FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2018

Coming into focus, Flagler County is keeping an eye on the future.

In the beginning of the fiscal year 2018, Flagler County celebrated its centennial, marking 100 years as a County. The County has come a long way from its days of farming potatoes to the innovative culturally diverse community that Flagler County currently is today. Flagler County today is filled with promise as a thriving community both agriculturally and with its tourism.

With a focus on economic opportunity and growth, Flagler County is strategically positioned to embrace its future while maintaining its historical heritage and diverse agricultural and coastal lifestyles. Focusing on its existing industries, Flagler County is creating a synergy that will help foster business to business relationships that will attract the kind of skilled workforce that is required to maximize our resources for years to come.

With a population of 2,442 in 1920 to its current population of over 112 thousand residents, Flagler County is embracing its bright future while focusing on sustainable domestic & commercial growth opportunities.

With these opportunities come challenges. After enduring Hurricane Mathew & Hurricane Irma, maintaining our valuable coastline continues to be a top priority. Over the past year, Flagler County has focused on these and other essential elements of our future through sound strategic planning. The majority of governmental activity was in physical environment with an approximate increase in funding of $13.2 million resulting from the Dunes Restoration Project. Flagler County's focus is proven by our community's flexibility to bounce back from adversity. Currently, Flagler County is moving forward by executing strategic plans that will strengthen the County's ability to respond to crisis with agility and resolve.

FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

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, 2018
TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page i
Table of Contents ii
Principal Officials vi
Organizational Chart vii
Letter of Transmittal xiii

II. FINANCIAL SECTION

Independent Auditors' Report 1

Management's Discussion and Analysis 5

Basic Financial Statements
Government-wide Financial Statements
Statement of Net Position 15
Statement of Activities 16

Governmental Fund Financial Statements
Balance Sheet – Governmental Funds 17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 20

Proprietary Fund Financial Statements
Statement of Net Position – Proprietary Funds 21
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds 22
Statement of Cash Flows – Proprietary Funds 23

Fiduciary Fund Statement
Statement of Fiduciary Net Position – Agency Funds 25

Notes to Financial Statements 27

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for General Fund and Major Special Revenue Funds
General Fund 67
Constitutional Gas Tax Fund 68
Tourist Development Tax-Beach Restoration Fund 69

TABLE OF CONTENTS (continued)

Schedules of Proportionate Share of Net Pension Liability 70
Schedules of Employer Contributions 71
Schedules of changes in the County's OPEB Liability and Related Ratios 72

Supplementary Information
Nonmajor Governmental Funds and Major Capital Project Fund Descriptions 73
Combining Balance Sheet – Nonmajor Governmental Funds 79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 91
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds and Major Capital Project Fund:
County Transportation Trust Fund 102
Legal Aid Fund 103
Law Enforcement Trust Fund 104
Law Library Fund 105
Court Facilities Fund 106
Tourist Development Fund – Capital 107
Tourist Development Fund – Promotion 108
Environmentally Sensitive Land Fund 109
Environmentally Sensitive Land Fund – 2008 Referendum 110
Utility Regulatory Authority Fund 111
800 MGHZ Expansion Fund 112
Transportation Impact Fees Fund – West 113
Transportation Impact Fees Fund – East 114
New Transportation Impact Fees Fund – East 115
Daytona North Service District Fund 116
Park Impact Fees Fund 117
Economic Development Fund 118
State Housing Initiative Fund 119
CDBG Neighborhood Stabilization Fund 120
Bimini Gardens Municipal Service Fund 121
Espanola Mosquito Control Fund 122
Rima Ridge Mosquito Control Fund 123
Building Fund 124
Domestic Violence Fund 125
Alcohol and Drug Trust Fund 126
Court Technology Fund 127
Juvenile Diversion Fund 128
Crime Prevention Fund 129
Court Innovation Fund 130
Teen Court Fund 131
E-911 Fund 132
North Malacompra District 133
Court Operations Fund 134
Clerk Court Technology Fund 135
Records Modernization Fund 136
Federal Equitable Sharing Fund 137
Law Enforcement Education 138
Inmate Welfare 139
ESL 2008 Referendum Fund 140
ESL Bond Sinking Fund 141
Capital Construction GO Issue 142

TABLE OF CONTENTS (continued)

Capital Improvements & Refunding Series 2015 143
Capital Projects Fund 144
Beach Front Parks Fund 145
Park Maintenance Trust Fund 146
Capital Improvement Revenue Bonds Series 2015 147
CPF-Taxable Special Assessment Revenue Note, Series 2018 148
CPF-Taxable Special Assessment Revenue Note, Series 2018B 149
Marineland Acres District 150
Capital Projects-ESL 2008 Referendum 151

Nonmajor Enterprise Funds Descriptions 152
Combining Statement of Net Position – Nonmajor Enterprise Funds 153
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds 154
Combining Statement of Cash Flows – Nonmajor Enterprise Funds 155

Fiduciary Funds Descriptions 156
Combining Statement of Fiduciary Net Position – Agency Funds 157
Combining Statement of Changes in Assets and Liabilities – Agency Funds 158

STATISTICAL SECTION

Descriptions 160
Financial Trends
III. Schedule 1 – Net Position by Component 162
Schedule 2 – Changes in Net Position 163
Schedule 3 – Fund Balances – Governmental Funds 165
Schedule 4 – Changes in Fund Balances Governmental Funds 166

Revenue Capacity
Schedule 5 – Assessed Value of Taxable Property 167
Schedule 6 – Property Tax Rates – Direct and Overlapping Governments 168
Schedule 7 – Principal Property Taxpayers 169
Schedule 8 – Property Tax Levies and Collections 170

Debt Capacity
Schedule 9 – Ratios of Outstanding Debt by Type 171
Schedule 10 – Ratios of General Bonded Debt Outstanding 172
Schedule 11 – Direct and Overlapping Governmental Activities Debt 173
Schedule 12 – Legal Debt Margin Information 174
Schedule 13 – Pledged Revenue Coverage 175

Demographics and Economic Information
Schedule 14 – Demographics Statistics 177
Schedule 15 – Principal Employers 178

Operating Information
Schedule 16 – Full-Time Equivalent Employees by Function 179
Schedule 17 – Operating Indicators 180
Schedule 18 – Capital Asset Statistics 181

TABLE OF CONTENTS (continued)
COMPLIANCE SECTION

	Schedule of Expenditures of Federal Awards and State Financial Assistance	182
IV.	Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	186
	Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General; and Report on the Schedule of Federal Awards and State Financial Assistance	187
	Schedule of Findings and Questioned Costs	190
	Independent Auditors' 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*	194
	Management Letter	196
	Independent Auditors' Report on Compliance with Section 218.415, Florida Statutes	198
	Independent Auditors' Report on Compliance with Sections 365.172 (10) and 365.173 (2) (d), Florida Statutes	199
	Official's Response to Schedule of Findings and Questioned Costs	200

FLAGLER COUNTY, FLORIDA

PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Gregory L. Hansen **– Chair -** District 2

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

Charles Ericksen, Jr. – District 1

David Sullivan – District 3

Nate McLaughlin **–** District 4

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

Tom Bexley

TAX COLLECTOR

Suzanne Johnston

SHERIFF

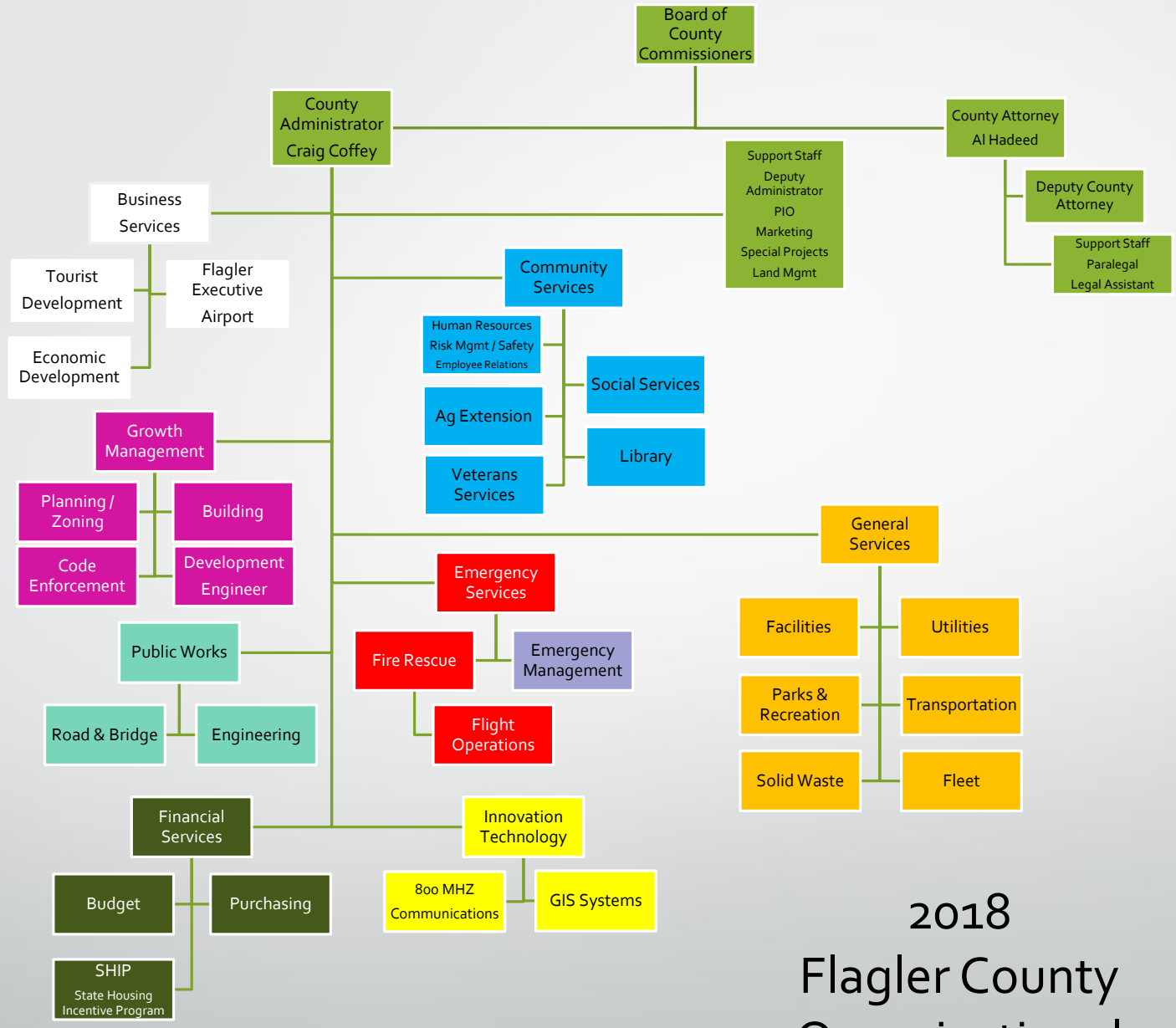
Rick Staly

PROPERTY APPRAISER

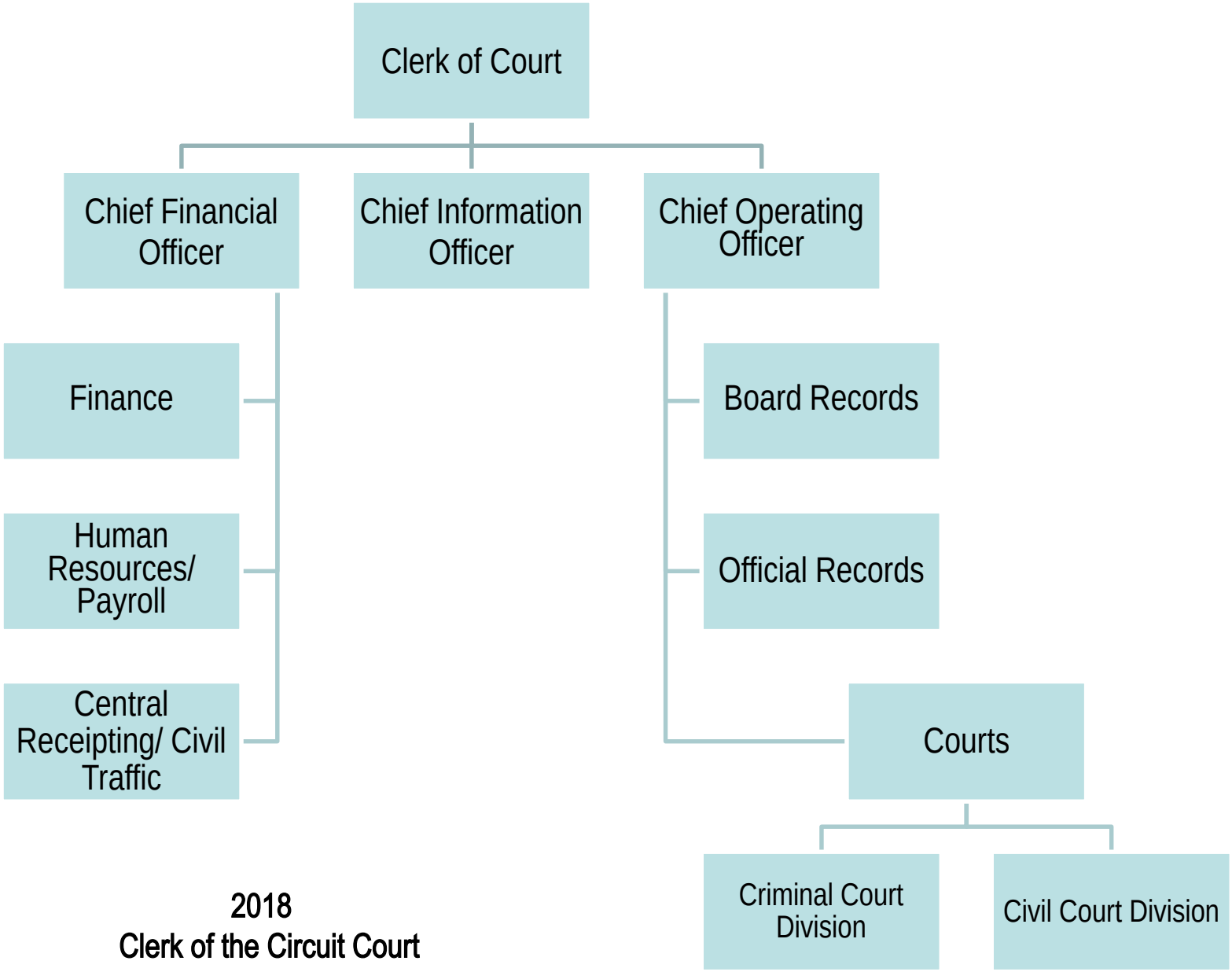
James Gardner

SUPERVISOR OF ELECTIONS

Kaitlyn Lenhart



2018 Flagler County Organizational Chart

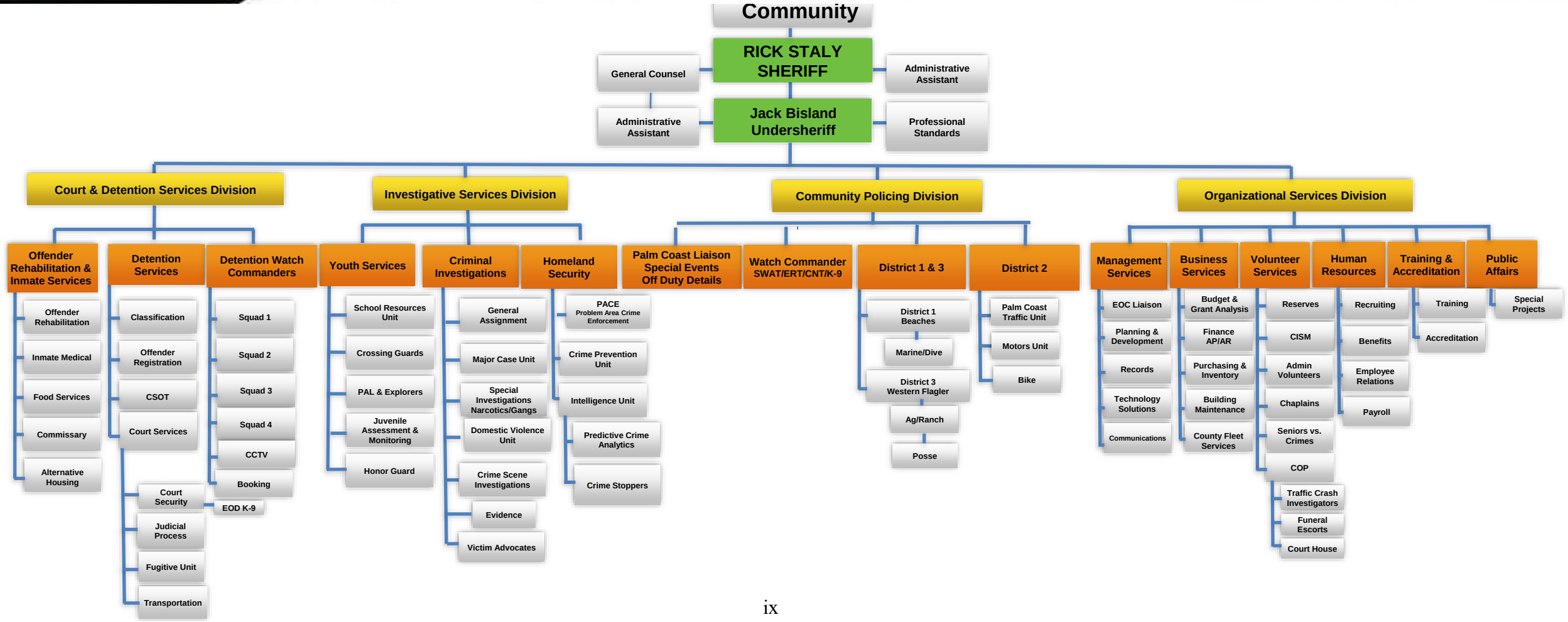


2018
Clerk of the Circuit Court
& Comptroller
Organizational Chart

SHERIFF
FLAGLER COUNTY

RICK STALY, SHERIFF

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



FLAGLER COUNTY TAX COLLECTOR 2017-2018
DOR

TAX COLLECTOR
ELECTED OFFICIAL
#1

ASSISTANT TAX COLLECTOR
#2

DIRECTOR OF MOTORIST SERVICES
#17

TAX DIRECTOR
#15

AMBULANCE COLL. MANAGER #31

PHONE ROOM

- COMMUNICATION SUPERVISOR #11
- COMMUNICATION SPECIALIST #13
- TAG & COMMUNICATION SPECIALIST #5

MAIN OFFICE

- DRIVER LICENSE MANAGER #22
- TAX/TAG/DL AGENT II #6
- 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 II DIGITAL MEDIA/PROJ #18
- TAX/TAG/DL AGENT I H/S PROCESSOR #7
- DRIVER LICENSE EXAMINER #21

