	9,440,562	39,897
Total liabilities	$ 4,589,001	$ 224,826,477	$ 225,672,116	$ 3,743,362

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 Page 157

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

Revenue Capacity Information Page 162

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

Debt Capacity Information Page 166

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 Page 172

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

Operating Information Page 174

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	$ 228,456,543	$ 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
Restricted	38,198,245	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
Unrestricted	(32,541,918)	(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
Total governmental activities net position	$ 234,112,870	$ 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
Business-type activities										
Net investment in capital assets	$ 30,690,468	$ 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
Restricted	1,225,758	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
Unrestricted	3,584,443	3,155,568	1,677,820	3,033,190	3,091,607	3,846,637	2,030,517	758,909	29,485	869,822
Total business-type activities net position	$ 35,500,669	$ 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
Primary government:										
Net investment in capital assets	$ 259,147,011	$ 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
Restricted	39,424,003	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
Unrestricted	(28,957,475)	(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
Total primary government net position	$ 269,613,539	$ 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

Schedule 2

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
General government	$ 24,394,093	$ 21,676,448	$ 19,330,615	$ 19,061,399	$ 18,856,737	$ 17,990,618	$ 18,105,429	$ 18,578,279	$ 18,807,803	$ 20,122,637
Public safety	49,431,822	40,426,042	34,622,939	34,583,622	34,381,551	34,781,700	35,871,670	35,250,421	33,835,370	33,674,664
Physical environment	666,737	860,996	516,579	303,418	648,364	1,003,943	346,520	649,192	1,892,271	1,949,824
Transportation	33,293,759	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
Economic environment	2,635,179	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
Human services	4,490,535	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
Culture and recreation	4,736,216	4,619,453	3,830,443	3,981,558	3,426,442	4,008,612	3,757,755	3,519,266	3,411,038	3,637,872
Court related	4,062,907	4,042,042	3,461,918	3,521,907	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,520,582
Interest on long-term debt	3,007,741	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
Total governmental activities expenses	126,718,989	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
Business-type expenses										
Airport	2,933,124	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
Landfill	306,547	250,419	251,598	121,762	169,182	99,637	128,813	163,604	325,308	348,303
Transportation	-	-	-	-	-	-	-	-	-	1,506,139
Utilities	2,759,147	3,021,868	1,215,817	675,084	579,164	373,945	364,742	388,864	497,798	484,163
Waste management	1,490,769	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
Total business-type activities expenses	7,489,587	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
Total primary government expenses	$ 134,208,576	$ 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
Program revenues										
Governmental activities										
Charges for services										
General government	$ 4,390,011	$ 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
Public safety	8,579,248	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
Physical environment	-	-	28,000	400	1,709	-	-	-	-	173
Transportation	834,842	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	176,236	132,784	154,925	134,013	98,245	129,147	145,142	187,208	248,130	134,549
Culture and recreation	274,993	290,302	270,548	257,028	260,942	219,078	221,838	198,594	198,075	118,310
Court related	2,084,193	1,858,118	2,245,473	578,464	587,258	523,567	506,937	508,639	445,278	521,458
Operating grants and contributions	7,510,041	5,040,904	4,786,509	4,146,497	5,443,849	5,868,779	4,739,002	5,353,623	3,671,556	2,871,147
Capital grants and contributions	7,228,974	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
Total governmental activities program revenues	31,078,538	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
Business-type activities										
Charges for services										
Airport	2,005,680	1,926,246	1,731,271	1,524,369	1,617,467	1,385,312	1,413,536	1,105,953	1,616,801	2,730,277
Landfill	903	941	2,563	1,802	2,721	708	2,557	1,737	464	378
Transportation	-	-	-	-	-	-	-	-	-	601,488
Utilities	2,795,378	2,563,711	789,757	845,327	532,878	357,586	486,326	464,158	470,463	455,524
Waste management	1,419,147	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
Operating grants and contributions	275,787	163,923	3,856,840	83,200	70,588	70,588	70,588	77,207	211,960	681,428
Capital grants and contributions	10,628,998	4,940,331	1,152,691	1,758,995	3,943,563	2,784,811	524,882	154,965	2,343,298	479,531
Total business-type activities program revenues	17,125,893	10,968,657	8,867,740	5,539,438	7,626,110	6,046,295	3,934,100	3,224,222	6,063,401	6,442,153
Total primary government program revenues	$ 48,204,431	$ 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

Schedule 2 (Continued)

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental activities	$ (95,640,451)	$ (59,915,911)	$ (45,744,010)	$ (55,097,945)	$ (58,281,413)	$ (57,507,112)	$ (56,760,088)	$ (55,726,583)	$ (55,823,381)	$ (58,500,185)
Business-type activities	9,636,306	3,360,499	(433,036)	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434	(432,781)
Total primary government net expense	$ (86,004,145)	$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 61,692,330	$ 57,165,981	$ 53,995,582	$ 51,456,258	$ 45,785,795	$ 43,172,111	$ 44,628,028	$ 47,562,219	$ 49,187,744	$ 51,244,622
Tourist and franchise taxes	5,215,235	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
Sales and fuel taxes	5,332,393	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
Intergovernmental	1,436,687	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
Miscellaneous	540,000	344,472	603,112	479,136	2,478,766	1,058,991	19,272,714	1,161,642	2,035,834	2,930,641
Transfers	(5,565)	(8,200)	491,995	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790	(1,003,427)
Total governmental activities	74,211,080	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
Business-type activities										
Tourist and franchise taxes	135,318	130,833	129,303	131,475	132,843	141,113	145,047	$ 139,656	$ 138,915	$ 126,198
Special assessment/Impact fees	529,690	394,925	-	-	-	-	-	-	-	-
Miscellaneous	126,380	127,184	69,230	210,761	57,617	29,303	68,159	36,695	82,807	301,408
Settlement proceeds	-	-	-	-	-	-	-	911,498	-	-
Transfers	5,565	8,200	(491,995)	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)	1,003,427
Special item - utility merger	-	431,661	-	-	-	-	-	-	-	-
Total business-type activities	796,953	1,092,803	(293,462)	350,087	39,599	180,393	$ 326,180	$ 1,497,894	$ (786,068)	$ 1,431,033
Total primary government	$ 75,008,033	$ 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
Changes in Net Position										
Governmental activities	$ (21,429,371)	$ 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
Business-type activities	10,433,259	4,453,302	(726,498)	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366	998,252
Total primary government	$ (10,996,112)	$ 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

Schedule 3

FLAGLER COUNTY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund										
Nonspendable	2,130,709	2,210,389	$ 2,150,126	$ 2,228,600	$ 2,136,457	$ 2,103,642	$ 2,186,759	$ -	$ -	$ -
Restricted	2,798,226	2,733,949	2,710,663	2,400,364	2,277,224	2,706,337	2,315,329	-	-	-
Committed	-	-	-	-	-	134,865	-	-	-	-
Assigned	3,029,580	4,527,501	4,723,032	2,184,591	3,545,789	3,710,120	8,830,592	-	-	-
Unassigned	4,944,381	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
Unreserved										
Designated for future use	-	-	-	-	-	-	-	503,179	-	680,537
Undesignated	-	-	-	-	-	-	-	14,166,178	15,520,379	10,600,667
Total general fund	$ 12,902,896	$ 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
All other governmental funds										
Nonspendable	$ 572,670	$ 573,959	$ 607,316	$ 585,295	$ 643,485	$ 673,638	$ 600,000	$ -	$ -	$ -
Restricted	35,503,522	34,609,982	42,778,998	29,388,189	28,463,165	29,099,483	30,079,190	-	-	-
Committed	-	-	-	-	-	-	57,190	-	-	-
Reserved	-	-	-	-	-	-	-	6,440,808	6,510,851	6,825,065
Unreserved										
Special revenue funds	-	-	-	-	-	-	-	18,713,003	18,970,258	21,191,931
Capital projects funds	-	-	-	-	-	-	-	2,321,454	4,913,837	2,426,814
Total all other governmental funds	$ 36,076,192	$ 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