BRANCH OFFICE

- TAX/TAG/DL AGENT II 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 #12
- TAX/TAG/DL AGENT I #42

BRANCH OFFICE

- TAG MANAGER #4
- DEALER SERVICES/ CW SPECIALIST #10
- TAX/TAG/DL/ DEALER AGENT II #3
- TAX/TAG/DL/ DEALER AGENT I #37
- TAX/TAG/DL/DEALER AGENT I #41

TAX DEPARTMENT

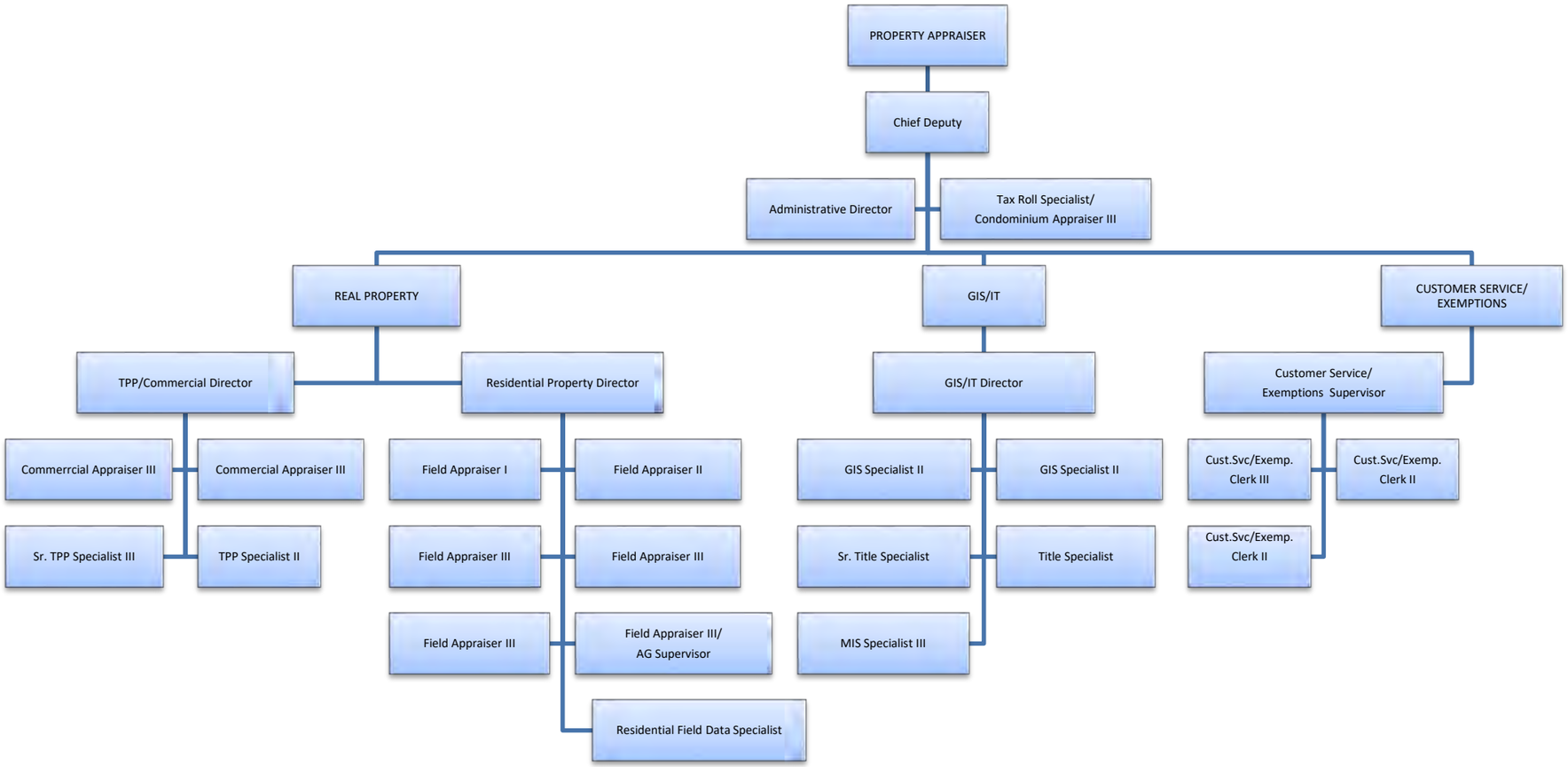
- BANK., TPP, LBTR DELQ SPECIALIST #19
- TAX, TDA DELINQUENT SPECIALIST #8
- DELINQ TAX, DMV/DL/CW AGENT I #40

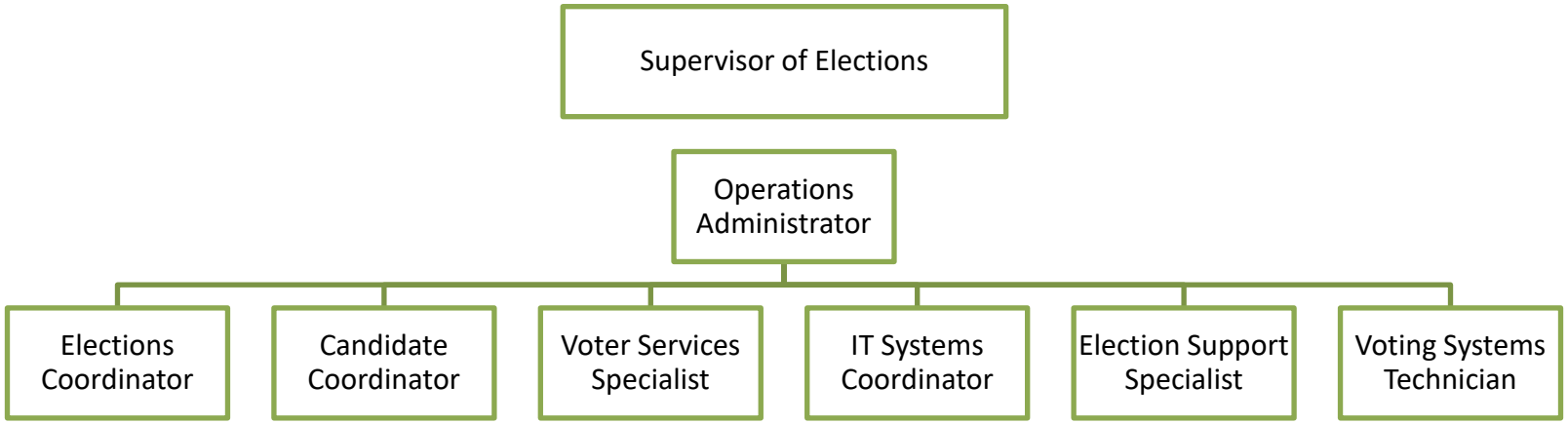
AMBULANCE BILLING/COLLECT

- 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
Tax Roll Specialist/ Condominium Appraiser III
REAL PROPERTY
GIS/IT
CUSTOMER SERVICE/ EXEMPTIONS
TPP/Commercial Director
Residential Property Director
GIS/IT Director
Customer Service/ Exemptions Supervisor
Commerrcial Appraiser III
Commercial Appraiser III
Field Appraiser I
Field Appraiser II
GIS Specialist II
GIS Specialist II
Cust.Svc/Exemp. Clerk III
Cust.Svc/Exemp. Clerk II
Sr. TPP Specialist III
TPP Specialist II
Field Appraiser III
Field Appraiser III
Sr. Title Specialist
Title Specialist
Cust.Svc/Exemp. Clerk II
Field Appraiser III
Field Appraiser III/ AG Supervisor
MIS Specialist III
Residential Field Data Specialist


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

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 11, 2019

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, 2018.

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, 2018.

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, 2018 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, 2018 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.

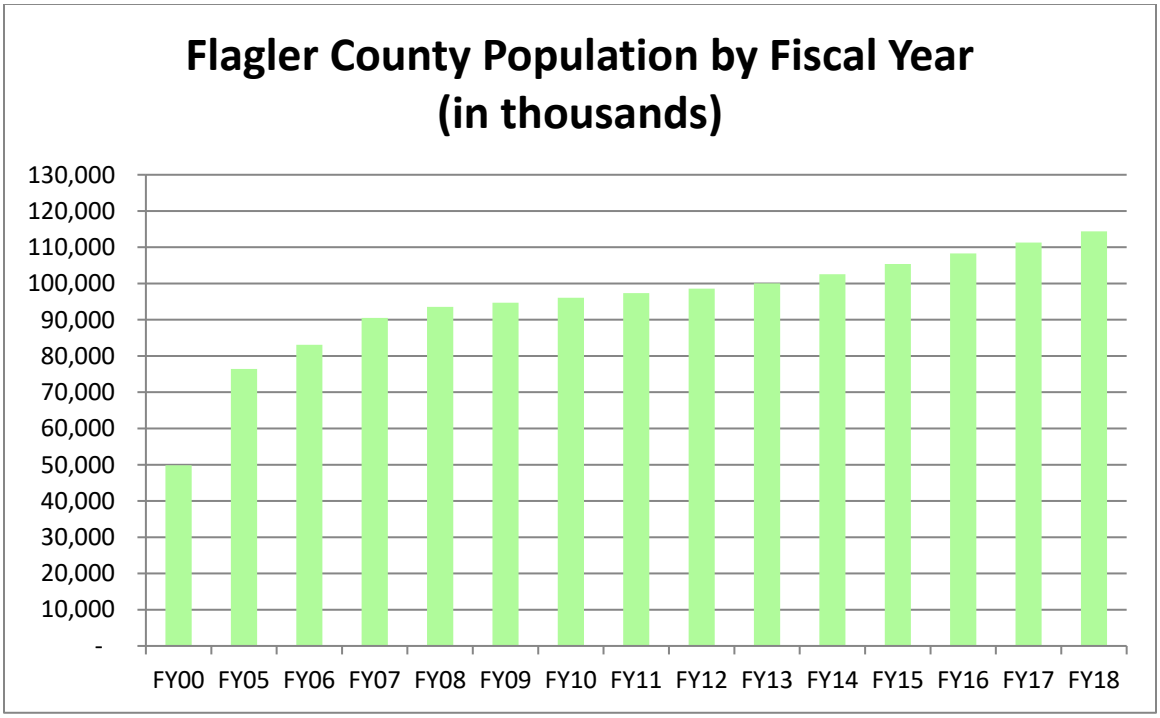
Economic Condition and Outlook

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 3,081 building permits in the 2018 fiscal year representing a slight increase of 17% 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 3.6% rate, slightly higher than the state and national averages. The median household income is hovering at about $41,068, comparably equal to the State of Florida per household median of $52,594. A stagnant school enrollment of around 12,883 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 114,000 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 a Taxable Special Assessment Revenue Note, Series 2018 in the amount of $1,520,000, to finance the cost of its new vinyl seawall with concrete cap to protect adjacent homes along Painters Hill Shoreline.

- The County issued a Taxable Special Assessment Revenue Note, Series 2018B in the amount of $3,112,000 to finance the cost of the restoration of emergency berm (dune) and partial engineered dune to mitigate against loss of land and structures.

- An agreement between the County and East Flagler Mosquito Control District (EFMCD) in the amount of $101,000 to terminate the existing Spade Use Agreement and to purchase the hangar located at 170 Aviation Drive through rent abatement incorporated into the new EFMCD ground lease.

- The County issued an equipment lease/purchase agreement in the amount of $1,200,000 to purchase multiple vehicles including police automobiles and related equipment, and boats used for Water Patrol.

- The County issued a master equipment lease/purchase agreement in the amount of $13,730,000 for the 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. Lease “B” represents Public Safety Equipment Lease - Infrastructure in the amount of $8,500,000.

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, 2018, the County had a yield to maturity at cost of 1.76%, below the Yield to Maturity of its benchmark, the Merrill Lynch 3 Month U.S. Treasury Bill Index of 2.12%.

Flagler County has FY 2018 assets totaling approximately $367 million with total liabilities of $228 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.

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 AUDITORS' 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, 2018 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.

Auditors' 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 auditors' 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, 2018, 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.

Emphasis of Matters

As described in Notes 16 to the financial statements, the County adopted Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the event, there have been restatements of beginning fund balance/net position. Our opinions are not modified with respect to this matters.

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 schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by 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, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance 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 and schedules, and the schedule of expenditures of federal awards and state financial assistance 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 September 11, 2019 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.

St. Augustine, Florida
September 11, 2019

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, 2018. 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 $279,939,197 as of September 30, 2018.

- Total net position increased by $10,325,658, including prior period adjustments.

- Total governmental activities net position increased by $6,229,541. This is attributed to an increase in General Revenues of approximately $5.6M primarily in the areas of Property Taxes, and Sales and Use Taxes. The majority of governmental activity above average levels was in physical environment with an approximate increase of $13.2M resulting from the Dunes Restoration Project necessary after Hurricanes Matthew and Irma in 2016 and 2017.

- Total business-type activities net position increased by $4,096,117. This is as a result of revenues exceeding expenditures in both the Airport and Utilities business activities in the amounts of approximately $2.3M and $1.8M respectively. Business-type activities expenditures were at similar levels to that of County Fiscal Year 2017 at approximately $7M for all activities.

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, 2018. 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, Tourist Development Tax-Beach Restoration 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 - 65 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 67 - 72 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA
NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
Current and other assets	$ 69,453	$ 107,685	$ 8,513	$ 8,895	$ 77,966	$ 116,580
Capital assets	311,035	320,456	44,490	47,229	355,525	367,685
Total Assets	380,488	428,141	53,003	56,124	433,491	484,265
Deferred Outflows	32,511	31,617	389	358	32,900	31,975
Non-current liabilities	150,875	173,134	14,072	14,069	164,947	187,203
Other liabilities	23,407	38,842	3,847	2,799	27,254	41,641
Total Liabilities	174,282	211,976	17,919	16,868	192,201	228,844
Deferred Inflows	4,605	7,440	(28)	17	4,577	7,457
Net position						
Net investment in capital assets	228,457	227,959	30,691	33,486	259,148	261,445
Restricted	38,198	47,158	1,226	1,226	39,424	48,384
Unrestricted	(32,542)	(34,775)	3,584	4,885	(28,958)	(29,890)
Total net position	$ 234,113	$ 240,342	$ 35,501	$ 39,597	$ 269,614	$ 279,939

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 $279,939,197 as of the fiscal year ended September 30, 2018.

The largest reported amount of the County's net position $261,444,770 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.

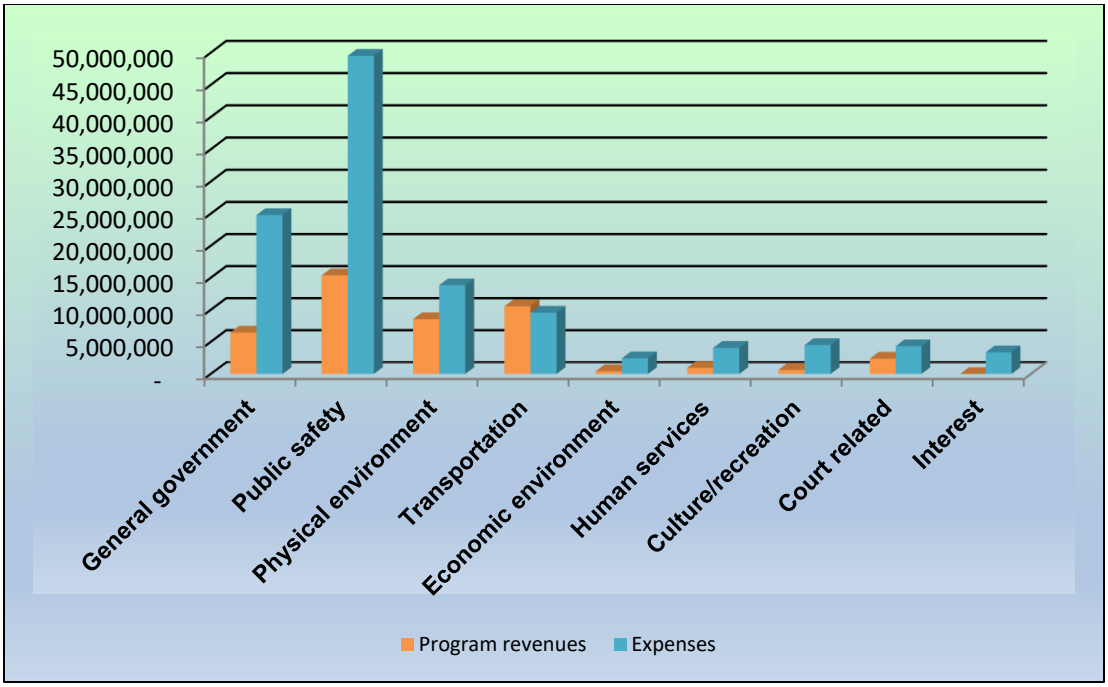
The County's Restricted Net Position amounted to $48,383,667; this amount represents resources that are subject to external restrictions on their use. The County reported negative Unrestricted Net Position in the amount of $29,889,240; unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2018 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.

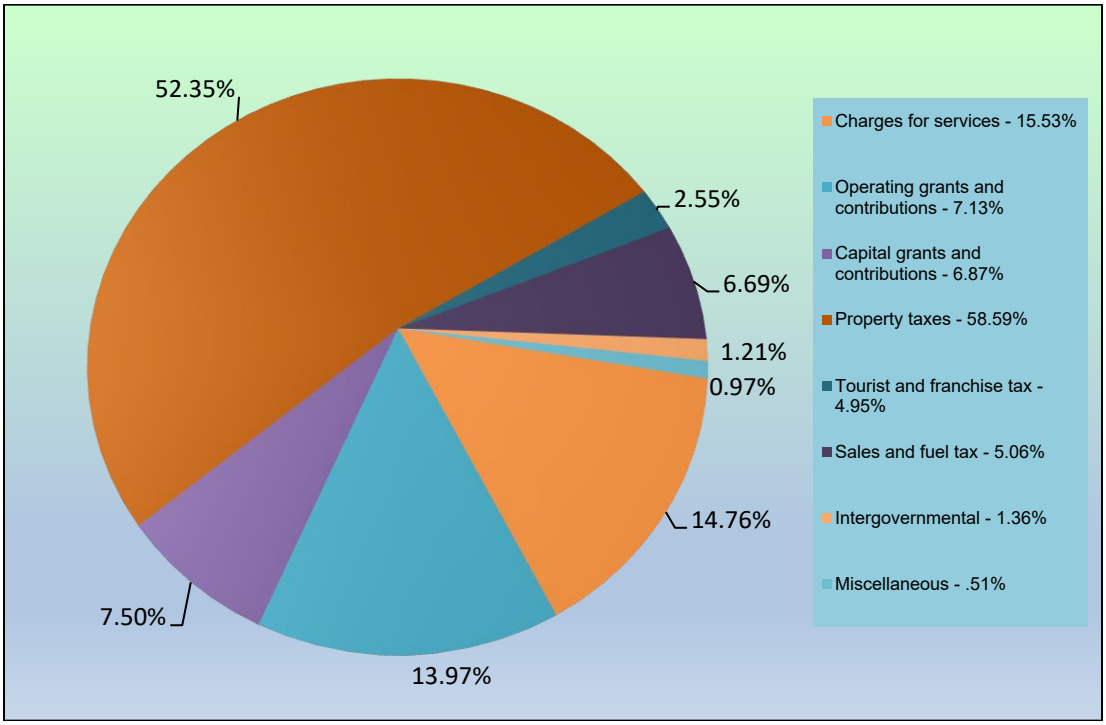
FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues						
Program revenues						
Charges for Services	$ 16,339	$ 18,479	$ 6,221	$ 6,838	$ 22,560	$ 25,317
Operating grants and contributions	7,510	17,498	276	525	7,786	18,023
Capital grants and contributions	7,229	9,397	10,629	3,061	17,858	12,458
General revenues						
Property taxes	61,692	65,556	-	-	61,692	65,556
Other taxes	10,547	11,567	665	781	11,212	12,348
Intergovernmental	1,437	1,519	-	-	1,437	1,519
Miscellaneous	540	1,213	126	169	666	1,382
Total revenues	105,294	125,229	17,917	11,374	123,211	136,603
Expenses						
General government	24,394	24,793	-	-	24,394	24,793
Public safety	49,432	49,524	-	-	49,432	49,524
Physical environment	667	13,839	-	-	667	13,839
Transportation	33,294	9,560	-	-	33,294	9,560
Economic environment	2,635	2,446	-	-	2,635	2,446
Human services	4,490	4,075	-	-	4,490	4,075
Culture/recreation	4,736	4,512	-	-	4,736	4,512
Court related	4,063	4,333	-	-	4,063	4,333
Interest long-term debt	3,008	3,379	-	-	3,008	3,379
Airport	-		2,933	2,771	2,933	2,771
Utilities	-		2,759	2,557	2,759	2,557
Landfill	-		306	283	306	283
Waste management	-		1,491	1,572	1,491	1,572
Total expenses	126,719	116,461	7,489	7,183	134,208	123,644
Change in net position before transfers	(21,425)	8,768	10,428	4,191	(10,997)	12,959
Transfers	(6)	(7)	6	7	-	-
Change in net position	(21,431)	8,761	10,434	4,198	(10,997)	12,959
Net position, beginning, as previously reported	255,603	234,113	25,067	35,501	280,670	269,614
Restatement	(61)	(2,532)	-	(102)	(61)	(2,634)
Net position, beginning, as restated	255,542	231,581	25,067	35,399	280,609	266,980
Net position, ending	$ 234,111	$ 240,342	$ 35,501	$ 39,597	$ 269,612	$ 279,939

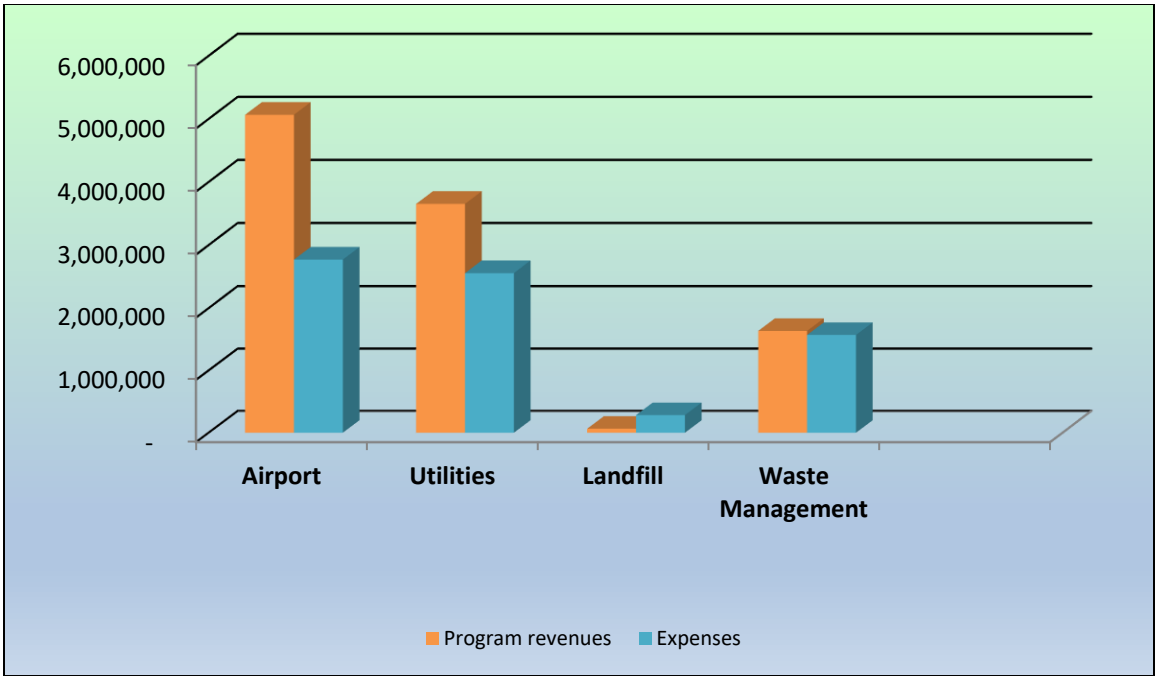
Expenses and Program Revenues - Governmental Activities



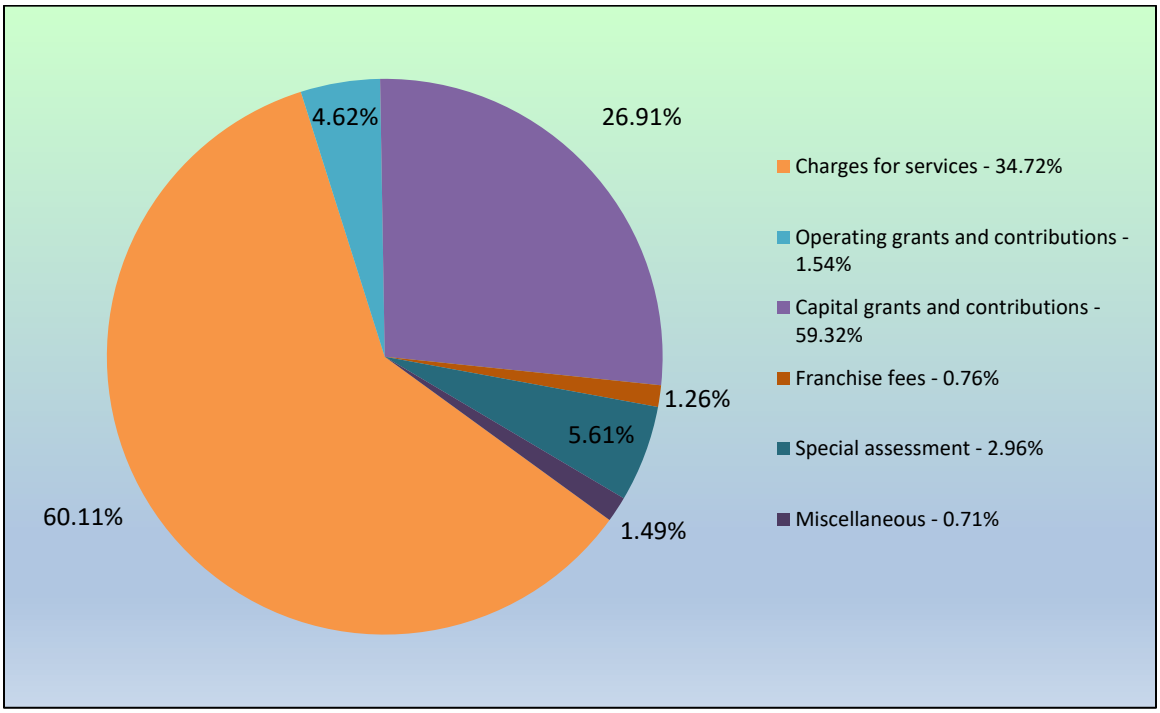
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities increased the County's net position by $6,229,541, net of restatement.

The above expenses and program revenues graph, depict three major programs for the county are public safety, general government and physical environment. Public safety and general government are primarily funded by ad valorem taxes and physical environment by operating grants and 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 $4,096,117, net of restatement.

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 charges for services and capital grants & contributions.

Financial Analysis of the County's Funds

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

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

At September 30, 2018, the County's governmental funds reported combined ending fund balances of $70,415,304, an increase of $21,436,216. Assigned and unassigned fund balance of $9,307,493 in the general fund is available for spending at the County's discretion; $53,192,208 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 $4,934,286.

The General Fund is the operating fund of the County. At September 30, 2018, assigned and unassigned fund balance of this fund was $9,307,493 while the total fund balance amounted to $27,323,957. 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 $3,887,688 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 18/19 budget.

The fund balance of the County's general fund increased by $14,421,061 during the fiscal year ended September 30, 2018. This increase was primarily the result of debt issuance in the amount of $13,730,000 for the capital lease of the Public Safety Communications Network. The balance resulting from the net effect of operations to include increases in general revenue and expenditures.

The special revenue funds have a total fund balance of $30,244,715. The County's two special revenue funds reported as major funds are Constitutional Gas Tax and Tourist Development Tax – Beach Restoration. Constitutional Gas Tax reported a fund balance increase of $235,829 as a result of capital and project expenditures being below the amounts anticipated and budgeted. Tourist Development Tax – Beach Restoration reported a fund balance increase of $5,986,073 primarily as a result of issuing long-term debt for the Dune Restoration Projects.

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 $4,885,461 at September 30, 2018.

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, 2018 amounts to $367,685,680 (net of accumulated depreciation). This investment in capital assets includes land, fine art collections, buildings, improvements other than buildings, vehicles, equipment, infrastructure and construction in progress. The total net increase in the County's investment in capital assets for the fiscal year ended September 30, 2018 was $12,160,944 ($9,421,339 net increase for governmental activities and a net increase of $2,739,605 for business-type activities).

Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 43 – 44 of this report.

Long-term debt

On January 17, 2018, the County's Sheriff executed a Master Equipment Lease/Purchase agreement in the amount of $1,200,000 to purchase multiple vehicles including police automobiles and related equipment, and boats used for water patrol. Interest is paid at a fixed rate of 2.24%. This agreement is expected to be paid by January 17, 2022.

On March 20, 2018, the County issued a Taxable Special Assessment Revenue Note in the amount of $1,520,000 to finance the cost of its new vinyl seawall with concrete cap to protect adjacent homes along the Painters Hill Shoreline. The interest is paid at a fixed rate of 3.94%. This note is expected to be paid by July 1, 2033.

On April 16, 2018, the County entered into an agreement with East Flagler Mosquito Control District in the amount of $101,000 to terminate the existing Space Use Agreement and to purchase the hangar located at 170 Aviation Drive through rent abatement. The agreement is expected to be paid by September 2022.

On May 24, 2018, the County executed a Master Equipment Lease/Purchase Agreement in the amount $13,730,000 to finance the costs of a new Public Safety Communications Network. Lease "A" represents Public Safety Equipment lease in the amount of $5,230,000 bearing fixed interest rate of 3.30% with expected payoff on December 1, 2029. Lease "B" represents Public Safety Equipment Infrastructure lease in the amount of $8,500,000 bearing fixed interest rate of 3.42% with expected payoff on December 1, 2035.

On June 22, 2018, the County issued a Taxable Special Assessment Revenue Note in the amount of $3,112,000 to finance the cost of the restoration of emergency berm (dune) and partial engineered dune to mitigate against loss of land and structures. Interest is paid at a rate of 3.97%. The note is expected to be paid by July 1, 2023.

On August 31, 2018, the County received a draw of $139,008 from the Clean Water, State Revolving Fund that was issued on August 7, 2017 in the amount of $5,729,600 for the construction of a wastewater treatment plant. Interest is paid at a rate of 3.55%. This note is expected to be paid by November 15, 2038.

Additional information on the County's debt can be found in Note 7 on pages 45 - 53 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 begun to experience increases in property values in the current fiscal year.

The Board of County Commissioners approved a General Fund millage rate of 8.2297 mills, a General Obligation debt service millage rate of 0.2450 mills and an ESL millage rate of .25 mills for the fiscal year 2019.

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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 27,887,009	$ 1,913,181	$ 29,800,190
Cash with fiscal agent	12,449,191	-	12,449,191
Investments	48,953,947	8,090,903	57,044,850
Internal balances	1,903,835	(1,903,835)	-
Due from other governmental agencies	12,867,757	248,608	13,116,365
Accounts receivable, net	2,873,417	517,521	3,390,938
Note receivable	183,000	-	183,000
Inventory	352,615	28,638	381,253
Other assets	213,745	-	213,745
Capital assets			
Land and work in process	110,821,241	5,711,859	116,533,100
Capital assets being depreciated, net	209,635,252	41,517,328	251,152,580
Total capital assets, net of depreciation	320,456,493	47,229,187	367,685,680
TOTAL ASSETS	428,141,009	56,124,203	484,265,212
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments - interest rate swaps	46,706	23,013	69,719
Bond refunding	1,914,173	-	1,914,173
Pension related	29,553,431	331,960	29,885,391
OPEB related	103,178	3,026	106,204
Total deferred outflows	31,617,488	357,999	31,975,487
LIABILITIES			
Accounts payable and accrued expenses	21,710,041	1,048,188	22,758,229
Due to other governmental agencies	2,082,582	56,035	2,138,617
Deposits	2,399,567	359,198	2,758,765
Unearned revenue	2,886,983	592,754	3,479,737
Long-term liabilities:			-
Due within one year:			-
Notes and bonds payable	5,819,000	620,577	6,439,577
Compensated absences	3,093,707	118,120	3,211,827
Net pension liability	292,414	4,387	296,801
Capital leases	558,276	-	558,276
Due in more than one year:			-
Notes and bonds payable	86,995,713	13,123,043	100,118,756
Capital leases	14,988,376	-	14,988,376
OPEB liability	4,724,942	138,611	4,863,553
Net pension liability	66,377,991	784,526	67,162,517
Derivative liabilities	46,706	23,013	69,719
TOTAL LIABILITIES	211,976,298	16,868,452	228,844,750
DEFERRED INFLOWS OF RESOURCES			
Pension related	7,281,685	12,326	7,294,011
OPEB related	158,103	4,638	162,741
Total deferred inflows	7,439,788	16,964	7,456,752
NET POSITION			
Net investment in capital assets	227,959,203	33,485,567	261,444,770
Restricted for:			
Debt service	6,814,286		6,814,286
Capital projects	16,268,462	1,225,758	17,494,220
Federal and state law	13,106,435	-	13,106,435
Federal and state grants	8,853,723	-	8,853,723
Other purposes	2,115,003	-	2,115,003
Unrestricted	(34,774,701)	4,885,461	(29,889,240)
TOTAL NET POSITION	$ 240,342,411	$ 39,596,786	$ 279,939,197

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 24,792,530	$ 4,204,567	$ 985,716	$ 1,270,001	$ (18,332,246)	$ -	$ (18,332,246)
Public safety	49,523,776	9,763,619	5,587,924	35,410	(34,136,823)	-	(34,136,823)
Physical environment	13,839,359	-	8,142,334	403,160	(5,293,865)	-	(5,293,865)
Transportation	9,559,671	1,652,466	1,417,427	7,495,047	1,005,269	-	1,005,269
Economic environment	2,445,867	-	433,242	-	(2,012,625)	-	(2,012,625)
Human services	4,075,492	169,823	748,493	32,195	(3,124,981)	-	(3,124,981)
Culture and recreation	4,511,665	301,136	182,511	161,629	(3,866,389)	-	(3,866,389)
Court related	4,333,419	2,387,520	-	-	(1,945,899)	-	(1,945,899)
Interest on long term debt	3,379,296	-	-	-	(3,379,296)	-	(3,379,296)
Total governmental activities	116,461,075	18,479,131	17,497,647	9,397,442	(71,086,855)	-	(71,086,855)
Business-type activities							
Airport	2,771,133	2,157,867	49,181	2,860,147	-	2,296,062	2,296,062
Utilities	2,557,216	3,041,404	412,461	200,640	-	1,097,289	1,097,289
Landfill	282,823	1,738	63,700	-	-	(217,385)	(217,385)
Waste management	1,571,860	1,636,655	-	-	-	64,795	64,795
Total business-type activities	7,183,032	6,837,664	525,342	3,060,787	-	3,240,761	3,240,761
TOTAL PRIMARY GOVERNMENT	$ 123,644,107	$ 25,316,795	$ 18,022,989	$ 12,458,229	$ (71,086,855)	$ 3,240,761	$ (67,846,094)
	GENERAL REVENUES						
	Property taxes				65,556,127	-	65,556,127
	Tourist and franchise taxes				3,190,081	143,003	3,333,084
	Impact fees				-	638,519	638,519
	Sales and fuel taxes				8,376,977	-	8,376,977
	Intergovernmental				1,518,936	-	1,518,936
	Interest Revenue				1,123,086	123,209	1,246,295
	Miscellaneous				90,095	45,887	135,982
	TRANSFERS				(7,031)	7,031	-
	Total general revenues and transfers				79,848,271	957,649	80,805,920
	Change in net position				8,761,416	4,198,410	12,959,826
	NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				234,112,870	35,500,669	269,613,539
	Restatement				(2,531,875)	(102,293)	(2,634,168)
	NET POSITION, BEGINNING OF YEAR, AS RESTATED				231,580,995	35,398,376	266,979,371
	NET POSITION, END OF YEAR				$ 240,342,411	$ 39,596,786	$ 279,939,197