Fiscal years 2008 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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	$ 68,181,896	$ 63,191,531	$ 59,693,807	$ 56,813,780	$ 50,575,169	$ 47,800,451	$ 49,285,251	$ 51,411,403	$ 53,043,253	$ 55,539,097
Licenses and permits	900,390	928,526	820,475	643,420	607,419	426,238	1,444,784	406,499	444,458	569,025
Intergovernmental	19,902,296	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
Charges for services	10,532,419	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
Fines and forfeitures	869,131	870,842	1,102,940	1,015,635	917,761	805,024	986,177	939,516	813,887	700,985
Miscellaneous revenue	1,503,962	817,563	1,191,050	637,999	2,109,741	1,296,411	1,353,404	847,086	2,177,910	2,355,450
Investment income	424,236	313,872	130,572	134,085	121,705	106,378	109,267	163,704	(234,367)	1,015,979
Total revenues	102,314,330	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
Expenditures										
General government	20,716,509	17,956,972	17,396,316	16,854,655	15,725,105	15,276,384	15,795,997	15,991,259	16,730,009	17,865,886
Public safety	41,857,104	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
Physical environment	618,896	576,954	474,282	321,073	404,571	955,307	283,302	566,661	1,407,037	1,920,368
Transportation	5,773,361	7,248,499	10,639,384	8,216,321	5,962,034	4,115,598	4,592,657	4,662,055	3,580,104	3,397,583
Economic environment	2,513,610	2,348,516	2,281,882	1,914,978	2,376,560	1,516,411	1,189,153	1,137,271	1,573,588	2,197,253
Human services	4,371,216	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
Culture and recreation	3,803,206	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
Court related	3,951,800	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
Capital Outlay	11,816,603	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
Debt service										
Principal	6,724,408	3,826,520	32,027,837	3,921,868	4,390,810	5,483,814	4,184,872	4,249,670	4,649,766	11,128,073
Interest and fiscal charges	3,275,636	3,546,346	2,854,892	3,415,173	3,538,010	3,752,775	3,801,138	3,727,783	3,503,985	4,114,750
Bond issuance costs	7,031	96,289	1,224,605	-	-	-	-	-	50,326	-
Total expenditures	105,429,380	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
Excess of revenues over (under) expenditures	$ (3,115,050)	$ (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)
Other Financing Sources (Uses)										
Transfers in	$ 2,943,952	$ 1,374,776	$ 1,171,460	$ 253,692	$ 1,178,791	$ 257,780	$ 857,401	$ 1,796,393	$ 1,604,980	$ 2,877,726
Transfers out	(2,949,517)	(1,782,976)	(679,465)	(261,543)	(589,271)	(270,257)	(970,375)	(1,606,438)	(254,184)	(3,647,585)
Insurance recovery	-	-	-	-	-	-	-	13,745	15,980	80,029
Long term debt issued	560,000	-	68,275,000	-	2,300,000	567,811	5,500,000	-	10,000,000	-
Premium on long term debt issued	-	11,380,000	6,200,144	-	-	-	-	-	-	-
Capital lease	1,021,000	243,270	960,000	240,000	-	500,000	411,678	412,000	-	750,000
Sale of capital assets	9,994	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(11,900,049)	(22,753,259)	-	-	-	-	-	-	-
Total other financing sources (uses)	1,585,429	(684,979)	53,173,880	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776	60,170
Net change in fund balances	$ (1,529,621)	$ (6,326,995)	$ 16,326,023	$ 2,189,546	$ 198,073	$ (4,643,800)	$ (229,651)	$ (3,714,647)	$ 3,699,347	$ (5,334,715)
Debt service as a percentage of noncapital expenditures	9.81%	8.97%	30.84%	9.35%	10.60%	12.70%	10.94%	11.18%	11.16%	18.58%

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
2017	12,026,256,717	895,686,008	1,076,840,820	2,172,812,138	4,145,338,966	7,538,008,560	319,248,710	23,596,432	7,880,853,702	8.6317	65.5%
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	10,615,189,321	841,856,152	778,488,066	2,007,080,360	3,627,424,578	6,656,085,711	311,394,360	20,065,848	6,987,545,919	8.5390	65.8%
2014	9,845,628,311	831,140,903	510,570,486	1,965,410,798	3,307,122,187	6,244,441,461	276,777,081	17,288,286	6,538,506,828	8.5753	66.4%
2013	9,063,324,273	790,176,725	139,646,192	1,929,051,092	2,858,874,009	5,905,080,330	284,677,625	14,692,309	6,204,450,264	7.6620	68.5%
2012	8,967,256,546	809,537,659	88,037,723	1,914,733,524	2,812,308,906	5,850,747,157	289,403,554	14,796,929	6,154,947,640	6.7814	68.6%
2011	9,491,634,943	803,802,045	130,052,142	1,996,422,009	2,930,276,196	6,240,360,413	304,054,485	16,943,849	6,561,358,747	6.0550	69.1%
2010	10,784,264,640	822,981,655	240,011,388	2,063,506,136	3,126,499,179	7,304,829,176	336,625,866	16,310,419	7,657,765,461	5.2479	71.0%
2009	13,276,936,467	1,129,596,741	645,098,557	2,166,142,487	3,940,837,785	8,966,544,251	353,116,104	16,438,327	9,336,098,682	4.5445	70.3%
2008	15,816,035,892	1,162,193,077	1,237,240,752	2,269,445,399	4,668,879,228	10,795,694,787	329,608,884	21,852,993	11,147,156,664	4.3346	70.5%

(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
2017	8.1167	0.5150	8.6317	6.9520	4.2450	5.2100	7.4500	0.2395	0.2885	0.0320	10.0000	2.3000
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

(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

	2017				2008		
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank
Florida Power & Light Company	$ 3,101,990	2.06%	1	Florida Power & Light Company	$ 1,654,057	0.98%	1
KRG Palm Coast Landing LLC	1,542,396	1.02%	2	Hammock Beach III LLC	821,735	0.49%	2
Palm Coast Holdings Inc	1,359,651	0.90%	3	Hammock Beach River Club LLC	634,654	0.38%	3
Florida Landmark Communities	1,029,666	0.68%	4	Bell South Telecommunications	568,870	0.34%	4
KRG Palm Coast Landing LLC	506,524	0.34%	5	Centex Homes	524,683	0.31%	5
Ebsco Integra Woods	464,871	0.31%	6	WCI Communities INC	442,139	0.26%	6
Branch Island Walk Associates	375,678	0.25%	7	Ginn-La Hammock Beach Ocean	409,327	0.24%	7
Bright House Networks	314,212	0.21%	8	Intervest At Plantation Bay	404,102	0.24%	8
Palm Coast Land LLC	303,071	0.20%	9	Hammock Dunes Club, Inc	327,025	0.19%	9
Optimum Global Properties LLC	292,361	0.19%	10	Palm Coast Holdings Inc	326,250	0.19%	10
Total	$ 9,290,420	6.16%		Total	$ 6,112,842	3.62%	
Total Taxes Levied	$ 150,882,148			Total Taxes Levied	$ 168,742,630		

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
2017	$ 150,882,148	$ 142,986,360	94.77%	N/A	$ 142,986,360	94.77%
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%	N/A	134,024,728	93.10%
2014	137,584,994	118,554,639	86.17%	2,266,389	120,821,028	87.82%
2013	130,450,977	114,959,269	88.12%	1,584,914	116,544,183	89.34%
2012	126,473,783	116,590,891	92.19%	2,103,838	118,694,729	93.85%
2011	128,442,873	117,033,392	91.12%	2,893,685	119,927,077	93.37%
2010	140,050,887	127,261,198	90.87%	3,255,665	130,516,863	93.19%
2009	157,540,003	140,967,345	89.48%	4,368,325	145,335,670	92.25%
2008	168,742,630	148,004,450	87.71%	2,584,694	150,589,144	89.24%

(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)	General Obligation Issuance Premiums (2)	Revenue Bonds (2)	Notes (2)	Revenue Issuance Premiums (2)	Capital Leases (2)	Revenue Bonds	Notes (2)	Total	Percentage of Personal Income (1)	Per Capita (1)
2017	$ 35,765,000	$ 1,351,477	$ 41,570,000	$ 2,997,000	$ 4,699,382	$ 1,068,066	$ 3,123,000	$ 10,676,114	$ 101,250,039	2.23%	910
2016	37,945,000	1,431,230	42,175,000	5,704,959	4,954,304	718,515	3,168,000	12,056,146	108,153,154	2.47%	999
2015	39,155,000	1,510,983	42,775,000	6,692,153	5,209,223	873,668	3,212,000	6,035,218	105,463,245	2.49%	1,001
2014	41,665,000	12,536	24,485,000	7,646,347	697,697	158,973	3,254,000	3,369,054	81,288,607	2.05%	793
2013	43,425,000	15,298	25,150,000	8,895,541	730,921	166,647	3,254,000	3,603,394	85,240,801	2.32%	852
2012	45,105,000	18,060	26,570,000	7,722,811	764,144	330,187	-	3,829,638	84,339,840	2.35%	856
2011	46,715,000	20,821	27,935,000	9,080,000	797,368	414,001	-	4,047,800	89,009,990	2.61%	914
2010	43,770,000	23,583	29,255,000	9,116,000	830,592	276,195	-	3,181,160	86,452,530	2.72%	900
2009	45,215,000	26,345	30,530,000	10,260,000	863,815	249,865	-	3,355,858	90,500,883	2.95%	956
2008	36,930,000	29,106	31,765,000	11,461,459	897,039	750,558	-	3,536,913	85,370,075	2.64%	913

(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	General Obligation Bonds Issuance Premium	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)
2017	$ 35,765,000	$ 1,351,477	$ 3,949,034	$ 33,167,443	0.42%	297.98
2016	37,945,000	1,431,230	514,593	38,861,637	0.52%	358.80
2015	39,155,000	1,510,983	761,513	39,904,470	0.57%	378.63
2014	41,665,000	12,536	644,215	41,033,321	0.52%	400.09
2013	43,425,000	15,298	872,679	42,567,619	0.39%	425.53
2012	45,105,000	18,060	1,020,914	44,102,146	0.36%	447.37
2011	46,715,000	20,821	1,174,704	45,561,117	0.41%	468.02
2010	43,770,000	23,583	728,449	43,065,134	0.46%	448.23
2009	45,215,000	26,345	832,594	44,408,751	0.58%	468.94
2008	36,930,000	29,106	1,381,722	35,577,384	0.54%	380.32

(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, 2017

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
School District	$ 56,925,000	100%	$ 56,925,000
City of Palm Coast	8,365,000	55.77%	4,665,161
Subtotal, overlapping debt			61,590,161
Flagler County direct debt			87,450,925
Total direct and overlapping debt			$ 149,041,086

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

Note: Bonds were issued in September 2005

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

Special Assessment Revenue Note, Series 2002 (2)

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	$ -	$ -	$ -	$ 310,000	$ 11,873	0.00
2013	379	-	379	310,000	23,746	0.00
2012	365,136	-	365,136	310,000	35,684	1.06
2011	384,061	-	384,061	310,000	47,525	1.07
2010	377,043	-	377,043	310,000	59,365	1.02
2009	385,938	-	385,938	310,000	71,076	1.01
2008	401,529	-	401,529	310,000	83,241	1.02

(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.