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

FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Constitutional Gas Tax	Tourist Development Tax- Beach Restoration	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 15,338,155	$ 1,011,864	$ 283,920	$ 453,257	$ 10,391,945	$ 27,479,141
Cash with fiscal agent	12,419,805	-	-	-	29,386	12,449,191
Investments	15,256,749	3,490,285	1,460,236	3,992,682	20,568,636	44,768,588
Accounts receivable (net of allowance for uncollectibles)	2,610,751	2,809	132,297	6,941	56,144	2,808,942
Notes receivable	183,000	-	-	-	-	183,000
Due from other funds	196,897	1	3,538,191	224,246	987,333	4,946,668
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Due from other governments	1,830,076	1,912,733	6,992,298	620,444	1,512,206	12,867,757
Inventory	352,615	-	-	-	-	352,615
Prepaids	154,420	-	-	-	54,282	208,702
Other assets	2,883	-	-	-	2,160	5,043
Total assets	$ 50,225,351	$ 6,417,692	$ 12,406,942	$ 5,297,570	$ 33,602,092	$ 107,949,647
LIABILITIES						
Accounts payable and accrued liabilities	$ 13,013,933	$ 1,263,389	$ 3,458,957	$ 802,293	$ 704,681	$ 19,243,253
Deposits	1,447,715	-	-	-	948,418	2,396,133
Due to other funds	793,882	-	523,053	36,066	3,570,077	4,923,078
Due to other governments	1,552,876	-	-	-	529,706	2,082,582
Unearned grant revenues	21,404	145,531	-	-	2,650,778	2,817,713
Total liabilities	16,829,810	1,408,920	3,982,010	838,359	8,403,660	31,462,759
DEFERRED INFLOWS OF RESOURCES						
Unavailable resources related to ambulance fees	5,888,584	-	-	-	-	5,888,584
Unavailable resources - other receivables	183,000	-	-	-	-	183,000
Total deferred inflows	6,071,584	-	-	-	-	6,071,584
FUND BALANCES						
Nonspendable						
Inventories	352,615	-	-	-	-	352,615
Parks and recreation	-	-	-	-	540,000	540,000
Prepaids	154,420	-	-	-	54,282	208,702
Advances to other funds	1,880,000	-	-	-	-	1,880,000
Restricted for						
Bond covenants or debt service	-	-	-	-	4,934,286	4,934,286
Grant programs and projects	17,234	-	8,424,932	-	411,557	8,853,723
Federal and state law	265,424	5,008,772	-	-	10,128,035	15,402,231
Capital projects and acquisitions	14,892,198	-	-	4,459,211	2,073,257	21,424,666
ESL acquisitions	-	-	-	-	1,745,712	1,745,712
Impact fees	-	-	-	-	4,017,249	4,017,249
Other purposes	454,573	-	-	-	1,294,054	1,748,627
Assigned for FY 2019 expenditures	3,887,688	-	-	-	-	3,887,688
Unassigned	5,419,805	-	-	-	-	5,419,805
Total fund balances	27,323,957	5,008,772	8,424,932	4,459,211	25,198,432	70,415,304
Total liabilities, deferred inflows of resources and fund balances	$ 50,225,351	$ 6,417,692	$ 12,406,942	$ 5,297,570	$ 33,602,092	$ 107,949,647

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, 2018

Total fund balances- governmental funds		$ 70,415,304
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	461,548,046	
Accumulated depreciation	(141,133,736)	
		320,414,310
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:		
Bonds payable	(87,096,000)	
Compensated absences	(3,091,313)	
OPEB liability	(4,720,078)	
Net pension liability	(66,640,842)	
Capital leases payable	(15,546,652)	
		(177,094,885)
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		(5,718,713)
Accrued interest payable		(1,456,325)
Unavailable resources are reported as deferred outflows and inflows in the governmental funds, but not in the governmental activities:		
Deferred outflows - bond refunding		1,914,173
Deferred inflows - long-term receivables		6,071,584
Deferred outflows and inflows related to pension and OPEB liability that are not due and payable in the current period are not reported in governmental funds		
Deferred outflows - OPEB related		103,072
Deferred inflows - OPEB related		(157,940)
Deferred outflows - pension related		29,540,567
Deferred inflows - pension related		(7,277,777)
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.		3,589,041
Net position of governmental activities		$ 240,342,411

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, 2018

	General Fund	Constitutional Gas Tax	Tourist Development Tax- Beach Restoration	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 61,793,023	$ -	$ 1,327,934	$ 2,788,820	$ 6,430,645	$ 72,340,422
Special assessments/Impact fees	-	-	-	-	548,774	548,774
Licenses and permits	63,136	-	-	-	1,204,427	1,267,563
Intergovernmental	8,106,594	7,975,138	6,993,394	943,625	5,985,517	30,004,268
Charges for services	9,536,797	4,840	-	-	3,002,820	12,544,457
Fines and forfeitures	111,673	-	-	-	901,662	1,013,335
Miscellaneous revenue	920,647	-	157,764	4,132	991,268	2,073,811
Investment income	473,660	58,402	70,473	68,793	386,029	1,057,357
Total revenues	81,005,530	8,038,380	8,549,565	3,805,370	19,451,142	120,849,987
EXPENDITURES						
Current						
General government	21,213,761	-	-	2,595	59,245	21,275,601
Public safety	43,171,728	-	-	7,617	1,563,759	44,743,104
Physical environment	254,612	-	8,470,502	-	4,984,231	13,709,345
Transportation	2,190,318	2,960	-	-	3,207,959	5,401,237
Economic environment	564,019	-	-	-	1,787,292	2,351,311
Human services	3,918,079	-	-	-	46,086	3,964,165
Culture and recreation	3,390,163	-	-	13,614	165,300	3,569,077
Court related	1,129,907	-	-	-	2,974,697	4,104,604
Capital Outlay	4,995,345	7,799,591	-	3,756,803	1,667,819	18,219,558
Debt service						
Principal retirement	1,221,647	-	-	-	3,073,767	4,295,414
Interest and fiscal charges	292,857	-	70,142	-	2,941,249	3,304,248
Other debt service costs	-	-	-	-	7,076	7,076
Total expenditures	82,342,436	7,802,551	8,540,644	3,780,629	22,478,480	124,944,740
Excess (deficiency) of revenues over expenditures	(1,336,906)	235,829	8,921	24,741	(3,027,338)	(4,094,753)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,008,490	-	1,152	-	340,319	1,349,961
Transfers out	(180,523)	-	-	(1,000,000)	(176,469)	(1,356,992)
Long term debt issued	13,730,000	-	5,976,000	-	4,632,000	24,338,000
Capital Lease Proceeds	1,200,000	-	-	-	-	1,200,000
Total other financing sources (uses)	15,757,967	-	5,977,152	(1,000,000)	4,795,850	25,530,969
Net changes in fund balance	14,421,061	235,829	5,986,073	(975,259)	1,768,512	21,436,216
Fund balances-beginning	12,902,896	4,772,943	2,438,859	5,434,470	23,429,920	48,979,088
Fund balances-ending	$ 27,323,957	$ 5,008,772	$ 8,424,932	$ 4,459,211	$ 25,198,432	$ 70,415,304

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, 2018

Net change in fund balances- total governmental funds		$ 21,436,216
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	19,036,321	
Current year depreciation	(10,947,260)	
Loss on disposal of capital assets	-	
Contributions of capital assets	1,337,606	
		9,426,667
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	332,146	
		180,889
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	4,295,414	
Debt issued	(25,538,000)	
		(21,242,586)
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		2,976,201
Pension expense in the statement of activities has been amortized for related deferred inflows and outflows		
Deferred outflows - pension related		(764,107)
Deferred inflows - pension related		(2,675,849)
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	(82,513)	
OPEB liability	23,044	
Net pension liability	(1,222,114)	
Accrued interest payable	(248,861)	
		(1,530,444)
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	65,729	
Gain from operations	888,700	
		954,429
Change in net position of governmental activities		$ 8,761,416

The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
ASSETS					
Current assets					
Cash and equivalents	$ 643,311	$ 905,226	$ 364,644	$ 1,913,181	$ 407,868
Investments	556,714	4,173,187	3,361,002	8,090,903	4,185,359
Accounts receivable, net	64,761	446,799	5,961	517,521	64,475
Due from other funds	15,824	20,005	7,298	43,127	245
Due from other governments	50,425	134,483	63,700	248,608	-
Inventory	28,638	-	-	28,638	-
Total current assets	1,359,673	5,679,700	3,802,605	10,841,978	4,657,947
Noncurrent assets					
Land and construction in progress	2,529,921	2,874,942	306,996	5,711,859	-
Other capital assets, net of accumulated depreciation	32,053,093	9,428,901	35,334	41,517,328	42,183
Total noncurrent assets	34,583,014	12,303,843	342,330	47,229,187	42,183
Total assets	35,942,687	17,983,543	4,144,935	58,071,165	4,700,130
DEFERRED OUTFLOWS OF RESOURCES					
Derivative instruments-Interest rate swaps	23,013	-	-	23,013	-
Pension related	180,730	86,104	65,126	331,960	12,864
OPEB related	966	1,529	531	3,026	106
Total deferred outflows	204,709	87,633	65,657	357,999	12,970
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	132,967	783,188	132,033	1,048,188	1,010,463
Due to other governmental agencies	21,358	34,541	136	56,035	-
Deposits	132,168	227,030	-	359,198	3,434
Unearned revenue	-	592,754	-	592,754	69,270
Due to other funds	47,452	5,939	13,571	66,962	-
Compensated absences	76,662	30,150	11,308	118,120	2,394
Net pension liability	2,022	1,753	612	4,387	125
Current portion of long term debt	404,991	215,586	-	620,577	-
Total current liabilities	817,620	1,890,941	157,660	2,866,221	1,085,686
Noncurrent liabilities					
Bonds payable	-	3,028,000	-	3,028,000	-
Notes payable	4,655,677	5,439,366	-	10,095,043	-
Advances from other funds	-	1,880,000	-	1,880,000	-
OPEB liability	44,258	70,035	24,318	138,611	4,864
Net pension liability	401,141	233,465	149,920	784,526	29,438
Derivative liabilities	23,013	-	-	23,013	-
Total noncurrent liabilities	5,124,089	10,650,866	174,238	15,949,193	34,302
Total liabilities	5,941,709	12,541,807	331,898	18,815,414	1,119,988
DEFERRED INFLOWS OF RESOURCES					
Pension related	8,331	(14,247)	18,242	12,326	3,908
OPEB related	1,481	2,343	814	4,638	163
Total deferred inflows	9,812	(11,904)	19,056	16,964	4,071
NET POSITION					
Net investment in capital assets	29,522,346	3,620,891	342,330	33,485,567	42,183
Restricted for					
Future capital outlay	-	-	1,225,758	1,225,758	-
Unrestricted	673,529	1,920,382	2,291,550	4,885,461	3,546,858
Total net position	$ 30,195,875	$ 5,541,273	$ 3,859,638	$ 39,596,786	$ 3,589,041

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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	$ 2,157,867	$ 3,041,404	$ 1,638,393	$ 6,837,664	$ -
Employee and employer contributions	-	-	-	-	9,404,129
Miscellaneous	45,818	36	33	45,887	130,752
Total operating revenues	2,203,685	3,041,440	1,638,426	6,883,551	9,534,881
OPERATING EXPENSES					
Personal services	462,725	660,426	240,389	1,363,540	46,282
Vehicle fuel	6,714	22,399	1,830	30,943	-
Aviation fuel	556,239	-	-	556,239	-
Contractual services	46,318	52,120	1,509,719	1,608,157	-
Repairs and maintenance	136,538	173,360	5,634	315,532	631
Professional services	23,084	38,700	65,042	126,826	614,292
Employee claims	-	-	-	-	7,123,805
Utilities	180,056	301,639	3,759	485,454	35
Insurance	70,744	22,293	2,341	95,378	844,330
Rentals and leases	16,417	5,875	4,473	26,765	-
Depreciation	1,040,460	840,800	10,258	1,891,518	5,328
Miscellaneous	46,236	162,772	11,238	220,246	11,478
Total operating expenses	2,585,531	2,280,384	1,854,683	6,720,598	8,646,181
Operating income (loss)	(381,846)	761,056	(216,257)	162,953	888,700
Nonoperating revenues (expenses)					
Intergovernmental	49,181	412,461	63,700	525,342	-
Franchise fees	-	-	143,003	143,003	-
Special assessments/Impact fees	-	638,519	-	638,519	-
Interest income	10,599	65,183	47,427	123,209	65,729
Other debt service costs	-	(7,680)	-	(7,680)	-
Interest expense	(185,602)	(269,152)	-	(454,754)	-
Total nonoperating revenues (expenses)	(125,822)	839,331	254,130	967,639	65,729
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(507,668)	1,600,387	37,873	1,130,592	954,429
Capital grants	2,845,147	-	-	2,845,147	-
Capital contribution	15,000	200,640	-	215,640	-
Transfers in	-	-	7,031	7,031	-
Change in net position	2,352,479	1,801,027	44,904	4,198,410	954,429
Net position-beginning, as previously reported	27,870,406	3,799,806	3,830,457	35,500,669	2,638,995
Restatement	(27,010)	(59,560)	(15,723)	(102,293)	(4,383)
Net position-beginning, as restated	27,843,396	3,740,246	3,814,734	35,398,376	2,634,612
Net position-ending	$ 30,195,875	$ 5,541,273	$ 3,859,638	$ 39,596,786	$ 3,589,041

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, 2018

	Major Enterprise Funds		Nonmajor Enterprise Funds	Total	Internal Service
	Airport	Utility			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 2,168,469	$ 3,014,037	$ 1,739,287	$ 6,921,793	$ 9,568,382
Payments to suppliers	(2,456,556)	(455,301)	(1,620,481)	(4,532,338)	(8,768,134)
Payments to employees	(418,142)	(639,347)	(231,195)	(1,288,684)	(43,322)
Increase (decrease) in due from other funds	(12,774)	(18,977)	(1,609)	(33,360)	28,405
Increase (decrease) in due to other funds	24,242	(13,517)	(33)	10,692	(92)
Other receipts	45,818	36	33	45,887	-
Net cash provided (used) by operating activities	(648,943)	1,886,931	(113,998)	1,123,990	785,239
NON-CAPITAL FINANCING ACTIVITIES					
Franchise fees	-	-	143,003	143,003	-
Special assessments/impact fees	-	638,519	-	638,519	
Transfers in	-	-	7,031	7,031	-
Net cash provided by non-capital financing activities	-	638,519	150,034	788,553	-
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,020,393)	(1,316,264)	(78,826)	(4,415,483)	-
Proceeds of long term debt	101,000	446,334	-	547,334	-
Payments on long term debt	(397,144)	(205,684)	-	(602,828)	-
Capital grants	4,581,008	404,931	-	4,985,939	-
Interest paid	(185,602)	(276,832)	-	(462,434)	-
Net cash provided (used) by capital and related financing activities	1,078,869	(947,515)	(78,826)	52,528	-
INVESTING ACTIVITIES					
Investment purchases	(555,222)	(3,523,383)	(2,540,623)	(6,619,228)	(2,228,385)
Proceeds from sale of investments	-	-	1,045,000	1,045,000	267,976
Interest on investments	9,107	54,687	44,466	108,260	56,902
Net cash provided (used) by investing activities	(546,115)	(3,468,696)	(1,451,157)	(5,465,968)	(1,903,507)
Net increase (decrease) in cash and equivalents	(116,189)	(1,890,761)	(1,493,947)	(3,500,897)	(1,118,268)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	759,500	2,795,987	1,858,591	5,414,078	1,526,136
CASH AND EQUIVALENTS, END OF YEAR	$ 643,311	$ 905,226	$ 364,644	$ 1,913,181	$ 407,868

Continued

FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	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)	$ (381,846)	$ 761,056	$ (216,257)	$ 162,953	$ 888,700
Adjustment to reconcile operating income (loss) to net cash used in operations					
Depreciation	1,040,460	840,800	10,258	1,891,518	5,328
Changes in assets and liabilities					
Accounts receivable	(7,492)	(27,367)	9,743	(25,116)	33,109
Inventory	18,052	-	-	18,052	-
Due from other governments	18,096	-	91,151	109,247	392
Due from other funds	(12,774)	(18,977)	(1,609)	(33,360)	28,405
Accounts payable and accrued expenses	(1,490,591)	528,044	(16,442)	(978,989)	(165,586)
Unearned revenue	-	(200,640)	-	(200,640)	1,218
Due to other governments	15,077	20,288	(3)	35,362	-
Due to other funds	24,242	(13,517)	(33)	10,692	(92)
Deposits	83,250	(23,835)	-	59,415	(9,196)
Compensated absences	12,492	(6,587)	(467)	5,438	990
OPEB liability	(216)	(342)	(118)	(676)	(23)
Pension liability	32,307	28,008	9,779	70,094	1,993
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ (648,943)	$ 1,886,931	$ (113,998)	$ 1,123,990	$ 785,239
NONCASH INVESTING ACTIVITIES					
Change in fair market value of investments	(1,492)	(10,496)	(2,962)	(14,950)	(8,827)

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

		Agency Funds
ASSETS		
Cash and cash equivalents	$	4,375,871
Accounts receivable		101,816
Due from other governments		576
Total assets		4,478,263
LIABILITIES		
Due to other governments		117,916
Deposits		4,329,305
Other liabilities		31,042
Total liabilities		4,478,263
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 2017-18 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 – To account for 80 percent of the State two-cent gas tax used for the construction of roads and bridges.