Schedule 13 (Continued)

FLAGLER COUNTY, FLORIDA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Water and Sewer System Revenue Bond, Series 2013

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	$ 1,029,458	$ 571,453	$ 458,005	$ 45,000	$ 110,880	2.94
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	-	44,308	2.32

(1) Bonds were issued in April 2013

Taxable Airport Revenue Note, Series 2015

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	$ 588,456	$ 67,073	$ 521,383	$ 149,000	$ 97,351	2.12
2016	525,441	55,437	470,004	145,000	107,791	1.86
2015	243,237	33,507	209,730	35,000	57,109	2.28

(1) Note was issued in March 2015

Taxable Airport Refunding Revenue Note, Series 2015B

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	$ 1,572,521	$ 837,371	$ 735,151	$ 126,000	$ 88,341	3.43
2016	1,501,573	1,274,658	226,914	100,000	108,065	1.09

(1) Note was issued in July 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)
2017	111,309	4,536,625	40,756	12,845	4.7%
2016	108,310	4,380,834	40,447	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%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2017 based on 2016 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

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Flagler County Schools	1,750	1	4.29%	1,800	1	5.64%
Florida Hospital-Flagler	1,057	2	2.59%	645	3	2.02%
Sea Ray Boats	740	3	1.81%	-	-	-
Palm Coast Data Ltd.	721	4	1.77%	976	2	3.06%
Publix Supermarket	690	5	1.69%	466	5	1.46%
Hammock Beach Resort	467	6	1.14%	-	-	-
City of Palm Coast	399	7	0.98%	392	6	1.23%
Flagler County	372	8	0.91%	-	-	-
Bloomin' Brands	290	9	0.71%	-	-	-
Flagler County Sheriffs Office	270	10	0.66%	-	-	-
Wal-Mart	-	-	-	575	4	1.80%
Albertson's	-	-	-	125	8	0.39%
Kanthal Palm Coast	-	-	-	105	10	0.33%
Grand Oaks Health & Rehab	-	-	-	200	7	0.63%
FAA - Center for Management	-	-	-	115	9	0.36%
Total	6,756			5,399		

Source: Flagler County Chamber of Commerce, Florida Research and Economic Database for civilian workforce, and Career Source

Schedule 16

FLAGLER COUNTY, FLORIDA

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program/Function:										
General Government										
Legistative and Executive	13.0	12.0	11.0	11.0	11.2	11.2	12.0	12.0	11.0	11.0
Financial and Administrative	23.0	22.0	22.0	17.0	17.0	18.0	18.0	18.0	18.0	21.0
Other General Government	48.5	48.0	42.0	42.5	35.5	35.5	34.0	36.0	42.0	46.5
Legal Counsel	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Comprehensive Planning	7.4	6.9	6.9	6.5	6.5	7.5	6.0	7.0	11.0	14.0
Court-Related	4.0	4.0	4.0	4.3	2.8	2.8	2.5	2.5	2.5	2.5
Public Safety										
Fire/Rescue & Fire Inspection	92.0	89.0	86.0	83.0	83.0	83.0	84.0	79.0	79.0	80.0
Emergency Management	10.1	10.0	10.0	9.5	10.3	10.3	10.0	11.0	12.0	17.0
Building Inspections	7.8	7.2	7.2	6.5	5.5	5.5	6.0	6.0	9.0	11.0
Code Enforcement	2.3	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Physical Environment	22.5	22.5	11.8	10.8	11.0	11.0	11.0	10.0	10.0	12.0
Transportation	68.8	69.8	61.3	60.3	59.8	57.4	54.5	46.5	48.5	64.0
Economic Environment	10.4	5.0	5.0	4.5	4.0	4.0	2.0	2.0	2.0	2.0
Human Services	17.5	16.5	15.4	15.4	15.4	16.8	15.8	15.8	17.5	18.5
Culture/Recreation										
Libraries	18.1	17.7	17.1	16.3	15.5	16.5	18.0	18.5	19.0	19.0
Parks and Recreation	21.5	21.5	20.5	17.5	17.5	17.5	18.5	18.0	17.5	24.5
Total	371.0	358.0	326.1	311.0	300.9	302.9	298.3	288.3	305.0	349.0
Constitutional Officers:										
Clerk of Court	54.0	56.0	57.0	52.0	50.5	50.5	51.5	47.5	57.0	69.0
Sheriff	279.0	285.0	278.0	278.0	285.0	285.0	279.0	279.0	279.0	279.0
Tax Collector	31.0	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Property Appraiser	28.0	27.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0
Supervisor of Elections	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total	399.0	406.0	400.0	394.0	399.5	399.5	397.5	393.5	403.0	415.0

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17

FLAGLER COUNTY, FLORIDA

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
General Government:										
Number of Building Permits Reviewed and Issued	2,596	2,029	2,033	1,914	1,931	1,560	1,940	1,555	1,313	1,830
Number of Registered Voters	78,193	78,586	73,296	69,290	70,337	66,515	65,814	62,869	61,826	55,197
Public Safety										
Physical Arrests by Sheriff's Department	2,708	2,649	2,794	2,845	2,759	3,350	3,616	3,202	3,143	3,100
Total Fire	2,869	4,564	5,301	1,258	962	793	1,010	950	1,447	(1)
Total EMS Runs	14,002	13,353	10,100	14,143	11,887	11,005	10,411	10,154	8,366	(1)
Flight Operations-Air Ambulance Transports	40	25	22	21	41	41	25	20	30	38
Human Services										
Number of acres sprayed by Mosquito Control	5,630	1,218	1,200	2,345	1,418	6,073	3,200	655	7,088	(1)
Meals on Wheels	27,735	26,361	21,449	25,245	27,775	30,630	27,590	36,499	21,792	20,253
Number of applicants for assistance	872	717	507	804	808	1,011	916	1,011	813	803
Culture Recreation										
Collection items circulated in County Libraries	406,000	411,988	418,053	428,284	443,261	447,450	451,741	479,294	514,124	552,648
Number of persons who visited County Libraries	315,398	291,352	289,846	318,039	318,039	337,659	360,561	407,444	487,707	487,541
Transportation										
Number of Trips	113,927	109,183	101,896	97,995	93,906	91,518	83,430	79,666	72,669	92,757
Physical Environment										
Wastewater flow, in millions of gallons	215.918	182.89	17.679	15.677	17.114	15.969	14.986	14.640	12.223	6.798
Drinking water flow, in millions of gallons	91.978	76.624	23.316	22.467	22.842	21.890	20.669	19.618	19.136	13.501
Number of water customers serviced	2277	2307	522	482	497	465	458	462	466	467

(1) Information is unavailable

Source: Various Departments

Schedule 18

FLAGLER COUNTY, FLORIDA

CAPITAL ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Program/Function:										
Public Safety										
Fire/Rescue Vehicles	50	51	52	48	45	44	44	40	40	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	95.52	92.98	92.62	91.87
Unpaved	133.70	133.70	133.70	133.70	133.70	131.70	131.70	131.70	131.70	132.20
Public Works Vehicles	22	24	27	28	27	27	30	28	28	27
Public Works Heavy Machinery	63	65	65	52	50	54	47	49	49	48
Transit Vehicles	41	40	41	38	40	39	34	31	32	28
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	9,599	9,599	9,599	6,400	6,400	6,400	6,400	6,400	6,400
Number of Parks	27	26	21	21	20	20	20	20	20	20
Number of Playgrounds	13	12	12	12	12	12	12	12	12	12
Number of Community Centers	7	7	7	7	7	7	7	7	7	7
Libraries	2	2	2	2	2	2	2	2	2	2

Source: Various departments

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS				
U.S. Department of Commerce, National Oceanic and Atmospheric Administration				
Passed through Florida Department of Environmental Protection:				
Coastal Zone Management Estuarine Research Reserves	11.420	G0440	$ 138,773	
U.S. Department of Housing and Urban Development				
Passed though Florida Department of Economic Opportunity:				
Community Development Block Grant	14.228	12DB-Q5-04-28-01-F03	201	
U.S. Department of Justice				
Passed through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance	16.738	2015-DJ-BX-0340	11,970	
Edward Byrne Memorial Justice Assistance	16.738	2017-JAGC-FLAG-A-F9-071	41,038	
			53,008	
Violence Against Women's Office				
Safe Havens: Supervised Visitation and Safe Exchange	16.527	2011-CW-AX-K014	53,399	
Passed through Florida Office of the Attorney General:				
Crime Victim Assistance	16.575	VOCA-2016-FCSO-00835	43,720	
U.S. Department of Transportation				
Direct Assistance:				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-12-0009-018-2016	8,553,728	
Federal Transit Administration				
Passed through Florida Department of Transportation:				
Formula Grants for other than Urbanized Areas	20.509	ARA98; 422633-2-84-32	41,393	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-16-X023-00	295,492	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G0818; FPN 436945-1-84-02	188,379	
Transit Services Programs Cluster			483,871	
U.S. Election Assistance Commission				
Passed through Florida Department of State, Division of Elections				
Help America Vote Act Requirements	90.401	MOA # 2015-2016-0006-FLA	58,854	
U.S. Department of Health and Human Services				
Passed through the Northeast Florida Agency on Aging				
Special Programs for the Aging, Title III B	93.044	A016FCBCC	39,674	
Special Programs for the Aging, Title III B	93.044	A017FCBCC	116,321	
Special Programs for the Aging, Title III C1	93.045	A016FCBCC	9,180	
Special Programs for the Aging, Title III C1	93.045	A017FCBCC	37,368	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS (continued)				
U.S. Department of Health and Human Services (continued)				
Passed through the Northeast Florida Agency on Aging				
Special Programs for the Aging, Title III C2	93.045	A016FCBCC	26,777	
Special Programs for the Aging, Title III C2	93.045	A017FCBCC	85,939	
Nutrition Services Incentive Program	93.053	U016FCBCC	5,725	
Nutrition Services Incentive Program	93.053	A017FCBCC	17,791	
Aging Cluster			338,775	
National Family Caregiver Support, Title III E	93.052	A016FCBCC	5,885	
National Family Caregiver Support, Title III E	93.052	A017FCBCC	31,499	
			37,384	
Low-Income Home Energy Assistance	93.568	P016FCBCC	5,697	
Low-Income Home Energy Assistance	93.568	P017FCBCC	3,367	
			9,064	
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue				
Child Support Enforcement	93.563	COC18	176,960	
Child Support Enforcement	93.563	FY2015	1,001	
			177,961	
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	G7NF0001A	6,169	
Department of Homeland Security				
Passed through Florida Division of Emergency Management				
Flood Mitigation Assistance	97.029	15FM-J7-04-28-01-236	23,812	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17-PA-U5-04-28-02-091	75,960	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4283 Hurricane Matthew	182,465	
			258,425	
Passed through Volunteer Florida				
Emergency Management Performance Grants	97.042	FY 2017 - Citizen Corps	7,800	
Emergency Management Performance Grants	97.042	FY 2017 - EM CERT Program	7,800	
Passed through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.042	17-FG-P9-04-28-01-091	50,468	
Emergency Management Performance Grants	97.042	18-FG-7A-04-28-01-236	12,599	
			78,667	
Passed through Florida Division of Emergency Management				
Pre-Disaster Mitigation Grant	97.047	15DM-K1-04-28-01-275	14,554	
State Homeland Security Grant Program	97.067	16-DS-T9-04-28-01-301	3,010	
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 10,374,768	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL ASSISTANCE				
Executive Office of the Governor				
Passed through Florida Division of Emergency Management				
Emergency Management Programs	31.063	17-BG-83-04-28-01-024	$ 89,849	
Emergency Management Programs	31.063	18-BG-W9-04-28-01-235	20,051	
			109,900	
Residential Construction Mitigation Project	31.066	16RC-Q3-04-28-01-261	162,360	
Hurricane Shelter Retrofit Project	31.068	15-SR-AA-04-28-01-445	119,459	
Department of Environmental Protection				
Small County Consolidated Grant	37.012	SC707	90,909	
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP18061	122,305	
Department of Economic Opportunity				
Passed through Enterprise Florida				
Economic Development Partnerships	40.040	Enterprise Florida	7,650	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP 2016-2017	554,013	
State Housing Initiatives Partnership Program (SHIP)	40.901	Executive Order 16-230	116,692	
			670,705	
Department of Agriculture and Consumer Services				
Mosquito Control	42.003	16082	8,741	
Department of State and Secretary of State				
State Aid to Libraries	45.030	17-ST-10	29,667	
Florida Department of Transportation				
Florida Commission for the Transportation Disadvantaged (CTD), Trip and Equipment Grant Program	55.001	GOM40; FM 43202718401/43202818401	109,642	
Florida Commission for the Transportation Disadvantaged (CTD), Trip and Equipment Grant Program	55.001	GOB17; FM 43202718401/43202818401	265,617	
			375,259	
Aviation Grant Programs	55.004	ARK30; 436218-1-94-01	32,136	
Aviation Grant Programs	55.004	AS346; 420843-2-94-05	760,331	
Aviation Grant Programs	55.004	G0046; 437531-1-94-01	2,310	
Aviation Grant Programs	55.004	G0A25; 420843-2-94-04	947,623	
Aviation Grant Programs	55.004	GOA84; 436218-1-94-02	8,234	
			1,750,634	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL ASSISTANCE (continued)				
Department of Transportation (continued)				
County Incentive Grant Program (CIGP)	55.008	AR106; 415964-1-38-01	248,814	
Small County Outreach Program (SCOP)	55.009	ARB94; 428445-1-58-01	980,517	
Small County Outreach Program (SCOP)	55.009	ARR70; 435302-1-58-01	866,806	
Small County Outreach Program (SCOP)	55.009	ARS76; 424351-1-58-01	173,440	
Small County Outreach Program (SCOP)	55.009	ARS79; 430093-1-54-01	27,765	
Small County Outreach Program (SCOP)	55.009	G0A08; 424351-2-54-01	147,505	
Small County Outreach Program (SCOP)	55.009	G0A09; 433729-1-54-01	131,300	
Small County Outreach Program (SCOP)	55.009	G0E98; 438989-1-54-01	45,307	
Small County Outreach Program (SCOP)	55.009	G0E99; 435300-1-54-01	91,926	
Small County Outreach Program (SCOP)	55.009	G0F00; 435301-1-54-01	106,415	
			2,570,981	
Small County Road Assistance Program (SCRAP)	55.016	ARB94; 428445-1-58-01	1,569,247	
Small County Road Assistance Program (SCRAP)	55.016	GOA62; 430093-1-54-02	2,231,775	
Small County Road Assistance Program (SCRAP)	55.016	G0E97; 431926-1-54-01	100,226	
			3,901,248	
Transportation Regional Incentive Program (TRIP)	55.026	ARQ81; 415962-2-58-01	28,670	
Department of Children and Families				
Criminal Justice, Mental Health, & Substance Abuse	60.115	LHZ38	198,962	$ 198,962
Department of Health				
County Grant Awards	64.005	C5018	3,299	
Department of Elder Affairs				
Passed through the Northeast Florida Agency on Aging				
Home Care for the Elderly	65.001	H016FCBCC	699	
Home Care for the Elderly	65.001	H017FCBCC	563	
			1,262	
Alzheimer's Respite Services	65.004	Z016FCBCC	103,956	
Alzheimer's Respite Services	65.004	Z017FCBCC	20,160	
			124,116	
Local Services Programs	65.009	L016FCBCC	25,287	
Local Services Programs	65.009	L017FCBCC	6,125	
			31,412	
Community Care for the Elderly	65.010	C016FCBCC	77,189	
Community Care for the Elderly	65.010	C017FCBCC	58,377	
			135,566	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 10,691,919	$ 198,962

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

(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, 2017. 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	198,962

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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, 2017. 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 qualified and unmodified opinions on compliance for major federal programs and state projects. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on CSFA 55.001 Florida Commission for the Transportation Disadvantaged

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CSFA 55.001 Florida Commission for the Transportation Disadvantaged as described in finding number 2017-001 for Allowable Activities/Costs. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that project.

Qualified Opinion on CSFA 55.001 Florida Commission for the Transportation Disadvantaged

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CSFA 55.001 Florida Commission for the Transportation Disadvantaged for the year ended September 30, 2017.

Unmodified Opinion on Each of the Major Federal Programs and Other Major State Projects

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 other major state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2017.

Other Matters

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated October 17, 2018, 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
October 17, 2018

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. However, the audit disclosed material weaknesses in internal control over one major state project.

(v) The report on compliance for the major federal programs and state projects was unmodified, except for a qualified opinion on CSFA 55.001 Florida Commission for the Transportation Disadvantaged.

(vi) The audit disclosed no findings relative to the major federal programs or state projects, except for the findings on CSFA 55.001 Florida Commission for the Transportation Disadvantaged.