Tourist Development Tax (Beach Restoration) - To account for and report proceeds for 30% of the 5% 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.

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 over expended 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.

Unearned Revenue

Unearned revenue is reported when the County receives cash payments prior to satisfying all of the eligibility requirements necessary to recognize these payments as revenue. The revenue will be recognized in the fiscal year it is earned. Unearned revenue is reported as a liability in the fund financial statements. The amounts recorded in unearned revenue include items such as Federal and State grant payments and employee health insurance premium payments received that are related to a future period.

Deposits

Deposit liability is reported when the County receives money from individuals or companies that the County will have to refund in the future. The amounts recorded as deposit liabilities include items such as security deposits, tax deed deposits, subdivision cash maintenance and/or performance bonds, and prepaid utility connection credits.

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 four items that qualify for reporting in this category, the value of two derivative hedging instruments, deferred bond refunding charges, pension-related, and Other Postemployment Benefits Other Than Pensions (OPEB)-related.

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

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 three types of items that qualify for reporting in this category: unavailable revenues, such as ambulance receivables, which are reported only in the governmental funds balance sheet, pension-related, and Other Postemployment Benefits Other Than Pensions (OPEB)-related.

Miscellaneous Revenue

Miscellaneous revenue includes rents, royalties, proceeds from sale of surplus items, contributions and donations, refunds for prior year (non-capital) expenditures and any other revenue that does not fit into one of the other categories. This year the miscellaneous revenue total was higher than average and includes $1,087,023 in private contributions for hurricane related expenditures.

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.

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.

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

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.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is displayed as three components:

Net investment in capital assets represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Also included in the calculation are related bond premiums and discounts and the deferred outflows or inflows of resources of refunding of bonds.

Restricted net position consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position represents the net position available for future operations.

Use of Estimates

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

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2019. The statements address:

- Asset retirement obligations; and
- Disclosures related to debt

The County is currently evaluating the effects that these statements will have on its 2019 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, 2018, the County had the following cash deposits balances:

	Maturity Date	Carrying Amounts
Cash and cash equivalents	N/A	$ 29,800,190
Cash and cash equivalents with trustee	N/A	4,375,871
Cash and cash equivalents with fiscal agent	N/A	12,449,191
Total		$ 46,625,252

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.

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.

NOTE 2 - Cash Deposits and Investments: (continued)

As of September 30, 2018, 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	$ 12,294,146	0.17
U.S. Treasury Notes	7,653,305	0.10
Florida Education Investment Trust Fund (FEITF)	19,818,626	37 days
CenterState Business Money Market	1,506,587	1 day
Wells Fargo Advantage Heritage Money Market Fund	15,772,186	90 days
TOTAL	$ 57,044,850	0.15

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, 2018 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, 2018:

- Federal Instrumentalities Discount Notes – Valued using quoted market prices.
- U.S. Treasury Notes – 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	$ 12,294,146	$ -	$ 12,294,146	$ -
U.S. Treasury Notes	7,653,305	7,653,305	-	-
CenterState Business Money Market	1,506,587	1,506,587		
WF Advantage Heritage Money Market Fund	15,772,186	15,772,186	-	-
Total Investments by Fair Value Level	$ 37,226,224	$ 24,932,078	$ 12,294,146	$ -
Investments measured at the Net Asset Value (NAV):				
Florida Education Investment Trust Fund (FEITF)	19,818,626		-	-
Total Investments measured at the NAV:	$ 19,818,626	$ -	$ -	$ -
Total Investments	$ 57,044,850	$ 24,932,078	$ 12,294,146	$ -
Investment Derivative Instruments:				
Interest Rate Swaps	$ (69,719)	$ -	$ (69,719)	$ -

The Florida Education Investment Trust Fund (FEITF) is reported at amortized cost in accordance with GASB 79.

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, 2018, the investment portfolio had a weighted average duration of .15 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.

NOTE 2 - Cash Deposits and Investments: (continued)

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

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

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

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, 2018, 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+	21.55%
U.S. Treasury Notes	AA+	13.42%
Florida Education Investment Trust Fund (FEITF)	AAAm	34.74%
CenterState Business Money Market	AAAm	2.64%
Wells Fargo Advantage Heritage Money Market Fund	AAAm	27.65%
TOTAL		100%

Custodial Credit Risk

The County's investment policy, pursuant to Section 218.415, 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

NOTE 2 - Cash Deposits and Investments: (continued)

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, 2018, the County's investments were held with a third-party custodian as required by the County's investment policy.

C. Concentration of Credit Risk

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

A maximum of 25% of available funds may be invested in the SBA, 100% of available fund may be invested in United States Government Securities, 50% of available funds may be invested in United States Government agencies with a 25% limit on individual issuers, 75% of available funds may be 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, 2018, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Discount Notes	$ 12,294,146	33.00%
U.S. Treasury Notes	7,653,305	21.00%
CenterState Business Money Market	1,506,587	4.00%
Wells Fargo Advantage Heritage Money Market Fund	15,772,186	42.00%
TOTAL	$ 37,226,224	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.

NOTE 3 - Property Taxes: (continued)

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

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

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

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

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 $7,737,368 in the General Fund and, $13,777, $29,351 and $11,388 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

NOTE 5 - Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

Governmental activities:	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Capital assets, not being depreciated:				
Land	$ 97,325,105	$ 3,267,066		$ 100,592,171
Fine art collection	123,700	-		123,700
Construction in process	5,282,116	8,080,426	3,257,172	10,105,370
Total capital assets, not being depreciated	102,730,921	11,347,492	3,257,172	110,821,241
Capital assets, being depreciated:				
Buildings	102,586,876	1,400,590		103,987,466
Improvements other than buildings	20,842,792			20,842,792
Equipment	35,217,973	2,872,349	637,425	37,452,897
Vehicles	20,460,048	2,458,443	603,372	22,315,119
Infrastructure	160,513,066	5,706,811		166,219,877
Total capital assets being depreciated	339,620,755	12,438,193	1,240,797	350,818,151
Less accumulated depreciation for:				
Buildings	19,300,468	2,046,592		21,347,060
Improvements other than buildings	15,908,597	1,099,637		17,008,234
Equipment	28,923,468	2,578,057	575,259	30,926,266
Vehicles	14,691,882	1,569,259	510,953	15,750,188
Infrastructure	52,492,107	3,659,044		56,151,151
Total accumulated depreciation	131,316,522	10,952,589	1,086,212	141,182,899
Total capital assets being depreciated, net	208,304,233	1,485,604	154,585	209,635,252
	$ 311,035,154	$ 12,833,096	$ 3,411,757	$ 320,456,493

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

Governmental activities:	
General government	$ 2,387,737
Public safety	3,055,125
Physical environment	47,883
Transportation	4,238,487
Economic environment	72,804
Human services	79,191
Culture/recreation	904,853
Court related	166,509
Total depreciation expense - governmental activities	$ 10,952,589

NOTE 6 - Capital Assets – Business-type Activities:

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,863,173	$ -	$ -	$ 3,863,173
Construction in process	12,649,337	1,604,763	12,405,414	1,848,686
Total capital assets, not being depreciated	16,512,510	1,604,763	12,405,414	5,711,859
Capital assets, being depreciated:				
Buildings	18,419,636	101,000	-	18,520,636
Improvements other than buildings	20,123,924	-	-	20,123,924
Equipment	1,639,318	62,865	5,351	1,696,832
Infrastructure	4,439,360	15,267,909	-	19,707,269
Total capital assets being depreciated	44,622,238	15,431,774	5,351	60,048,661
Less accumulated depreciation for:				
Buildings	3,765,862	439,799		4,205,661
Improvements other than buildings	10,726,859	1,123,674	-	11,850,533
Equipment	1,408,748	97,748	5,351	1,501,145
Infrastructure	743,697	230,297	-	973,994
Total accumulated depreciation	16,645,166	1,891,518	5,351	18,531,333
Total capital assets being depreciated, net	27,977,072	13,540,256	-	41,517,328
Business-type activities capital assets, net	$ 44,489,582	$ 15,145,019	$ 12,405,414	$ 47,229,187

Depreciation expense was charged as follows:

Business-type activities:	
Airport	$ 1,040,460
Utilities	840,800
Sanitary landfill	10,258
Total depreciation expense - business-type activities	$ 1,891,518

NOTE 7 - Long-Term Debt:

The balance of bonds and notes payable at September 30, 2018, 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.	$ 470,000
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.	22,690,000
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.	39,800,000
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.	2,188,000
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.	10,780,000

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 $7,436,313. The amount drawn at closing in August 2017 was $560,000. The remaining balance of $5,976,000 was drawn on November 28, 2017. Payments made during the fiscal year were for interest of $69,661.	6,536,000
Taxable Special Assessment Revenue Note, Series 2018 - was issued March 20, 2018 in the amount of $1,520,000 to finance the cost of its new vinyl seawall with concrete cap to protect adjacent homes along the Painters Hill Shoreline. Interest is paid at a fixed rate of 3.94%. Payments of principal and interest are due on July 1 and January 1 each year. Maturing is 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.	1,520,000
Taxable Special Assessment Revenue Note, Series 2018B - was issued June 22, 2018 in the amount of $3,112,000 to finance the cost of the restoration of emergency berm (dune) and partial engineered dune to mitigate against loss of land and structures. Interest is paid at a rate of 3.97%. Payments of principal and interest are due on July 1 and January 1 each year. Maturity is 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.	3,112,000
Bonds and notes payable from governmental activities	87,096,000
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 $5,308,475. Payments made during the fiscal year were for principal and interest amounted of $156,305.	3,076,000
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.	540,093
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%	2,080,000
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%.	2,365,000

NOTE 7 - Long-Term Debt: (continued)

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.	5,091,267
Clean Water, State Revolving Fund - was issued June 30, 2014 in the amount of $393,999 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.	376,551
Clean Water, State Revolving Fund - was issued August 7, 2017 in the amount of $5,729,600 for the construction of a wastewater treatment plant. Interest is paid at a rate of 3.55%. Payments of principal and interest are due on May 15 and November 15 each year. Maturity is November 15, 2038. Payments are made from the gross revenues derived yearly from the operation of the Utility System. The amount of $139,135 was drawn in August 2018.	139,135
East Flagler Mosquito Control - an agreement between the County and East Flagler Mosquito Control District was issued April 16, 2018 in the amount of $101,000 to terminate the existing Space Use Agreement and to purchase the hangar located at 170 Aviation Drive through rent abatement incorporated into the new EFMCD ground lease. The rent abatement represents the difference in the monthly payment to be paid to the County for the new ground lease and what EFMCD is currently paying. Maturity is September 2022. This is a non-interest bearing loan.	75,574
Bonds and notes payable from business-type activities	13,743,620
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.	123,299
Master Equipment Lease/Purchase agreement - was executed on February 23, 2017 to purchase 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.	686,000
Equipment Lease/Purchase agreement - was executed on January 17, 2018 to purchase multiple vehicles including police automobiles and related equipment, and boats used for Water Patrol. Interest is paid at a tax exempt fixed rate of 2.24%. The loan amount is $1,200,000 and the maturity date is four years from date of closing.	1,007,353
Master Equipment Lease / Purchase Agreement - was executed on May 24, 2018, in the amount of $13,730,000 for the 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.	13,730,000
Capital leases from governmental activities	15,546,652

NOTE 7 - Long-Term Debt: (continued)

Accrued Compensated Absences	
Governmental Activities	3,093,707
Business-Type Activities	118,120
OPEB Liability	
Governmental Activities	4,724,942
Business-Type Activities	138,611
Net Pension Liability	
Governmental Activities	66,670,405
Business-Type Activities	788,913
Add Unamortized Premium	
Governmental Activities	5,718,713
Total Long-Term Obligations	$ 197,639,683

Debt service requirements to maturity on the County's long-term obligations at September 30, 2018, are as follows:

Governmental Activities:

	Bonds		Notes payable		
Fiscal Year Ending September 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Total Long-Term Obligations and Interest**
2019	$ 4,355,000	$ 2,898,707	$ 1,464,000	$ 297,076	$ 9,014,783
2020	3,935,000	2,758,131	1,569,000	212,168	8,474,299
2021	3,750,000	2,636,958	1,163,000	142,649	7,692,607
2022	4,444,000	2,470,614	738,000	103,784	7,756,398
2023	4,639,000	2,283,215	767,000	74,512	7,763,727
2024-2028	26,215,000	8,327,808	506,000	182,067	35,230,875
2029-2033	25,318,000	3,636,274	613,000	74,308	29,641,582
2034-2037	7,620,000	425,610	-	-	8,045,610
Total principal and interest	80,276,000	25,437,317	6,820,000	1,086,564	113,619,881
Less interest to be paid	-	(25,437,317)	-	(1,086,564)	(26,523,881)
Total principal	80,276,000	-	6,820,000	-	87,096,000
Deferred amounts	5,718,713	-	-	-	5,718,713
Totals	$ 85,994,713	$ -	$ 6,820,000	$ -	$ 92,814,713

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	
2019	$ 48,000	$ 107,660	$ 572,577	$ 301,161	$ 1,029,398
2020	50,000	105,980	733,029	282,156	1,171,165
2021	52,000	104,230	614,599	262,482	1,033,311
2022	54,000	102,410	636,274	242,490	1,035,174
2023	56,000	100,520	639,886	221,812	1,018,218
2024-2028	310,000	471,800	3,022,925	818,959	4,623,684
2029-2033	366,000	413,805	1,955,170	396,746	3,131,721
2034-2038	435,000	345,100	1,222,089	230,014	2,232,203
2039-2043	517,000	263,480	1,271,071	84,305	2,135,856
2044-2048	614,000	166,390	-	-	780,390
2049-2052	574,000	51,100	-	-	625,100
Total principal and interest	3,076,000	2,232,475	10,667,620	2,840,125	18,816,220
Less interest to be paid	-	(2,232,475)	-	(2,840,125)	(5,072,600)
Totals	$3,076,000	$ -	$10,667,620	$ -	$ 13,743,620

Governmental Activities Long-term obligations not included above:	
Accrued compensated absences payable	3,093,707
OPEB liability	4,724,942
Net pension liability	66,670,405
Capitalized lease obligations	15,546,652
Business-type Activities Long-term obligations not included above:	
Accrued compensated absences payable	118,120
OPEB liability	138,611
Net pension liability	788,913
Total long-term obligations	$ 197,639,683

NOTE 7 - Long-Term Debt: (continued)

Changes in long-term liabilities for the fiscal year ended September 30, 2018, are summarized as follows:

Governmental activities:	Balance October 1, 2017, as restated*	Additions	Reductions	Balance September 30, 2018	Due within one year
General long-term obligations:					
Bonds payable	$ 77,335,000	$ 5,976,000	$ 3,035,000	$ 80,276,000	$ 4,355,000
Notes payable	2,997,000	4,632,000	809,000	6,820,000	1,464,000
Deferred amounts:					
Issuance premiums	6,050,859	-	332,146	5,718,713	-
Total bonds and notes payable	86,382,859	10,608,000	4,176,146	92,814,713	5,819,000
Accrued compensated absences	3,010,204	3,528,979	3,445,476	3,093,707	3,093,707
OPEB liability	4,748,009	-	23,067	4,724,942	-
Net pension liability	65,447,767	1,222,638	-	66,670,405	292,414
Capitalized lease obligations	1,068,066	14,930,000	451,414	15,546,652	558,276
Total governmental activity long-term obligations	160,656,905	30,289,617	8,096,103	182,850,419	9,763,397
Business-type activities:					
Bonds payable	3,123,000	-	47,000	3,076,000	48,000
Notes payable	10,676,114	547,334	555,828	10,667,620	572,577
Total bonds and notes payable	13,799,114	547,334	602,828	13,743,620	620,577
Accrued compensated absences	112,682	118,121	112,683	118,120	118,120
OPEB liability	139,289	-	678	138,611	-
Net pension liability	770,537	18,376	-	788,913	4,387
Total business-type activity long-term obligations	14,821,622	683,831	716,189	14,789,264	743,084
TOTAL LONG-TERM LIABILITIES	$ 175,478,527	$ 30,973,448	$ 8,812,292	$ 197,639,683	$ 10,506,481

*Beginning balances of the governmental activities and business-type activities related to OPEB were increased by $2,476,950 and $100,683, respectively. See Note 16 - Restatement for additional information on the implementation of GASB 75.

For governmental activities, compensated absences are liquidated by the respective funds obligated for the related payroll cost, that is, 80 percent by the general fund, 7 percent by the county transportation fund, and the remaining 13 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, 2018 and for the remaining terms are as follows:

NOTE 7 - Long-Term Debt: (continued)

Fiscal Year Ending September 30	Amount
2019	$ 1,066,251
2020	1,058,167
2021	1,500,574
2022	1,445,801
2023	1,340,193
2024-2028	6,690,667
2029-2033	4,848,354
2034-2036	2,166,235
Total principal and interest	20,116,242
Less amounts representing interest	(4,569,590)
Total principal	$ 15,546,652

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, 2018	Remaining balance, September 30, 2018
Monitoring of existing and future landfills	$ 1,600,000	$ (1,600,000)	$ -
Future landfill capital purchases	1,575,730	(349,972)	1,225,758
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	$ 6,740,384	$ (5,289,626)	$ 1,450,758

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

The remaining balance at September 30, 2018 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.

NOTE 7 - Long-Term Debt: (continued)

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 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, 2018 $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, 2018, 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, 2018 was $540,093. 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, 2018, the underlying swaps had a negative fair value of $23,013. 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, 2018 was $2,188,000. 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, 2018, the underlying swaps had a negative fair value of $46,706. 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, 2018 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	$ 81,363	Debt	$ (46,706)	$ 2,188,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	22,828	Debt	(23,013)	540,093

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2018, 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		
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	105,914	2,042	3,461	5,503
2024	54,856	697	119	816
	$2,728,093	$ 87,429	$ 142,695	$ 230,124

Credit risk – As of September 30, 2018 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, 2017	Additions	Deletions	Balance September 30, 2018
Tax anticipation note	$ -	$ 25,000,000	$ 15,000,000	$ 10,000,000

On October 5, 2017, the Board entered into a short term, tax anticipation note payable agreement to provide operating capital for its General Fund operations for Fiscal Year 2017/2018 in the amount of $15,000,000. The note included interest at 1.82% and matured February 1, 2018. It was secured by a pledge of and lien upon ad valorem tax receipts collected during the 2017/2018 fiscal year. This tax anticipation note was paid in full on January 2, 2018.