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

Federal Programs	CFDA Number
Aging Cluster	93.044/93.045/93.053
Airport Improvement Program	20.106
State Projects	**CSFA Number**
State Housing Initiative Partnership Program (SHIP)	40.901
Small County Road Assistance Program (SCRAP)	55.016
Aviation Grant Programs	55.004
Florida Commission for the Transportation Disadvantaged	55.001

(viii) A threshold of $750,000 was used to distinguish between Type A and Type B programs for federal programs, and $320,758 was used for state projects.

(ix) The County did not qualify 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

2017-001 *State Award Allowable Activities and Costs Requirements*
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contract G0B17 and G0M40, 2016 and 2017
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – Known questioned costs of $277 and likely questioned costs of $236,839 were computed based on reimbursements for trips provided to participants without documentation of their disadvantaged status.

Criteria: Evidence of the allowability of activity and cost for participants in the project for transportation disadvantaged must be documented and retained to show compliance.

Condition: The County was unable to produce several of the required internal intake forms. In total, 26 of the 40 forms requested were not produced.

Cause: The forms could not be located due to inadequate recordkeeping. Forms are only stored for a certain number of years and then destroyed. However, some of the forms destroyed were for current participants.

Effect: Noncompliance with allowable activities and costs grant requirements.

Recommendation: We recommend amending the documentation retention policy to maintain forms indefinitely as long as participants continue to use the County's transportation services. We also recommend requiring new forms to be completed by all participants from time to time to ensure no changes in a participant's situation, which could impact the allowability of providing transportation.

Views of responsible officials: See accompanying corrective action plan.

2017-002 *State Award Oversight*
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contract G0B17 and G0M40, 2016 and 2017
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – none

Criteria: Grant programs/projects should be subject to effective management oversight ensuring compliance with grant requirements.

Condition: An experienced member of the County's transportation department handles the majority of duties associated with administering this grant project, however, management oversight of the project is not evident.

Cause: Procedures to ensure and evidence oversight of the transportation disadvantaged project are not adequate.

Effect: The potential for noncompliance with material compliance requirements.

Recommendation: We recommend oversight by an appropriate member of management to ensure compliance with material grant requirements and documenting evidence of such oversight.

Views of responsible officials: See accompanying corrective action plan.

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

The Honorable County Commissioners
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Flagler County, Florida (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 17, 2018.

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 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*.

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, Rigg & Ingram, L.L.C.

Gainesville, Florida
October 17, 2018

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MANAGEMENT LETTER

The Honorable County Commissioners
Flagler County, Florida

We have audited the financial statements of Flagler County, Florida (the "County") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated October 17, 2018. 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, 2017, 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, 2017.

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
October 17, 2018

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

The Honorable County Commissioners
Flagler County, Florida

We have examined Flagler County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. 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, 2017.

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
October 17, 2018

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

The Honorable County Commissioners
Flagler County, Florida

We have examined Flagler County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds,* during the year ended September 30, 2017. 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, 2017.

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
October 17, 2018

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October 17, 2018

Corrective Action Plan for Flagler County, Florida

Board of County Commissioners Findings and Questioned Costs – State Projects for Fiscal Year 2017

The Corrective Action Plan for the Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant - CSFA 55.001, indicating the parties responsible for implementation are presented as follows:

Finding 2017-001

State Award Allowable Activities and Costs Requirements

Condition: The County was unable to produce several of the required internal intake forms. In total, 26 of the 40 forms requested were not produced.

Recommendation: We recommend amending the documentation retention policy to maintain forms indefinitely as long as participants continue to use the County's transportation services. We also recommend requiring new forms to be completed by all participants from time to time to ensure no changes in a participant's situation, which could impact the allowability of providing transportation.

Resolution: The Public Transportation Department of General Services will review the electronic system of riders to ensure that an intake form is maintained for each active rider and that the system is updated for ridership. Public Transportation will establish a policy requiring new intake forms from all participants at least every three years to ensure changes are updated for active riders. The General Services Director is responsible for implementation of this resolution to adequately comply during fiscal year 2019.

Charles Ericksen, Jr. District 1 | **Greg Hansen** District 2 | **David Sullivan** District 3 | **Nate McLaughlin** District 4 | **Donald O'Brien, Jr.** District 5

Finding 2017-002

State Award Oversight

Condition: An experienced member of the County's transportation department handles the majority of duties associated with administering this grant project, however management oversight of the project is not evident.

Recommendation: We recommend oversight by an appropriate member of management to ensure compliance with material grant requirements and documenting evidence of such oversight.

Resolution: The General Services Director oversees grant requirements and will document internal controls including oversight for compliance during fiscal year 2019.

COUNTY COMMISSION
FLAGLER COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT & COMPTROLLER

FLAGLER COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2017

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CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2017

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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, 2017, 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, 2017, 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 September 12, 2018, 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 solely 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 effectiveness of the Office's 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
September 12, 2018

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,469,005	$ 231,330	$ 219,566	$ 151,507	$ 3,071,408
Accounts receivable	2,617	4,242	219	121	7,199
Due from other funds	-	899	-	-	899
Due from Board of County Commissioners	15,091	-	-	-	15,091
Due from other governments	7,282	39,057	1,955	780	49,074
Prepaid	-	32,670	-	-	32,670
Other assets	26,829	1,833	-	-	28,662
TOTAL ASSETS	$ 2,520,824	$ 310,031	$ 221,740	$ 152,408	$ 3,205,003
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 77,769	$ 23,804	$ 85	$ 26	$ 101,684
Due to Board of County Commissioners	307,929	-	-	-	307,929
Due to other governments	493,201	253,557	-	-	746,758
Deposits	1,641,925	-	-	-	1,641,925
TOTAL LIABILITIES	2,520,824	277,361	85	26	2,798,296
FUND BALANCES					
Nonspendable:					
Prepaid	-	32,670	-	-	32,670
Restricted for					
Court related	-	-	221,655	-	221,655
Records modernization	-	-	-	152,382	152,382
TOTAL FUND BALANCES	-	32,670	221,655	152,382	406,707
TOTAL LIABILITIES AND FUND BALANCES	$ 2,520,824	$ 310,031	$ 221,740	$ 152,408	$ 3,205,003

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, 2017

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
REVENUES					
Intergovernmental	$ -	$ 468,196	$ -	$ -	$ 468,196
Charges for services	702,116	1,127,977	238,216	81,610	2,149,919
Fines and forfeitures	-	163,752	33,783	-	197,535
Miscellaneous revenue	5,055	450	-	-	5,505
Investment income	4,828	6,256	442	302	11,828
TOTAL REVENUES	711,999	1,766,631	272,441	81,912	2,832,983
EXPENDITURES					
Current					
General government					
Personal services	1,626,528	-	-	-	1,626,528
Operating expenses	230,654	-	-	67,514	298,168
Capital outlay	107,954	-	-	-	107,954
Court related					
Personal services	-	1,537,959	112,523	-	1,650,482
Operating expenses	113,870	109,601	145,606	-	369,077
TOTAL EXPENDITURES	2,079,006	1,647,560	258,129	67,514	4,052,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,367,007)	119,071	14,312	14,398	(1,219,226)
OTHER FINANCING SOURCES (USES)					
Appropriation from- Board of County Commissioners	1,661,539	-		-	1,661,539
Transfers in- other funds	-	20,555	-	-	20,555
Reversion to other governments	-	(106,956)	-	-	(106,956)
Reversion to Board of County Commissioners	(291,527)	-	-	-	(291,527)
Transfers out- other funds	(3,005)	-	(17,550)	-	(20,555)
TOTAL OTHER FINANCING SOURCES (USES)	1,367,007	(86,401)	(17,550)	-	1,263,056
NET CHANGE IN FUND BALANCES	-	32,670	(3,238)	14,398	43,830
FUND BALANCES, BEGINNING OF YEAR	-	-	224,893	137,984	362,877
FUND BALANCES, END OF YEAR	$ -	$ 32,670	$ 221,655	$ 152,382	$ 406,707

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, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,736,701
Accounts receivable	6,889
Due from other governments	52
TOTAL ASSETS	$ 1,743,642
LIABILITIES	
Accounts payable	$ 39,897
Due to other funds	899
Due to Board of County Commissioners	28,834
Due to constitutional officers	2,054
Due to other governments	74,281
Deposits	1,597,677
TOTAL LIABILITIES	1,743,642
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) and FS 28.37(2).

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

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, 2017 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 July 5, 2018 to June 23, 2021. Monthly payments range from $214 to $644. Lease payments for the year ended September 30, 2017 was $31,264. The future minimum lease payments for the next three years are as follows:

Year Ending September 30,	Amount
2018	$ 31,988
2019	29,888
2020	29,888
	$ 91,763

NOTE 3 - 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. At September 30, 2017, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
Governmental funds:		
Court Operations	$ 899	$ -
Agency funds:		
Child Support	-	899
Totals	$ 899	$ 899

NOTE 3 - Interfund Balances and Transfers: (continued)

The Clerk made transfers between its funds in the course of the fiscal year. The principal purpose of these transfers was to allocate FEMA resources to the court operation of $3,005 and move the balance of $17,550 from the Court Technology Fund to the Court Operation as of June 30, 2017, as required by Legislative law change. Interfund transfers for the year ended September 30, 2017 consisted of the following:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	$ -	$ 3,005
Court Operations	20,555	-
Court Technology	-	17,550
Totals	$ 20,555	$ 20,555

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

At September 30, 2017, the amounts due from/to entities of Flagler County consist of the following:

General Fund	
Due from Board of County Commissioners	$ 15,091
Due from entities of Flagler County	$ 15,091

General Fund	
Due to Board of County Commissioners	$ 307,929
Agency Funds	
Due to Sheriff	2,054
Due to Board of County Commissioners	28,834
Due to entities of Flagler County	$ 338,817

There were $291,527 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 $583,162 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, 2017.