NOTE 8 - Short-term debt: (continued)

On September 25, 2018, the Board entered into a short term, tax anticipation note payable agreement to provide operating capital for its General Fund operations for Fiscal Year 2018/2019 in the amount not to exceed $15,000,000. The note included interest at a variable rate and matured February 1, 2019. It was secured by a pledge of and lien upon ad valorem tax receipts collected during the 2018/2019 fiscal year. The amount drawn on this tax anticipation note was $10,000,000. This tax anticipation note was paid in full on December 14, 2018.

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 $3,849. During the year ended September 30, 2018, the lease payments totaled $293,753.

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

Year Ending September 30,		Amount
2019	$	243,141
2020		220,821
2021		192,838
2022		3,645
	$	660,445

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

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

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

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

Benefits Provided

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

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, 2018 are as follows:

	FRS	HIS
Regular Employees	6.60%	1.66%
Elected County Officials	47.04%	1.66%
Senior Management	22.40%	1.66%
Special Risk	22.84%	1.66%
Deferred Retirement Option Programs (DROP) Employees	12.37%	1.66%

The County's contributions to FRS and HIS for the year ended September 30, 2018, were $5,382,818 to the FRS and $626,132 to the HIS.

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

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2018. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	$ 55,332,060	$ 12,127,258
Proportion at:		
Current measurement date	0.1837%	0.1146%
Prior measurement date	0.1832%	0.1126%
Pension expense (benefit)	$ 9,701,048	$ 1,042,061

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, 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	$ 4,687,457	$ 170,133	$ 185,663	$ 20,604
Changes of assumptions	18,079,826	-	1,348,700	1,282,193
Net difference between projected and actual earnings on pension plan investments	-	4,275,076	7,320	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,017,012	1,379,668	909,675	166,337
Employer contributions subsequent to the measurement date	1,485,709	-	164,033	-
TOTALS	$27,270,004	$ 5,824,877	$2,615,391	$ 1,469,134

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

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, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2019	$ 7,338,600	$ 306,924
2020	5,282,526	306,924
2021	1,303,208	276,456
2022	3,587,531	180,882
2023	2,258,466	(59,082)
Thereafter	189,087	(29,880)
TOTAL	$19,959,418	$ 982,224

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the Retiree Health Insurance Subsidy (HIS) Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018. 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	7.00%	N/A
Discount rate	7.00%	3.87%

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 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

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%	2.90%	2.90%
Fixed income	18%	4.40%	4.30%
Global equity	54%	7.60%	6.30%
Real estate (property)	11%	6.60%	6.00%
Private equity	10%	10.70%	7.80%
Strategic investments	6%	6.00%	5.70%
	100%		

Discount rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. 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 3.87% 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Employer's proportionate share of the net pension liability	$ 100,983,330	$ 55,332,060	$17,415,981	$ 13,812,234	$ 12,127,256	$10,722,729

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, 2018, totaled $745,691.

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 $1,010,463 at September 30, 2018 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 $4,923,719 to the plan for the year ended September 30, 2018.

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

	Liability October 1,	Claims incurred	Claims paid	Liability at September 30
2017 - 2018	$ 1,176,050	$ 7,123,805	$ 7,289,392	$ 1,010,463
2016 - 2017	1,400,801	6,730,805	6,955,556	1,176,050

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, 2018, interfund balances consisted of:

NOTE 13 - Interfund Balances and Transfers: (continued)

	Due from other funds	Due to other funds
General fund	$ 196,897	$ 793,882
General fund advances	1,880,000	-
Constitutional Gas Tax	1	-
Tourist Development Tax - Beach Restoration	3,538,191	523,053
Capital Projects	224,246	36,066
Nonmajor governmental funds	987,333	3,570,077
Airport	15,824	47,452
Utility	20,005	5,939
Utility fund advances	-	1,880,000
Nonmajor business-type funds	7,298	13,571
Internal services fund	245	-
	$ 6,870,040	$ 6,870,040

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

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

	Transfer in	Transfer out
General fund	$ 1,008,490	$ 180,523
Tourist Development Tax - Beach Restoration	1,152	-
Capital Projects	-	1,000,000
Nonmajor governmental funds	340,319	176,469
Nonmajor business-type funds	7,031	-
Total transfers	$ 1,356,992	$ 1,356,992

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, 2018. 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, 2018, 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	$ 20,143,799	$ 8,217,012
Public Safety Communications Network	13,730,000	12,396,808
Roadway Constructions	20,188,020	13,775,866
PB Waste-Water Treatment Plant	6,198,668	4,992,897

NOTE 15 - Other Postemployment Benefits:

In this fiscal year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployments Benefits Other Than Pensions*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*, for OPEB. The implementation resulted in a restatement of net position as discussed further in Note 16.

Plan Description and Benefits Provided

The County offers a self-funded health insurance plan that provides health, prescription drugs, dental, and vision and life insurance coverage to its active employees, eligible retirees and dependents. This is a single-employer defined benefit plan administered 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.

NOTE 15 - Other Postemployment Benefits: (continued)

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. Thus, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue a stand-alone report and is not included in the report of any other entity.

Employees Covered

At October 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	68
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	693
Total	761

Contributions (benefit payment reductions) to the OPEB Plan are shared by the retiree and the County. OPEB Plan participants must reimburse the County for the County's average blended cost. Contributions requirements of the County are established and may be amended through action by the Board.

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the County's total/net OPEB liability of $4,863,553 was October 1, 2017, one year prior to the County's fiscal reporting date of September 30, 2018. The components of the County's changes in the Total OPEB liability reported at September 30, 2018 are as follows:

Total OPEB Liability (TOL)	
Service Cost	$ 227,817
Interest	153,298
Benefit Changes	-
Difference Between Actual and Expected Experience	116,826
Assumption Changes	(179,015)
Benefit Payments	(342,671)
Net Change in Total OPEB Liability	$ (23,745)
Total OPEB Liability (TOL) - beginning	4,887,298
Total OPEB Liability (TOL) - ending	$ 4,863,553

Changes of assumptions and other inputs reflect a change in the discount rate from 3.10% at the beginning of the measurement period to 3.50% as of October 1, 2017.

NOTE 15 - Other Postemployment Benefits: (continued)

Actuarial Assumptions and other inputs

The total OPEB liability reported at September 30, 2018 was based on an actuarial valuation dated October 1, 2016 using the following actuarial assumptions:

Inflation	2.6% - not explicity used in valuation
Discount Rate	3.5%
Projected salary increases	3.7% - 7.8%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.5% gradually decreasing to an ultimate rate of 4.0% in 2040
Retirees' share of benefit-related costs	100% of blended health insurance premium rates except by law 0% for certain conditions for Police Officers and Firefighters death and disability benefits

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index

The mortality rates are healthy members based on various RP-2000 mortality tables with varying Collar adjustments and generational mortality improvements with Scale BB. Disabled Employees based on RP-2000 Disabled mortality tables setback 4 years for males and set forward 2 years for females and no projected improvements.

The experience study for the actuarial assumptions used in October 1, 2016 actuarial valuation are based on results of experience studies conducted by the Florida Retirement System as of 2014.

Sensitivity of Total OPEB liability to changes in discount rate

The following table presents the total OPEB liability of the County , as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	2.5%	3.5%	4.5%
Total OPEB Liability	$ 5,332,729	$ 4,863,553	$ 4,458,182

NOTE 15 - Other Postemployment Benefits: (continued)

Sensitivity of Total OPEB liability to changes in healthcare trend rate

The following table presents the total OPEB liability of the County , as well as what the County's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
Discount Rate	5.5% to 3.0%	6.5% to 4.0%	7.5% to 5.0%
Total OPEB Liability	$ 4,400,382	$ 4,863,553	$ 5,396,411

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2018, the County recognized OPEB expense of $386,672. At September 30, 2018, the County had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 106,204	$ -
Changes of assumptions oo other inputs	-	162,741
Total	$ 106,204	$ 162,741

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2018	$ (5,653)
2019	(5,653)
2020	(5,653)
2021	(5,653)
2022	(5,653)
2023	(5,653)
2024	(5,653)
2025	(5,653)
2026	(5,653)
Thereafter	(5,659)
Total	$ (56,536)

NOTE 16 – Restatement:

In 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in a restatement of beginning net position for governmental activities, business type activities and proprietary funds. The components of this adjustment are as follows:

	Net Position Governmental Activities	Net Position Business-Type Activities	Net Position Airport	Net Position Utility	Net Position Internal Service Fund
Beginning Balances, as originally reported	234,112,870	35,500,669	27,870,406	3,799,806	2,638,995
Implementation of GASB No. 75	(2,531,875)	(102,293)	(27,010)	(59,560)	(4,383)
Beginning Balances, as restated	$ 231,580,995	$ 35,398,376	$ 27,843,396	$ 3,740,246	$ 2,634,612

NOTE 17 - Subsequent Events Disclosure:

Clean Water, State Revolving Fund

On August 7, 2017, the County issued a $5,729,600 Clean Water, State Revolving Fund for the construction of a wastewater treatment plant. Interest is paid at a rate of 3.55%, and maturing on November 15, 2038. The following withdrawals have been made in FY18-19:

- On December 5, 2018, $872,426
- On February 22, 2019, $741,512
- On August 9, 2019, $1,600,845

See Note 7 for additional information.

Pooled Commercial Paper Notes, Series A

On April 25, 2019, the County issued a $1,000,000 Pooled Commercial Loan Program from the Florida Local Government Finance Commission, to finance improvements to the County's existing Enterprise Resource Planning (ERP) software and the purchase of various Fire Rescue equipment. This loan will be amortized over a period of 5 years. Principal payments will be $200,000 per year. Interest is a blended market rate based on the actual rates of sale for the Florida Local Government Financial Commission Commercial Paper.

Utility System Revenue Note, Series 2019

On May 31, 2019, the County issued a $3,781,000 Utility System Revenue Note, Series 2019, to finance the installation of an expandable Reverse Osmosis water treatment plant at Plantation Bay. Bearing interest at a fixed rate of 2.99%, and maturing on October 1, 2033.

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts Budgetary Basis**	**Variance With Final Budget**
REVENUES				
Taxes	$ 64,034,561	$ 64,034,561	$ 61,793,023	$ (2,241,538)
Licenses and permits	32,000	32,000	38,471	6,471
Intergovernmental	5,776,638	5,937,254	7,810,892	1,873,638
Charges for services	9,010,436	9,227,191	9,151,575	(75,616)
Fines and forfeitures	86,000	86,000	111,648	25,648
Miscellaneous revenue	419,703	467,496	914,300	446,804
Investment income	4,898	7,988	390,394	382,406
TOTAL REVENUES	79,364,236	79,792,490	80,210,303	417,813
EXPENDITURES				
Current				
County commission	621,818	620,568	542,295	78,273
County administration	16,738,472	17,192,312	13,628,136	3,564,176
County attorney	707,997	825,021	578,477	246,544
County engineering	831,930	846,741	730,805	115,936
Recreation, Fleet and Facilities	6,317,520	6,404,810	6,252,262	152,548
Emergency services	38,525,571	40,124,063	44,238,879	(4,114,816)
Transportation	1,617,730	1,597,803	1,454,482	143,321
Agriculture agent	288,458	288,076	254,612	33,464
Community services	3,872,400	3,903,514	3,579,707	323,807
Public library	1,225,498	1,229,006	1,139,942	89,064
Veteran services	137,326	136,826	104,394	32,432
Medical examiner	316,596	316,596	305,500	11,096
Pre-trial services	68,532	68,282	46,547	21,735
Judiciary	995,389	1,025,964	884,308	141,656
Pooled expenditures	4,253,681	4,283,837	4,216,036	67,801
Federal and State grants	1,705,770	2,208,045	561,778	1,646,267
Capital projects	935,720	1,594,422	353,982	1,240,440
Debt service				
Principal retirement	1,361,455	1,361,455	1,221,647	139,808
Interest and fiscal charges	242,345	240,439	250,340	(9,901)
TOTAL EXPENDITURES	80,764,208	84,267,780	80,344,129	3,923,651
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,399,972)	(4,475,290)	(133,826)	4,341,464
OTHER FINANCING SOURCES (USES)				
Transfers in	675,707	1,417,812	1,008,490	(409,322)
Transfers out	(194,579)	(997,028)	(180,523)	816,505
Long term debt issued	400,000	400,000	-	(400,000)
Capital lease proceeds	-	-	1,200,000	1,200,000
TOTAL OTHER FINANCING SOURCES (USES)	881,128	820,784	2,027,967	1,207,183
NET CHANGE IN FUND BALANCE	(518,844)	(3,654,506)	1,894,141	5,548,647
FUND BALANCES, BEGINNING OF YEAR	518,844	3,654,506	12,222,950	8,568,444
FUND BALANCES, END OF YEAR	$ -	$ -	14,117,091	$ 14,117,091
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	790,157	
		Public Safety Communications Network	12,416,709	
FUND BALANCE, END OF YEAR - GAAP BASIS			$ 27,323,957	

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 14,900,054	$ 19,988,697	$ 7,975,138	$ (12,013,559)
Charges for services	-	-	4,840	4,840
Investment income	5,000	5,000	58,402	53,402
Total revenues	14,905,054	19,993,697	8,038,380	(11,955,317)
EXPENDITURES				
Current				
Transportation	7,744,000	4,574,000	2,960	4,571,040
Capital Outlay	8,874,463	19,807,950	7,799,591	12,008,359
Total expenditures	16,618,463	24,381,950	7,802,551	16,579,399
Excess (deficiency) of revenues over expenditures	(1,713,409)	(4,388,253)	235,829	4,624,082
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,000)	(300,000)	-	300,000
Net change in fund balances	(2,013,409)	(4,688,253)	235,829	4,924,082
Fund balances-beginning	2,013,409	4,688,253	4,772,943	84,690
Fund balances-ending	$ -	$ -	$ 5,008,772	$ 5,008,772

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,500,000	$ 1,500,000	$ 1,327,934	$ (172,066)
Intergovernmental	-	12,883,438	6,993,394	(5,890,044)
Miscellanous revenue	-	-	157,764	157,764
Investment income	3,000	3,000	70,473	67,473
Total revenues	1,503,000	14,386,438	8,549,565	(5,836,873)
EXPENDITURES				
Current				
Tourist development	9,434,206	26,919,336	8,470,502	18,448,834
Debt Service				
Other debt service costs	69,265	70,265	70,142	123
Total expenditures	9,503,471	26,989,601	8,540,644	18,448,957
Excess (deficiency) of revenues over expenditures	(8,000,471)	(12,603,163)	8,921	12,612,084
OTHER FINANCIING SOURCES (USES)				
Long term debt issued	6,000,000	10,164,310	5,976,000	(4,188,310)
Transfers in	-	-	1,152	1,152
Total other financing sources (uses)	6,000,000	10,164,310	5,977,152	(4,187,158)
Net change in fund balance	(2,000,471)	(2,438,853)	5,986,073	8,424,926
Fund balances-beginning	2,000,471	2,438,853	2,438,859	6
Fund balances-ending	$ -	$ -	$ 8,424,932	$ 8,424,932

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

Florida Retirement System	2015	2016	2017	2018
Employer's proportion of net pension liability (asset)	0.1601%	0.1785%	0.1820%	0.1837%
Employer's proportionate share of the net pension liability (asset)	$ 20,680,574	$ 45,074,952	$ 54,182,208	$ 55,332,060
Employer's covered payroll **	$ 31,337,441	$ 33,394,967	$ 35,947,885	$ 37,425,195
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	65.99%	134.98%	150.72%	147.85%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%

Health Insurance Subsidy Program	2015	2016	2017	2018
Employer's proportion of net pension liability (asset)	0.1033%	0.1080%	0.1120%	0.1146%
Employer's proportionate share of the net pension liability (asset)	$ 10,534,340	$ 12,583,713	$ 12,036,096	$ 12,127,258
Employer's covered payroll **	$ 31,337,441	$ 33,394,967	$ 35,947,885	$ 37,425,195
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.62%	37.68%	33.48%	32.40%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%

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	2015	2016	2017	2018
Contractually required contribution	$ 3,954,117	$ 3,314,059	$ 4,846,090	$ 5,382,818
Contributions in relation to the contractually required contribution	3,954,117	3,314,059	4,846,090	5,382,818
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Employer's covered payroll **	$ 31,711,994	$ 34,970,520	$ 36,477,402	$ 37,727,266
Contributions as a percentage of covered payroll	12.47%	9.48%	13.29%	14.27%

Health Insurance Subsidy Program	2015	2016	2017	2018
Contractually required contribution	$ 425,713	$ 573,674	$ 605,102	$ 626,132
Contributions in relation to the contractually required contribution	425,713	573,674	605,102	626,132
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Employer's covered payroll **	$ 31,711,994	$ 34,970,520	$ 36,477,402	$ 37,727,266
Contributions as a percentage of covered payroll	1.34%	1.64%	1.66%	1.66%

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
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

		FY 2018
Total OPEB Liability (TOL)		
Service Cost	$	227,817
Interest		153,298
Benefit Changes		-
Difference Between Actual and Expected Experience		116,826
Assumption Changes		(179,015)
Benefit Payments		(342,671)
Net Change in Total OPEB Liability	$	(23,745)
Total OPEB Liability (TOL) - beginning		4,887,298
Total OPEB Liability (TOL) - ending	$	4,863,553
Covered Employee Payroll	$	31,594,094
Total OPEB Liability of Covered Employee Payroll		15.39%

Change to benefit terms:

None

Change of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Measurement Date	Discount Rate
October 1, 2017	3.50%
October 1, 2016	3.10%

*GASB Statement No. 75 was implemented in 2018. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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 10% of the 5% 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 60% of the 5% 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.