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 598,800	$ 702,100	$ 702,116	$ 16
Miscellaneous revenue	9,000	5,200	5,055	(145)
Investment income	6,000	4,800	4,828	28
TOTAL REVENUES	613,800	712,100	711,999	(101)
EXPENDITURES				
Current				
General government				
Personal services	1,879,765	1,626,547	1,626,528	19
Operating expenses	168,370	230,724	230,654	70
Capital outlay	-	107,994	107,954	40
Court related				
Operating expenses	10,680	138,884	113,870	25,014
TOTAL EXPENDITURES	2,058,815	2,104,149	2,079,006	25,143
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,445,015)	(1,392,049)	(1,367,007)	25,042
OTHER FINANCING SOURCES (USES)				
Appropriation from- Board of County Commissioners	1,646,662	1,661,539	1,661,539	-
Reversion to Board of County Commissioners	-	(266,485)	(291,527)	(25,042)
Transfer out- other funds	(201,647)	(3,005)	(3,005)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,445,015	1,392,049	1,367,007	(25,042)
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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 530,055	$ 461,702	$ 468,196	$ 6,494
Charges for services	1,061,900	1,117,720	1,127,977	10,257
Fines and forfeitures	114,700	160,730	163,752	3,022
Miscellaneous revenue	-	-	450	450
Investment income	-	5,503	6,256	753
TOTAL REVENUES	1,706,655	1,745,655	1,766,631	20,976
EXPENDITURES				
Court related				
Personal services	1,623,042	1,534,850	1,537,959	(3,109)
Operating expenses	130,613	113,168	109,601	3,567
TOTAL EXPENDITURES	1,753,655	1,648,018	1,647,560	458
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,000)	97,637	119,071	21,434
OTHER FINANCING SOURCES (USES)				
Transfers in- other funds	47,000	-	20,555	20,555
Reversion to other governments	-	(97,637)	(106,956)	(9,319)
TOTAL OTHER FINANCING SOURCES (USES)	47,000	(97,637)	(86,401)	11,236
NET CHANGE IN FUND BALANCES	-	-	32,670	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ 32,670	$ -

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 200,000	$ 235,000	$ 238,216	$ 3,216
Fines and forfeitures	40,000	40,000	33,783	(6,217)
Investment income	4,300	4,800	442	(4,358)
TOTAL REVENUES	244,300	279,800	272,441	(7,359)
EXPENDITURES				
Court related				
Personal services	101,231	112,547	112,523	24
Operating expenses	142,646	176,830	145,606	31,224
TOTAL EXPENDITURES	243,877	289,377	258,129	31,248
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	423	(9,577)	14,312	23,889
OTHER FINANCING SOURCES (USES)				
Transfer out- other funds	-	-	(17,550)	(17,550)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(17,550)	(17,550)
NET CHANGE IN FUND BALANCES	423	(9,577)	(3,238)	6,339
FUND BALANCES, BEGINNING OF YEAR	203,700	203,700	224,893	21,193
FUND BALANCES, END OF YEAR	$ 204,123	$ 194,123	$ 221,655	$ 27,532

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, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 68,000	$ 81,175	$ 81,610	$ 435
Investment income	500	325	302	(23)
TOTAL REVENUES	68,500	81,500	81,912	412
EXPENDITURES				
Current				
General government				
Operating expenses	31,770	67,560	67,514	46
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	36,730	13,940	14,398	458
FUND BALANCES, BEGINNING OF YEAR	129,900	129,900	137,984	8,084
FUND BALANCES, END OF YEAR	$ 166,630	$ 143,840	$ 152,382	$ 8,542

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

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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, 2017, and have issued our report thereon dated September 12, 2018. 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
September 12, 2018

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

The Honorable 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, 2017, 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 September 12, 2018.

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
September 12, 2018

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
906 South State Road 19
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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, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office 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 obtained is sufficient and appropriate to provide 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, 2017.

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
September 12, 2018

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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, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office 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 obtained is sufficient and appropriate to provide 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, 2017. However, we did note an immaterial instance of noncompliance that is reported in the accompanying schedule of findings as item 2017-001.

The Office's response to item 2017-001 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
September 12, 2018

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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 the Circuit 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, 2017. Management is responsible for the Office's compliance with the specified 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied, in all material respects, with the specified requirements reference above. An examination involves performing procedures to obtain evidence about whether the Office 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 obtained is sufficient and appropriate to provide 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, 2017.

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
September 12, 2018

2017-001 (Similar item reported in previous audit reports 2016-001 and 2015-001)

Criteria: Section 28.35(2)(d), Florida Statutes, establishes a uniform system of workload measures and performance standards, which the clerks are charged to meet.

Condition: The Office did not achieve the following performance measure: Collections performance standards for Circuit Criminal and Juvenile Delinquency.

Cause: External factors

Effect: Certain Florida Clerks of Court Operations Corporation objectives were not achieved.

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

September 12, 2018

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, 2017. 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 or rebuttal concerning the auditor's findings, including corrective action to be taken."

2017-001 Condition: The Office did not achieve the following performance measure: Collections performance standards for Circuit Criminal and Juvenile Delinquency.

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(2) 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

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Juvenile Delinquency cases are another difficult type in that the law limits the liability to the offender and their parents and/or guardians, while they remain a juvenile thereby preventing the timely collection of required assessments by Clerks.

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

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Flagler County Sheriff

Audit Report

September 30, 2017

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September 30, 2017

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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, 2017, 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, 2017, 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 July 27, 2018, 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 solely 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 effectiveness of the Office's 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
July 27, 2018

Balance Sheet – Governmental Funds
September 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	$ 356,532	$ 14,480	$ 371,012
Due from other funds	-	200	200
Due from other county agencies	266,129	-	266,129
Due from other governments	267,698	-	267,698
Accounts receivable	148,647	18,374	167,021
Total assets	$ 1,039,006	$ 33,054	$ 1,072,060
Liabilities			
Accounts payable and accrued liabilities	$ 205,368	$ -	$ 205,368
Accrued wages	564,363	-	564,363
Due to other county agencies	268,525	-	268,525
Total liabilities	1,038,256	-	1,038,256
Deferred inflows			
Unavailable revenue	750	-	750
Fund balances			
Restricted:			
Law enforcement education	-	427	427
Federal equitable sharing	-	1,177	1,177
Committed:			
Inmate benefits	-	31,450	31,450
Total fund balances	-	33,054	33,054
Total liabilities, deferred inflows and fund balances	$ 1,039,006	$ 33,054	$ 1,072,060

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, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	$ 304,933	$ -	$ 304,933
Charges for services	3,111,643	102,196	3,213,839
Fines and forfeitures	30,409	-	30,409
Miscellaneous	19,412	-	19,412
Total revenues	3,466,397	102,196	3,568,593
Expenditures			
Current:			
Public safety:			
Personal services	20,729,570	-	20,729,570
Operating expenditures	3,441,330	117,845	3,559,175
Capital outlay	518,167	-	518,167
Court related:			
Personal services	805,199	-	805,199
Operating expenditures	11,500	-	11,500
Debt service:			
Principal	518,793	-	518,793
Interest	9,410	-	9,410
Total expenditures	26,033,969	117,845	26,151,814
Excess of revenues over (under) expenditures	(22,567,572)	(15,649)	(22,583,221)
Other financing sources (uses)			
Appropriation from board of county commissioners	22,571,777	-	22,571,777
Reversion to board of county commissioners	(14,199)	-	(14,199)
Sale of capital assets	9,994	-	9,994
Total other financing sources (uses)	22,567,572	-	22,567,572
Net change in fund balances	-	(15,649)	(15,649)
Fund balances - beginning of year	-	48,703	48,703
Fund balances - end of year	$ -	$ 33,054	$ 33,054

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

Statement of Fiduciary Net Position
September 30, 2017

	Agency Funds
Assets	
Cash and equivalents	$ 19,481
Liabilities	
Due to other funds	$ 200
Due to other county agencies	6,559
Assets held for others	12,722
Total liabilities	19,481
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 $3,705 to $4,951. Rent expenditures under these leases for the year ended September 30, 2017, totalled $50,138. The future minimum payments for the remaining terms are as follows:

Year ending September 30,	Amount
2018	57,564
2019	14,852
	$ 72,416

NOTE 3 – INTERFUND BALANCES

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

	Due from	Due to
Special revenue funds (nonmajor):		
Inmate welfare fund	$ 200	$ -
Agency funds:		
Inmate fund	-	200
Totals	$ 200	$ 200

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 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.