Environmentally Sensitive Lands

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

Environmentally Sensitive Lands – 2008 Referendum

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

SPECIAL REVENUE FUNDS: (continued)

Utility Regulatory Authority

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

800 MGHZ Expansion

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

Transportation Impact Fees – West

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

Transportation Impact Fees – East

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

New Transportation Impact Fees – East

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

Daytona North Service District

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

Park Impact Fees

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

Economic Development

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

State Housing Initiative

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

SPECIAL REVENUE FUNDS: (continued)

Community Redevelopment Block Grant (CDBG) Neighborhood Stabilization

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

Bimini Gardens Municipal Service

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

Espanola Mosquito Control

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

Rima Ridge Mosquito Control

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

Building Department

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

Domestic Violence

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

Alcohol and Other Drug Trust Fund

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

Court Technology

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

Juvenile Diversion

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

Crime Prevention

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

SPECIAL REVENUE FUNDS: (continued)

Court Innovations

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

Teen Court

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

E911

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

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.

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.

SPECIAL REVENUE FUNDS: (continued)

Inmate Welfare

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

DEBT SERVICE FUNDS:

Debt service funds are used to account for and report financial resources 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 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.

CAPITAL PROJECTS FUNDS: (continued)

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.

Taxable Special Assessment Revenue Note, Series 2018

This fund was established to account for and report proceeds received from a Taxable Special Assessment Revenue Note, Series 2018, to be used for the construction of a vinyl seawall to protect adjacent homes along the shoreline in Painter's Hill Seawall Special Assessment District.

Taxable Special Assessment Revenue Note, Series 2018B

This fund was established to account for and report proceeds received from a Taxable Special Assessment Revenue Note, Series 2018B, to be used for the installation of an emergency protective berm in Dune Restoration Project Special Assessment District created on December 20, 2017.

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.

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.

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds			
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library
ASSETS				
Cash and cash equivalents	$ 559,188	$ 20,574	$ 96,606	$ 7,121
Investments	737,841	-	-	-
Accounts receivable	10,741	-	-	-
Due from other funds	533,293	1,500	-	1,500
Due from other governments	850,997	-	-	-
Prepaid	-	-	-	-
Total assets	$ 2,692,060	$ 22,074	$ 96,606	$ 8,621
LIABILITIES				
Accounts payable and accrued liabilities	$ 110,349	$ 11,264	$ -	$ 713
Deposits	48,418	-	-	-
Due to other funds	16,718	-	36,242	-
Due to other governments	581	-	-	-
Total liabilities	176,066	11,264	36,242	713
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	2,515,994	10,810	60,364	7,908
Capital projects and acquisitions	-	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	-	-	-
Other purposes	-	-	-	-
Total fund balances (deficits)	2,515,994	10,810	60,364	7,908
Total liabilities and fund balances (deficits)	$ 2,692,060	$ 22,074	$ 96,606	$ 8,621

Special Revenue Funds (Continued)

Court Facilities	Tourist Development Tax Capital	Tourist Development Tax Promotion	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ 20,122	$ 44,774	$ 382,853	$ 3,799	$ 249	$ 21,840
442,472	2,183,888	912,797	129,499	977,031	-
356	1,758	745	104	786	-
16,939	23,217	139,308	-	36	-
-	-	-	-	-	-
-	-	1,522	-	-	-
$ 479,889	$ 2,253,637	$ 1,437,225	$ 133,402	$ 978,102	$ 21,840
$ 210,848	$ 190	$ 70,749	$ 10	$ 85	$ -
-	-	-	-	-	-
-	685	7,704	67	51	-
-	-	35	-	-	-
210,848	875	78,488	77	136	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,522	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
269,041	2,252,762	1,357,215	-	-	-
-	-	-	-	-	-
-	-	-	133,325	977,966	-
-	-	-	-	-	-
-	-	-	-	-	21,840
269,041	2,252,762	1,358,737	133,325	977,966	21,840
$ 479,889	$ 2,253,637	$ 1,437,225	$ 133,402	$ 978,102	$ 21,840

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds (Continued)			
	800 MGHZ Expansion	Transportation Impact Fees West	Transportation Impact Fees East	New Transportation Impact Fees- East
ASSETS				
Cash and cash equivalents	$ 1,930	$ 4,247	$ 37,758	$ 3,496
Investments	929,920	129,839	2,727,200	813,218
Accounts receivable	749	105	2,195	655
Due from other funds	-	-	1	-
Due from other governments	-	-	171,573	-
Prepaid	-	-	-	-
Total assets	$ 932,599	$ 134,191	$ 2,938,727	$ 817,369
LIABILITIES				
Accounts payable and accrued liabilities	$ 81	$ 11	$ 238	$ 71
Deposits	900,000	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	171,573	-
Unearned revenue	-	-	-	-
Total liabilities	900,081	11	171,811	71
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	32,518	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	134,180	2,766,916	817,298
Other purposes	-	-	-	-
Total fund balances (deficits)	32,518	134,180	2,766,916	817,298
Total liabilities and fund balances (deficits)	$ 932,599	$ 134,191	$ 2,938,727	$ 817,369

Special Revenue Funds (Continued)

Daytona North Service District	Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ 4,777	$ 297,032	$ 230,250	$ 457,215	$ 20,968	$ 27,818
848,875	-	-	-	-	-
683	521	-	-	-	-
17,978	-	-	-	-	24
12,730	1,302	-	-	-	-
-	-	-	533	-	-
$ 885,043	298,855	230,250	457,748	20,968	27,842
$ 939	$ -	$ -	$ 1,673	$ -	$ -
-	-	-	-	-	-
8,206	-	225	16,631	-	58
-	-	-	11,960	-	-
-	-	-	245,419	20,968	-
9,145	-	225	275,683	20,968	58
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	533	-	-
-	-	-	-	-	-
-	-	230,025	181,532	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	298,855	-	-	-	-
875,898	-	-	-	-	27,784
875,898	298,855	230,025	182,065	-	27,784
$ 885,043	$ 298,855	$ 230,250	$ 457,748	$ 20,968	$ 27,842

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	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	$ 32,104	$ 71,222	$ 237,055	$ 12,474	$ 4,054
Investments	-	-	1,612,031	-	-
Accounts receivable	-	-	10,054	-	-
Due from other funds	13	11	168	1,070	423
Due from other governments	-	-	5,241	-	-
Prepaid	-	-	-	-	-
Total assets	$ 32,117	$ 71,233	$ 1,864,549	$ 13,544	$ 4,477
LIABILITIES					
Accounts payable and accrued liabilities	$ -	$ -	$ 18,441	$ -	$ -
Due to other funds	206	216	497	-	-
Due to other governments	-	-	10,180	-	-
Unearned revenue	8,640	33,421	-	-	-
Total liabilities	8,846	33,637	29,118	-	-
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	-	-	1,835,431	13,544	4,477
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	23,271	37,596	-	-	-
Total fund balances (deficits)	23,271	37,596	1,835,431	13,544	4,477
Total liabilities and fund balances (deficits)	$ 32,117	$ 71,233	$ 1,864,549	$ 13,544	$ 4,477

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ 46,026	$ 4,993	$ 21,864	$ 14,480	$ 22,179	$ 322,054
689,241	-	46,265	-	-	149,609
555	-	37	-	-	120
19,018	1,500	2,309	1,502	1,815	748
-	-	-	-	-	148,034
-	-	-	-	-	19,557
$ 754,840	$ 6,493	$ 70,475	$ 15,982	$ 23,994	$ 640,122
$ 900	$ -	$ 2,504	$ 11,170	$ 1,834	$ 216,920
-	-	-	-	-	303
3,819	-	818	-	-	70
-	-	-	-	-	-
4,719	-	3,322	11,170	1,834	217,293
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,557
-	-	-	-	-	-
-	-	-	-	-	-
750,121	6,493	67,153	4,812	22,160	403,272
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
750,121	6,493	67,153	4,812	22,160	422,829
$ 754,840	$ 6,493	$ 70,475	$ 15,982	$ 23,994	$ 640,122

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds (Continued)				
	North Malacompra District	Court Operations	Clerk Court Technology	Records Modernization	Federal Equitable Sharing Fund
ASSETS					
Cash and cash equivalents	$ 69,532	$ 326,777	$ 265,461	$ 203,993	$ 3,177
Investments	-	-	-	-	-
Accounts receivable	-	3,712	225	163	-
Due from other funds	158	1,138	-	-	-
Due from other governments	-	22,146	2,459	1,068	-
Prepaid	-	32,670	-	-	-
Other assets	-	2,160	-	-	-
Total assets	$ 69,690	$ 388,603	$ 268,145	$ 205,224	$ 3,177
LIABILITIES					
Accounts payable and accrued liabilities	$ -	$ 25,263	$ 60	$ 26	$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	330,670	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	355,933	60	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	-	-	268,085	205,198	3,177
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	69,690	-	-	-	-
Total fund balances (deficits)	69,690	32,670	268,085	205,198	3,177
Total liabilities and fund balances (deficits)	$ 69,690	$ 388,603	$ 268,145	$ 205,224	$ 3,177

Special Revenue Funds (Continued)			Debt Service Funds
Law Enforcement Education	Inmate Welfare	Total	ESL 2008 Referendum
$ 7,427	$ 48,097	$ 3,955,586	$ 324,411
-	-	13,329,726	840,611
-	16,054	50,318	677
-	-	763,669	1,936
-	-	1,215,550	-
-	-	54,282	-
-	-	2,160	-
$ 7,427	$ 64,151	$ 19,371,291	$ 1,167,635
$ -	$ 1,560	$ 685,899	$ 73
-	-	948,418	-
-	-	87,809	-
-	-	529,706	-
-	-	308,448	-
-	1,560	2,560,280	73
-	-	-	-
-	-	-	-
-	-	54,282	-
-	-	-	1,167,562
-	-	411,557	-
7,427	62,591	10,128,035	-
-	-	32,518	-
-	-	1,111,291	-
-	-	4,017,249	-
-	-	1,056,079	-
7,427	62,591	16,811,011	1,167,562
$ 7,427	$ 64,151	$ 19,371,291	$ 1,167,635

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Debt Service Funds (Continued)			
	ESL Bond Sinking	Capital Construction GO Issue	Capital Improvements & Refunding Series 2015	Total
ASSETS				
Cash and cash equivalents	$ -	$ 51,777	$ 2,185,859	$ 2,562,047
Investments	-	452,443	564,060	1,857,114
Accounts receivable	-	364	454	1,495
Due from other funds	-	2,149	213,107	217,192
Due from other governments	-	-	296,656	296,656
Total assets	$ -	$ 506,733	$ 3,260,136	$ 4,934,504
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ 39	$ 106	$ 218
Due to other funds	-	-	-	-
Total liabilities	-	39	106	218
DEFERRED INFLOWS OF RESOURCES				
Unavailable resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable				
Parks and recreation	-	-	-	-
Prepaids	-	-	-	-
Restricted for				-
Bond covenants or debt service	-	506,694	3,260,030	4,934,286
Grant programs and projects	-	-	-	-
Federal and state law	-	-	-	-
Capital projects and acquisitions	-	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	-	-	-
Other purposes	-	-	-	-
Total fund balances (deficits)	-	506,694	3,260,030	4,934,286
Total liabilities and fund balances (deficits)	$ -	$ 506,733	$ 3,260,136	$ 4,934,504

Capital Projects Funds

Beach Front Parks	Park Maintenance Trust	Capital Improvement Revenue Bonds Series 2015	CPF - Taxable Special Assessment Revenue Note, Series 2018	CPF - Taxable Special Assessment Revenue Note, Series 2018B
$ 5,547	$ 19,500	$ 33,537	$ 293,663	$ 3,420,052
393,033	758,031	796,437	-	353,295
316	610	641	-	284
-	-	-	542	5,394
-	-	-	-	-
$ 398,896	$ 778,141	$ 830,615	$ 294,205	$ 3,779,025
$ 34	$ 166	$ 8,138	$ 9,511	$ 447
-	-	-	25,944	3,456,324
34	166	8,138	35,455	3,456,771
-	-	-	-	-
-	540,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
398,862	-	822,477	258,750	322,254
-	-	-	-	-
-	-	-	-	-
-	237,975	-	-	-
398,862	777,975	822,477	258,750	322,254
$ 398,896	$ 778,141	$ 830,615	$ 294,205	$ 3,779,025

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Capital Projects Funds (Continued)			
	Marineland Acres District	Capital ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 60,327	$ 41,686	$ 3,874,312	$ 10,391,945
Cash with fiscal agent	-	29,386	29,386	29,386
Investments	177,405	2,903,595	5,381,796	20,568,636
Accounts receivable	143	2,337	4,331	56,144
Due from other funds	536	-	6,472	987,333
Due from other governments	-	-	-	1,512,206
Prepaid	-	-	-	54,282
Other assets	-	-	-	2,160
Total assets	$ 238,411	$ 2,977,004	$ 9,296,297	$ 33,602,092
LIABILITIES				
Accounts payable and accrued liabilities	$ 15	$ 253	$ 18,564	$ 704,681
Deposits	-	-	-	948,418
Due to other funds	-	-	3,482,268	3,570,077
Due to other governments	-	-	-	529,706
Unearned revenue	-	2,342,330	2,342,330	2,650,778
Total liabilities	15	2,342,583	5,843,162	8,403,660
DEFERRED INFLOWS OF RESOURCES				
Unavailable resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable				
Parks and recreation	-	-	540,000	540,000
Prepaids	-	-	-	54,282
Restricted for				
Bond covenants or debt service	-	-	-	4,934,286
Grant programs and projects	-	-	-	411,557
Federal and state law	-	-	-	10,128,035
Capital projects and acquisitions	238,396	-	2,040,739	2,073,257
ESL acquisitions	-	634,421	634,421	1,745,712
Impact fees	-	-	-	4,017,249
Other purposes	-	-	237,975	1,294,054
Total fund balances (deficits)	238,396	634,421	3,453,135	25,198,432
Total liabilities and fund balances (deficits)	$ 238,411	$ 2,977,004	$ 9,296,297	$ 33,602,092

COUNTY COMMISSION

FLAGLER COUNTY, FLORIDA

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			
	County Transportation Trust	**Legal Aid**	**Law Enforcement Trust**	**Law Library**
REVENUES				
Taxes	$ 945,964	$ -	$ -	$ -
Intergovernmental	1,600,596	-	-	-
Charges for services	1,272,865	-	-	-
Fines and forfeitures	-	18,783	64,053	18,808
Miscellaneous revenue	24,063	-	-	-
Investment income	11,903	76	313	16
Total revenues	3,855,391	18,859	64,366	18,824
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	39,523	-
Physical environment	-	-	-	-
Transportation	2,788,590	-	-	-
Economic environment	-	-	-	-
Human services	-	45,076	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	11,033
Capital Outlay	11,819	-	-	-
Debt service				
Principal retirement	38,767	-	-	-
Interest and fiscal charges	4,781	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	2,843,957	45,076	39,523	11,033
Excess (deficiency) of revenues over expenditures	1,011,434	(26,217)	24,843	7,791
OTHER FINANCING SOURCES (USES)				
Transfers in	93,413	31,950	-	-
Transfers out	-	-	-	(2,248)
Total other financing sources (uses)	93,413	31,950	-	(2,248)
Net change in fund balances	1,104,847	5,733	24,843	5,543
Fund balances-beginning	1,411,147	5,077	35,521	2,365
Fund balances-ending	$ 2,515,994	$ 10,810	$ 60,364	$ 7,908

Special Revenue Funds (Continued)

Court Facilities	Tourist Development Tax Capital	Tourist Development Tax Promotion	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ -	$ 111,490	$ 1,331,247	$ -	$ 35	$ -
-	-	-	-	-	-
-	-	-	-	-	-
201,131	-	-	-	-	-
-	-	-	-	-	-
7,760	35,813	15,745	2,118	15,904	57
208,891	147,303	1,346,992	2,118	15,939	57
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	375	768	-
-	-	-	-	-	-
-	-	1,411,933	-	-	-
-	-	-	-	-	-
-	153,059	-	-	-	-
422,674	-	-	-	-	-
233,025	72,885	31,418	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
655,699	225,944	1,443,351	375	768	-
(446,808)	(78,641)	(96,359)	1,743	15,171	57
-	384	2,305	-	-	-
-	-	-	-	-	-
-	384	2,305	-	-	-
(446,808)	(78,257)	(94,054)	1,743	15,171	57
715,849	2,331,019	1,452,791	131,582	962,795	21,783
$ 269,041	$ 2,252,762	$ 1,358,737	$ 133,325	$ 977,966	$ 21,840

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds (Continued)			
	800 MGHZ Expansion	**Transportation Impact Fees West**	**Transportation Impact Fees East**	**New Transportation Impact Fees- East**
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-
Intergovernmental	-	-	171,573	-
Miscellaneous revenue	-	-	-	-
Investment income	15,135	2,126	44,107	13,245
Total revenues	15,135	2,126	215,680	13,245
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	531	-	-	-
Physical environment	-	-	-	-
Transportation	-	74	173,050	529
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Other debt service costs	-	-	-	-
Total expenditures	531	74	173,050	529
Excess (deficiency) of revenues over expenditures	14,604	2,052	42,630	12,716
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-		-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	14,604	2,052	42,630	12,716
Fund balances-beginning	17,914	132,128	2,724,286	804,582
Fund balances-ending	$ 32,518	$ 134,180	$ 2,766,916	$ 817,298

Special Revenue Funds (Continued)

Daytona North Service District	Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
$ 77,282	$ -	$ -	$ -	$ -	$ -
268,819	115,578	-	-	-	5,392
-	-	-	410,259	-	-
-	-	-	18,482	-	-
14,463	633	764	1,880	-	67
360,564	116,211	764	430,621	-	5,459
22,310	-	-	-	-	-
-	-	-	35,583	-	-
-	-	-	-	-	-
244,950	-	-	-	-	242
-	-	899	374,460	-	-
-	-	-	-	-	-
-	11	-	-	-	-
-	-	-	-	-	-
-	13,657	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
267,260	13,668	899	410,043	-	242
93,304	102,543	(135)	20,578	-	5,217
1,190	-	-	-	-	24
(93,413)	-	-	-	-	-
(92,223)	-	-	-	-	24
1,081	102,543	(135)	20,578	-	5,241
874,817	196,312	230,160	161,487	-	22,543
$ 875,898	$ 298,855	$ 230,025	$ 182,065	$ -	$ 27,784