NOTE 6 – SUBSEQUENT EVENTS

Flagler County was impacted by two named hurricanes (Matthew and Irma) during the year ended September 30, 2017, both resulting in the County being covered under federal and state disaster declarations. The Sheriff's Office, like the County, experienced a significant increase in unbudgeted expenses due to these two hurricanes. In response, the Sheriff's Office requested and the County approved two supplemental appropriations to partially offset these expenditures. The following table reflects expenditures, appropriations, revenue recognized and revenues not yet recognized. Amounts due are outside the period for recognition and therefore will be accounted for in the next fiscal year.

Hurricane	Time Period	Eligible Expenditures	County Appropriations	Revenue Received	Revenue Due	
Matthew	October 2016	$ 243,287	$ 212,876	$ 212,876	$ 26,609	*
Irma	September 2017	346,983	230,817	-	346,983	
		$ 590,270	$ 443,693	$ 212,876	$ 373,592	

*For Hurricane Mathew, the Sheriff's Office share of expenses that was not eligible for reimbursement under funding formulas was $3,802.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2017

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ 230,000	$ 230,000	$ 304,933	$ 74,933
Charges for services	3,223,741	3,223,741	3,111,643	(112,098)
Fines and forfeitures	75,000	75,000	30,409	(44,591)
Miscellaneous	75,000	75,000	19,412	(55,588)
Total revenues	3,603,741	3,603,741	3,466,397	(137,344)
Expenditures				
Public safety:				
Personal services	20,880,047	21,354,246	20,729,570	624,676
Operating expenditures	3,685,315	3,586,002	3,441,330	144,672
Capital outlay	300,131	369,928	518,167	(148,239)
Court related:				
Personal services	816,679	821,349	805,199	16,150
Operating expenditures	18,885	13,225	11,500	1,725
Debt service:				
Principal	255,000	255,000	518,793	(263,793)
Interest	13,644	13,644	9,410	4,234
Total expenditures	25,969,701	26,413,394	26,033,969	379,425
Excess of revenues over (under) expenditures	(22,365,960)	(22,809,653)	(22,567,572)	242,081
Other financing sources (uses)				
Appropriation from board of county commissioners	22,340,960	22,784,653	22,571,777	(212,876)
Reversion to board of county commissioners	-	-	(14,199)	(14,199)
Sale of capital assets	25,000	25,000	9,994	(15,006)
Total other financing sources (uses)	22,365,960	22,809,653	22,567,572	(242,081)
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, 2017

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	$ 12,876	$ 427	$ 1,177	$ 14,480
Due from other funds	200	-	-	200
Accounts receivable	18,374	-	-	18,374
Total assets	$ 31,450	$ 427	$ 1,177	$ 33,054
Fund balances				
Restricted	-	427	1,177	1,604
Committed	31,450	-	-	31,450
Total fund balances	31,450	427	1,177	33,054
Total liabilities and fund balances	$ 31,450	$ 427	$ 1,177	$ 33,054

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	$ 92,196	$ 10,000	$ -	$ 102,196
Expenditures				
Current:				
Public safety:				
Operating expenditures	82,873	10,000	24,972	117,845
Excess of revenues over (under) expenditures	9,323	-	(24,972)	(15,649)
Fund balances - beginning of year	22,127	427	26,149	48,703
Fund balances - end of year	$ 31,450	$ 427	$ 1,177	$ 33,054

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2017

	Inmate Fund	Suspense Fund	Total Agency Funds
Assets			
Cash and equivalents	$ 16,478	$ 3,003	$ 19,481
Liabilities			
Due to other funds	$ 200	$ -	$ 200
Due to other county agencies	6,559	-	6,559
Assets held for others	9,719	3,003	12,722
Total liabilities	16,478	3,003	19,481
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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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, 2017, and have issued our report thereon dated July 27, 2018. 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
July 27, 2018

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

The Honorable 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, 2017, 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 July 27, 2018.

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 deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings as items 2017-001 and 2017-002 to be material weaknesses.

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 findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Palatka, Florida
July 27, 2018

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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, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, 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 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, 2017.

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
July 27, 2018

2017-001 (Reported previously as item 2016-001)

Criteria: Financial statements must be presented in accordance with generally accepted accounting principles.

Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. Account balances were not correctly accrued at year-end and interfund was not correctly balanced. It was also necessary for us to assist with the preparation of the Office's financial statements.

Cause: Personnel are unable to prepare financial statements, including notes, in accordance with generally accepted accounting principles.

Effect: Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

2017-002 Criteria: Adequate controls should be in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements in a timely basis. Although the small size of the business office staff limits the extent of separation of duties, we believe certain steps could be taken to separate incompatible duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: The accounting specialist handles incoming checks, prepares the deposit slip, posts receipts to accounts receivable and the general ledger, and receives and reconciles the monthly bank statement.

Causes: Because of a limited number of available personnel, it is not always possible to adequately segregate incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Incompatible duties are not adequately separated. The result is that intentional or unintentional errors could be made and not detected.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the cash receipts process. We recommend that someone other than the accounting specialist open the mail, prepare a prelist of the cash received, and prepare the deposit slip. An appropriate manager should receive and review the bank statements and canceled checks before turning them over to the accounting specialist to prepare the bank reconciliation.

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

July 27, 2018

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

Dear Ms. Norman:

Please accept this as my response to the findings noted in your recent financial audit of the Flagler County Sheriff's Office prepared by Car, Riggs and Ingram for the fiscal year ending on September 30, 2017. Please note that I assumed office on January 3, 2017, which was approximately three months after the beginning of the fiscal year that this audit pertains to.

2017-001 Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. 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: We are restructuring our Financial Services Unit and evaluating our current financial software system in order to preclude this situation from occurring again.

2017-002 Condition: The accounting specialist handles incoming checks, prepares the deposit slip post receipts to accounts receivable and the general ledger and receives and reconciles the monthly bank statement.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the cash receipts process. We recommend that someone other than the accounting specialist open the mail, prepare a prelist of the cash received, and prepare the deposit slip. An appropriate manager should receive and review the bank statements and canceled checks before turning them over to the accounting specialist to prepare the bank reconciliation.

Resolution: This Office will evaluate our current financial staff resources and develop internal control policies consistent with the cash receipt, recording and bank statement processes contained in your recommendation.

Sincerely,

Rick Staly
Sheriff

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Flagler County Tax Collector

Audit Report

September 30, 2017

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September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2017, 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, 2017, 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 June 27, 2018 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 solely 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 effectiveness of the Office's 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
June 27, 2018

Balance Sheet – Governmental Funds
September 30, 2017

		General Fund
Assets		
Cash	$	961,859
Due from other funds		19,685
Due from other county agencies		4,343
Due from other governments		2,253
Total assets	$	988,140
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	146,245
Due to other county agencies		800,887
Due to other governments		41,008
Total liabilities		988,140
Fund balance		-
Total liabilities and fund balance	$	988,140

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, 2017

		General Fund
Revenues		
Charges for services	$	3,703,089
Miscellaneous revenue		12,662
Total revenues		3,715,751
Expenditures		
General government services:		
Personal services		2,389,187
Operating expenditures		516,537
Capital outlay		91,316
Total expenditures		2,997,040
Excess of revenues over expenditures		718,711
Other financing uses		
Reversion to board of county commissioners		(718,711)
Net change in fund balance		-
Fund balance - October 1, 2016		-
Fund balance - September 30, 2017	$	-

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

Statement of Fiduciary Net Position
September 30, 2017

	Agency Funds
Assets	
Cash	$ 2,024,289
Receivables	84,204
Total assets	2,108,493
Liabilities	
Assets held for others	2,016,731
Due to other funds	19,685
Due to other county agencies	72,077
Total liabilities	2,108,493
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	$ 19,685	$ -
Agency funds:		
Tax fund	-	19,685
Total	$ 19,685	$ 19,685

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, 2017

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 3,664,938	$ 3,647,369	$ 3,703,089	$ 55,720
Miscellaneous revenues	3,000	3,000	12,662	9,662
Total revenues	3,667,938	3,650,369	3,715,751	65,382
Expenditures				
General government services:				
Personal services	2,514,438	2,515,257	2,389,187	126,070
Operating expenditures	506,533	596,919	516,537	80,382
Capital outlay	-	91,316	91,316	-
Total expenditures	3,020,971	3,203,492	2,997,040	206,452
Excess of revenues over expenditures	646,967	446,877	718,711	271,834
Other financing uses				
Reversion to board of county commissioners	(646,967)	(446,877)	(718,711)	(271,834)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2016	-	-	-	-
Fund balances - September 30, 2017	$ -	$ -	$ -	$ -

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, 2017

	Tax Fund	Tag Fund	Totals
Assets			
Cash	1,697,890	326,399	$ 2,024,289
Receivables	81,491	2,713	84,204
Total assets	1,779,381	329,112	2,108,493
Liabilities			
Assets held for others	1,690,345	326,386	2,016,731
Due to other funds	19,685	-	19,685
Due to other county agencies	69,351	2,726	72,077
Total liabilities	1,779,381	329,112	2,108,493
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated June 27, 2018. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

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

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

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

Palatka, Florida
June 27, 2018

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 27, 2018.

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
June 27, 2018

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

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have examined the office of the Flagler County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or to 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 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, 2017.

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

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

Palatka, Florida
June 27, 2018

SUZANNE JOHNSTON, C.F.C.
Flagler County Tax Collector

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June 27, 2018

The Honorable Sherrill F. Norman, CPA
Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Honorable Norman:

I have received the Flagler County Tax Collector's financial statements and audit report for the year ending September 30, 2017.

I am pleased to report that there were no findings or recommendations included in the audit report.

Sincerely

Suzanne Johnston
Flagler County Tax Collector

Flagler County Property Appraiser

Audit Report

September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2017, 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, 2017, 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 August 17, 2018 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 solely 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 effectiveness of the Offices' 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
August 17, 2018

Balance Sheet – Governmental Funds
September 30, 2017

		General Fund
Assets		
Cash	$	32,722
Accounts receivable		1,762
Due from board of county commissioners		67,157
Due from other governments		1,000
Total assets	$	102,641
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	17,610
Due to other governments		9,009
Due to board of county commissioners		76,022
Total liabilities		102,641
Fund balance		-
Total liabilities and fund balance	$	102,641

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2017

	General Fund
Revenues	
Charges for services	$ 65,687
Miscellaneous revenue	20,934
Total revenues	86,621
Expenditures	
General government:	
Personal services	2,013,579
Operating expenditures	287,690
Capital outlay	5,250
Total expenditures	2,306,519
Excess of revenues under expenditures	(2,219,898)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,263,257
Reversion to board of county commissioners	(43,359)
Total other financing sources (uses)	2,219,898
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, 2017, the lease payments on all vehicle operating leases were $22,785.

NOTE 3 – LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments for noncancellable operating leases as of September 30, 2017 are as follows:

Year	Amount
2018	$ 16,162
2019	250
Total	$ 16,412

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, 2017

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 65,972	$ 65,972	$ 65,687	$ (285)
Miscellaneous revenue	-	-	20,934	20,934
Total revenues	65,972	65,972	86,621	20,649
Expenditures				
General government:				
Personal services	2,037,748	2,028,438	2,013,579	14,859
Operating expenditures	290,550	299,860	287,690	12,170
Capital outlay	-	-	5,250	(5,250)
Total expenditures	2,328,298	2,328,298	2,306,519	21,779
Excess of revenues under expenditures	(2,262,326)	(2,262,326)	(2,219,898)	42,428
Other financing sources (uses)				
Appropriation from board of county commissioners	2,262,326	2,262,326	2,263,257	931
Reversion to board of county commissioners	-	-	(43,359)	(43,359)
Total other financing sources (uses)	2,262,326	2,262,326	2,219,898	(42,428)
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

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MANAGEMENT LETTER

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated August 17, 2018. 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
August 17, 2018

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

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2017, 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 August 17, 2018.

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.

Palatka, Florida
August 17, 2018

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

The Honorable James E. Gardner, Jr.
Property Appraiser
Flagler County, Florida

We have examined the Flagler County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or to 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 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, 2017.

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
August 17, 2018

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Flagler County
Supervisor of Elections

Audit Report

September 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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, 2017, 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, 2017, 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 July 9, 2018, 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 solely 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 effectiveness of the Office's 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
July 9, 2018

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds
As of September 30, 2017

		General Fund
Assets		
Cash	$	112,685
Due from other county agencies		2,425
Accounts receivable		61
Total assets	$	115,171
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	3,173
Due to other county agencies		82,638
Total liabilities		85,811
Fund balance:		
Restricted by grantor		29,360
Total liabilities and fund balance	$	115,171

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2017

	General Fund
Revenues	
Intergovernmental revenue	$ 18,821
Charges for services	7,066
Miscellaneous revenue	1,194
Total revenues	27,081
Expenditures	
General government:	
Personal services	540,561
Operating expenditures	229,432
Total expenditures	769,993
Excess of revenues under expenditures	(742,912)
Other financing sources (uses)	
Appropriation from board of county commissioners	847,024
Reversion to board of county commissioners	(82,464)
Total other financing sources (uses)	764,560
Net change in fund balance	21,648
Fund balance - October 1, 2016	7,712
Fund balance - September 30, 2017	$ 29,360

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 nonmajor 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 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 January 2018 to May of 2022. The lease cost for the year ended September 30, 2017 was $4,679.

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

Year Ending September 30:		
2018	$	3,735
2019		3,384
2020		3,384
2021		3,384
2022		1,620
Total	$	15,507

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, 2017

	Budgeted Amounts			Variance With final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenue	$ -	$ 18,821	$ 18,821	$ -
Charges for services	-	-	7,066	7,066
Miscellaneous revenue	-	-	1,194	1,194
Total revenues	-	18,821	27,081	8,260
Expenditures				
General government:				
Personal services	569,444	569,444	540,561	28,883
Operating expenditures	267,332	296,689	229,432	67,257
Reserve for contingencies	5,000	5,000	-	5,000
Total expenditures	841,776	871,133	769,993	101,140
Excess of revenues under expenditures	(841,776)	(852,312)	(742,912)	109,400
Other financing sources (uses)				
Appropriation from board of county commissioners	841,776	844,600	847,024	2,424
Reversion to board of county commissioners	-	-	(82,464)	(82,464)
Total other financing sources (uses)	841,776	844,600	764,560	(80,040)
Net change in fund balances	-	(7,712)	21,648	29,360
Fund balances – October 1, 2016	-	7,712	7,712	-
Fund balances – September 30, 2017	$ -	$ -	$ 29,360	$ 29,360

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 $7,712 carried forward from a prior year and $18,821 grant award received during 2017 that were anticipated to be expended during 2017.

Additional Elements Required by the Rules of the Auditor General

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MANAGEMENT LETTER

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated July 9, 2018. 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
July 9, 2018

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

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2017, 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 July 9, 2018.

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 deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying schedule of findings as items 2017-001 and 2017-002 to be material weaknesses.

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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The Office's Response to Findings

The office's response to the findings identified in our audit is described in its accompanying letter of response. The office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Palatka, Florida
July 9, 2018

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

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have examined the office of the Flagler County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, 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 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, 2017.

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
July 9, 2018

Schedule of Findings

2017-001 (Similar item reported in previous audit reports 2016-001 and 2015-001)

Criteria: Financial statements must be presented in accordance with generally accepted accounting principles.

Condition: As part of the audit process, it was necessary for us to propose material adjustments to the Office's financial statements. The Office's calculation of excess fees for reversion included balance sheet accounts in error. Four opening general ledger balances were not in agreement with prior year ending general ledger balances. It was also necessary for us to assist with the preparation of the Office's financial statements.

Cause: The Office has a misunderstanding in how to calculate excess fees. Additionally, procedures for closing the year do not include verification of the general ledger opening balances against the prior year ending balances. Also, personnel are unable to prepare financial statements and related notes in accordance with generally accepted accounting principles.

Effect: Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with general accepted accounting principles.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

2017-002

Criteria: Complete reconciliation and review of the bank account is necessary to identify all transactions for proper posting to the records and reduce risk of error or misappropriation.

Condition: The operating bank account was not completely reconciled to the general ledger throughout the year, including at fiscal year-end. In addition, there was no evidence of review and approval by someone other than the preparer for the months of August and September 2017.

Cause: Incomplete reconciliation and inconsistent reviews.

Effect: Unreconciled differences remain open, leaving increased risk of misappropriation or unrecorded transactions.

Recommendation: Ensure that bank accounts are completely and timely reconciled to the general ledger and consistently reviewed and approved by someone other than the preparer.

Kaiti Lenhart ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

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

July 9, 2018

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 a historic turnout for the 2016 General Election in November 2016. Let it be noted that we made every effort to be available during the audit period from December 2017 to July 2018 and have been highly responsive to the many requests made by the auditors during the course of their work.

> 2017-001 Condition: *As part of the audit process, it was necessary for us to propose material adjustments to the Office's financial statements. The Office's calculation of excess fees for reversion included balance sheet accounts in error. Four opening general ledger balances were not in agreement with prior year ending general ledger balances. It was also necessary for us to assist with the preparation of the Office's financial statements.*

Response:

During fiscal year 2017, we experienced accounting software errors and reported them immediately to our vendor. After receiving their technical assistance, it was determined that reinstallation of the software and manual re-input of data was required to resolve the issues. After following this recommendation, the account balances have been restored in our current accounts for fiscal year 2018.

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. In addition, we have consulted with a local accountant to improve the preparation of the financial statements and to assist with the calculation of excess fees for fiscal year 2018.

Kaiti Lenhart ★ FLAGLER COUNTY SUPERVISOR OF ELECTIONS

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2017-002 Condition: *The operating bank account was not completely reconciled to the general ledger throughout the year, including at fiscal year-end. In addition, there was no evidence of review and approval by someone other than the preparer for the months of August and September 2017.*

Response:

We have consulted with a local accountant to review our monthly bank reconciliation procedures and to resolve the current unreconciled amount of $30.15.

Sincerely,

Kaiti Lenhart
Flagler County Supervisor of Elections