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds (Continued)				
	Espanola Mosquito Control	**Rima Ridge Mosquito Control**	**Building Department**	**Domestic Violence**	**Alcohol and Other Drug Trust Fund**
REVENUES					
Special assessments/Impact fees	$ 1,354	$ 2,437	$ -	$ -	$ -
Licenses and permits	-	-	1,204,427	-	-
Intergovernmental	340	-	183	-	-
Charges for services	-	-	2,322	-	-
Fines and forfeitures	-	-	15,469	10,170	3,827
Miscellaneous revenue	-	-	1,428	-	-
Investment income	47	91	29,773	34	5
Total revenues	1,741	2,528	1,253,602	10,204	3,832
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	773,333	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	659	351	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	65
Capital Outlay	-	-	30,350	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	659	351	803,683	-	65
Excess (deficiency) of revenues over expenditures	1,082	2,177	449,919	10,204	3,767
OTHER FINANCING SOURCES (USES)					
Transfers in	6	11	-	-	-
Transfers out	-	-	-	(6,281)	-
Total other financing sources (uses)	6	11	-	(6,281)	-
Net change in fund balances	1,088	2,188	449,919	3,923	3,767
Fund balances-beginning	22,183	35,408	1,385,512	9,621	710
Fund balances-ending	$ 23,271	$ 37,596	$ 1,835,431	$ 13,544	$ 4,477

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	942,436
-	-	-	-	-	100
258,617	18,802	28,153	18,793	21,443	-
18	-	-	-	-	1,243
11,102	23	804	146	95	5,635
269,737	18,825	28,957	18,939	21,538	949,414
-	-	-	-	-	-
-	-	5,091	-	-	634,049
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
216,608	-	-	144,867	57,619	-
21,320	-	-	-	-	593,445
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
237,928	-	5,091	144,867	57,619	1,227,494
31,809	18,825	23,866	(125,928)	(36,081)	(278,080)
-	-	-	106,742	56,249	-
-	(14,169)	(15,000)	-	-	-
-	(14,169)	(15,000)	106,742	56,249	-
31,809	4,656	8,866	(19,186)	20,168	(278,080)
718,312	1,837	58,287	23,998	1,992	700,909
$ 750,121	$ 6,493	$ 67,153	$ 4,812	$ 22,160	$ 422,829

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds				
	North Malacompra District	Court Operations	Clerk Court Technology	Records Modernization	Federal Equitable Sharing Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	35,273	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	405,061	-	-	-
Charges for services	-	1,283,794	245,687	84,262	-
Fines and forfeitures	-	223,613	-	-	-
Miscellaneous revenue	-	280	-	-	-
Investment income	156	8,982	844	572	-
Total revenues	35,429	1,921,730	246,531	84,834	-
EXPENDITURES					
Current					
General government	-	-	-	32,018	-
Public safety	-	-	-	-	-
Physical environment	792	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	1,921,730	200,101	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	792	1,921,730	200,101	32,018	-
Excess (deficiency) of revenues over expenditures	34,637	-	46,430	52,816	-
OTHER FINANCING SOURCES (USES)					
Transfers in	156	-	-	-	2,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	156	-	-	-	2,000
Net change in fund balances	34,793	-	46,430	52,816	2,000
Fund balances-beginning	34,897	32,670	221,655	152,382	1,177
Fund balances-ending	$ 69,690	$ 32,670	$ 268,085	$ 205,198	$ 3,177

Special Revenue Funds (Continued)			Debt Service Funds
Law Enforcement Education	Inmate Welfare	Total	ESL 2008 Referendum
$ -	$ -	$ 2,466,018	$ 1,903,138
-	-	428,853	-
-	-	1,204,427	-
-	-	3,530,448	-
7,000	106,790	3,002,820	-
-	-	901,662	-
-	-	45,514	-
-	-	240,434	17,710
7,000	106,790	11,820,176	1,920,848
-	-	54,328	-
-	75,649	1,563,759	-
-	-	1,935	-
-	-	3,207,435	-
-	-	1,787,292	-
-	-	46,086	-
-	-	153,070	-
-	-	2,974,697	-
-	-	1,007,919	-
		-	
-	-	38,767	870,000
-	-	4,781	292,147
-	-	-	2,425
-	75,649	10,840,069	1,164,572
7,000	31,141	980,107	756,276
-	-	294,430	45,358
-	-	(131,111)	-
-	-	163,319	45,358
7,000	31,141	1,143,426	801,634
427	31,450	15,667,585	365,928
$ 7,427	$ 62,591	$ 16,811,011	$ 1,167,562

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Debt Service Funds (Continued)			
	ESL Bond Sinking	Capital Construction GO Issue	Capital Improvements & Refunding Series 2015	Total
REVENUES				
Taxes	$ -	$ 1,865,327	$ 196,162	$ 3,964,627
Intergovernmental	-	-	2,455,069	2,455,069
Miscellaneous revenue	-	-	-	-
Investment income	24	11,448	21,657	50,839
Total revenues	24	1,876,775	2,672,888	6,470,535
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				-
Principal retirement	-	955,000	1,210,000	3,035,000
Interest and fiscal charges	-	835,236	1,742,725	2,870,108
Other debt service costs	3	2,151	2,497	7,076
Total expenditures	3	1,792,387	2,955,222	5,912,184
Excess (deficiency) of revenues over expenditures	21	84,388	(282,334)	558,351
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	45,358
Transfers out	(45,358)	-	-	(45,358)
Long term debt issued	-	-	-	-
Total other financing sources (uses)	(45,358)	-	-	-
Net change in fund balances	(45,337)	84,388	(282,334)	558,351
Fund balances-beginning	45,337	422,306	3,542,364	4,375,935
Fund balances-ending	$ -	$ 506,694	$ 3,260,030	$ 4,934,286

Capital Projects Funds				
Beach Front Parks	Park Maintenance Trust	Capital Improvement Revenue Bonds Series 2015	CPF-Taxable Special Assessment Revenue Note, Series 2018	CPF-Taxable Special Assessment Revenue Note, Series 2018B
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	255,286	690,468
6,423	12,460	12,455	1,941	10,957
6,423	12,460	12,455	257,227	701,425
-	-	2,519	-	-
-	-	-	-	-
-	-	-	1,486,873	3,456,415
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
224	10,132	-	-	-
-	-	-	-	-
-	-	659,900	-	-
-	-	-	-	-
-	-	-	31,604	34,756
-	-	-	-	-
224	10,132	662,419	1,518,477	3,491,171
6,199	2,328	(649,964)	(1,261,250)	(2,789,746)
-	-	-	-	-
-	-	-	-	-
-	-	-	1,520,000	3,112,000
			-	-
-	-	-	1,520,000	3,112,000
6,199	2,328	(649,964)	258,750	322,254
392,663	775,647	1,472,441	-	-
$ 398,862	$ 777,975	$ 822,477	$ 258,750	$ 322,254

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Capital Projects Funds (Continued)			
	Marineland Acres District	Capital ESL 2008 Referendum	Total	Total Non-Major Governmental Funds
REVENUES				
Taxes	$ -	$ -	$ -	$ 6,430,645
Special assessments/Impact fees	119,921	-	119,921	548,774
Licenses and permits	-	-	-	1,204,427
Intergovernmental	-	-	-	5,985,517
Charges for services	-	-	-	3,002,820
Fines and forfeitures	-	-	-	901,662
Miscellaneous revenue	-	-	945,754	991,268
Investment income	2,972	47,548	94,756	386,029
Total revenues	122,893	47,548	1,160,431	19,451,142
EXPENDITURES				
Current				
General government	2,398	-	4,917	59,245
Public safety	-	-	-	1,563,759
Physical environment	-	39,008	4,982,296	4,984,231
Transportation	524	-	524	3,207,959
Economic environment	-	-	-	1,787,292
Human services	-	-	-	46,086
Culture and recreation	-	1,874	12,230	165,300
Court related	-	-	-	2,974,697
Capital Outlay	-	-	659,900	1,667,819
Debt service				
Principal retirement	-	-	-	3,073,767
Interest and fiscal charges	-	-	66,360	2,941,249
Other debt service costs	-	-	-	7,076
Total expenditures	2,922	40,882	5,726,227	22,478,480
Excess (deficiency) of revenues over expenditures	119,971	6,666	(4,565,796)	(3,027,338)
OTHER FINANCING SOURCES (USES)				
Transfers in	531	-	531	340,319
Transfers out	-	-	-	(176,469)
Long term debt issued	-	-	4,632,000	4,632,000
Total other financing sources (uses)	531	-	4,632,531	4,795,850
Net change in fund balances	120,502	6,666	66,735	1,768,512
Fund balances-beginning	117,894	627,755	3,386,400	23,429,920
Fund balances-ending	$ 238,396	$ 634,421	$ 3,453,135	$ 25,198,432

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 895,354	$ 895,354	$ 945,964	$ 50,610
Intergovernmental	845,811	845,811	1,600,596	754,785
Charges for services	478,400	1,277,706	1,272,865	(4,841)
Miscellaneous revenue	5,300	5,300	24,063	18,763
Investment income	2,600	2,600	11,903	9,303
Total revenues	2,227,465	3,026,771	3,855,391	828,620
EXPENDITURES				
Current				
Public works	3,010,817	5,771,397	2,788,590	2,982,807
Capital outlay	15,000	15,000	11,819	3,181
Debt Service				
Principal retirement	43,548	43,548	38,767	4,781
Interest and fiscal charges	-	-	4,781	(4,781)
Total expenditures	3,069,365	5,829,945	2,843,957	2,985,988
Excess (deficiency) of revenues over expenditures	(841,900)	(2,803,174)	1,011,434	3,814,608
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	93,413	(93,413)
Net change in fund balances	(841,900)	(2,803,174)	1,104,847	3,721,195
Fund balances-beginning	841,900	2,803,174	1,411,147	(1,392,027)
Fund balances-ending	$ -	$ -	$ 2,515,994	$ 2,329,168

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 14,000	$ 14,000	$ 18,783	$ 4,783
Investment income	67	67	76	9
Total revenues	14,067	14,067	18,859	4,792
EXPENDITURES				
Current				
Legal aid	45,314	50,388	45,076	5,312
Excess (deficiency) of revenues over expenditures	(31,247)	(36,321)	(26,217)	10,104
OTHER FINANCING SOURCES (USES)				
Transfers in	31,950	31,950	31,950	-
Net change in fund balances	703	(4,371)	5,733	10,104
Fund balances-beginning	(703)	4,371	5,077	706
Fund balances-ending	$ -	$ -	$ 10,810	$ 10,810

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 64,053	$ 44,053
Investment income	100	100	313	213
Total revenues	20,100	20,100	64,366	44,266
EXPENDITURES				
Current				
Public safety	20,205	54,624	39,523	15,101
Excess (deficiency) of revenues over expenditures	(105)	(34,524)	24,843	59,367
Fund balances-beginning	105	34,524	35,521	997
Fund balances-ending	$ -	$ -	$ 60,364	$ 60,364

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 13,700	$ 13,700	$ 18,808	$ 5,108
Investment income	20	20	16	(4)
Total revenues	13,720	13,720	18,824	5,104
EXPENDITURES				
Current				
Public library	11,460	13,150	11,033	2,117
Excess (deficiency) of revenues over expenditures	2,260	570	7,791	7,221
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,249)	(2,249)	(2,248)	1
Net change in fund balances	11	(1,679)	5,543	7,222
Fund balances-beginning	(11)	1,679	2,365	686
Fund balances-ending	$ -	$ -	$ 7,908	$ 7,908

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 165,000	$ 165,000	$ 201,131	$ 36,131
Investment income	4,000	4,000	7,760	3,760
Total revenues	169,000	169,000	208,891	39,891
EXPENDITURES				
Current				
Judiciary	546,499	643,369	422,674	220,695
Capital Outlay	283,900	233,025	233,025	-
Total expenditures	830,399	876,394	655,699	220,695
Excess (deficiency) of revenues over expenditures	(661,399)	(707,394)	(446,808)	260,586
Fund balances-beginning	661,399	707,394	715,849	8,455
Fund balances-ending	$ -	$ -	$ 269,041	$ 269,041

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ -	$ 111,490	$ 111,490
Investment income	3,000	3,000	35,813	32,813
Total revenues	3,000	3,000	147,303	144,303
EXPENDITURES				
Current				
Tourist development	2,308,093	2,308,093	225,944	$ 2,082,149
Excess (deficiency) of revenues over expenditures	(2,305,093)	(2,305,093)	(78,641)	2,226,452
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	384	384
Net change in fund balances	(2,305,093)	(2,305,093)	(78,257)	2,226,836
Fund balances-beginning	2,305,093	2,305,093	2,331,019	25,926
Fund balances-ending	$ -	$ -	$ 2,252,762	$ 2,252,762

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,000,000	$ 1,000,000	$ 1,331,247	$ 331,247
Investment income	2,000	2,000	15,745	13,745
Total revenues	1,002,000	1,002,000	1,346,992	344,992
EXPENDITURES				
Current				
Tourist development	2,334,736	2,384,781	1,443,351	$ 941,430
Excess (deficiency) of revenues over expenditures	(1,332,736)	(1,382,781)	(96,359)	1,286,422
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,305	2,305
Net change in fund balance	(1,332,736)	(1,382,781)	(94,054)	1,288,727
Fund balances-beginning	1,332,736	1,382,781	1,452,791	70,010
Fund balances-ending	$ -	$ -	$ 1,358,737	$ 1,358,737

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 2,118	$ 1,118
EXPENDITURES				
Current				
Land management	137,196	132,581	375	132,206
Excess (deficiency) of revenues over expenditures	(136,196)	(131,581)	1,743	133,324
Fund balances-beginning	136,196	131,581	131,582	1
Fund balances-ending	$ -	$ -	$ 133,325	$ 133,325

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ -	$ -	$ 35	$ 35
Investment income	3,000	3,000	15,904	12,904
Total revenues	3,000	3,000	15,939	12,939
EXPENDITURES				
Current				
Land management	948,920	965,795	768	965,027
Excess (deficiency) of revenues over expenditures	(945,920)	(962,795)	15,171	977,966
Fund balances-beginning	945,920	962,795	962,795	-
Fund balances-ending	$ -	$ -	$ 977,966	$ 977,966

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 50	$ 50	$ 57	$ 7
EXPENDITURES				
Current				
Physical environment	21,773	21,773	-	21,773
Excess (deficiency) of revenues over expenditures	(21,723)	(21,723)	57	21,780
Fund balances-beginning	21,723	21,723	21,783	60
Fund balances-ending	$ -	$ -	$ 21,840	$ 21,840

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 2,500	$ 2,500	$ 15,135	$ 12,635
EXPENDITURES				
Current				
Public safety	913,893	918,774	531	918,243
Excess (deficiency) of revenues over expenditures	(911,393)	(916,274)	14,604	930,878
Fund balances-beginning	911,393	916,274	17,914	(898,360)
Fund balances-ending	$ -	$ -	$ 32,518	$ 32,518

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 300	$ 300	$ 2,126	$ 1,826
EXPENDITURES				
Current				
Transportation	131,575	132,410	74	132,336
Excess (deficiency) of revenues over expenditures	(131,275)	(132,110)	2,052	134,162
Fund balances-beginning	131,275	132,110	132,128	18
Fund balances-ending	$ -	$ -	$ 134,180	$ 134,180

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ -	$ 200,000	$ 171,573	$ (28,427)
Investment income	3,000	3,000	44,107	41,107
Total revenues	3,000	203,000	215,680	12,680
EXPENDITURES				
Current				
Transportation	2,700,233	2,900,233	173,050	2,727,183
Excess (deficiency) of revenues over expenditures	(2,697,233)	(2,697,233)	42,630	2,739,863
Fund balances-beginning	2,697,233	2,697,233	2,724,286	27,053
Fund balances-ending	$ -	$ -	$ 2,766,916	$ 2,766,916

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,500	$ 1,500	$ 13,245	$ 11,745
EXPENDITURES				
Current				
Transportation	804,221	806,006	529	805,477
Excess (deficiency) of revenues over expenditures	(802,721)	(804,506)	12,716	817,222
Fund balances-beginning	802,721	804,506	804,582	76
Fund balances-ending	$ -	$ -	$ 817,298	$ 817,298

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 72,989	$ 72,989	$ 77,282	$ 4,293
Special assessments	260,000	260,000	268,819	8,819
Investment income	3,100	3,100	14,463	11,363
Total revenues	336,089	336,089	360,564	24,475
EXPENDITURES				
Current				
Public works	1,105,756	1,097,087	267,260	829,827
Excess (deficiency) of revenues over expenditures	(769,667)	(760,998)	93,304	854,302
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	1,190	(310)
Transfers out	-	-	(93,413)	(93,413)
Total other financing sources (uses)	1,500	1,500	(92,223)	(93,723)
Net change in fund balances	(768,167)	(759,498)	1,081	760,579
Fund balances-beginning	768,167	759,498	874,817	115,319
Fund balances-ending	$ -	$ -	$ 875,898	$ 875,898

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 20,500	$ 20,500	$ 115,578	$ 95,078
Investment income	260	260	633	373
Total revenues	20,760	20,760	116,211	95,451
EXPENDITURES				
Current				
Recreation	104,880	157,914	11	157,903
Capital outlay	65,100	63,838	13,657	50,181
Total expenditures	169,980	221,752	13,668	208,084
Excess (deficiency) of revenues over expenditures	(149,220)	(200,992)	102,543	303,535
Fund balances-beginning	149,220	200,992	196,312	(4,680)
Fund balances-ending	$ -	$ -	$ 298,855	$ 298,855

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 175	$ 175	$ 764	$ 589
EXPENDITURES				
Current				
CDBG grant	230,266	230,328	899	229,429
Excess (deficiency) of revenues over expenditures	(230,091)	(230,153)	(135)	230,018
Fund balances-beginning	230,091	230,153	230,160	7
Fund balances-ending	$ -	$ -	$ 230,025	$ 230,025

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 463,762	$ 625,631	$ 410,259	$ (215,372)
Miscellaneous revenue	-	18,185	18,482	297
Investment income	700	700	1,880	1,180
Total revenues	464,462	644,516	430,621	(213,895)
EXPENDITURES				
Current				
Economic environment	766,799	766,799	374,460	392,339
Public Safety	-	39,201	35,583	3,618
Total expenditures	766,799	806,000	410,043	395,957
Excess (deficiency) of revenues over expenditures	(302,337)	(161,484)	20,578	182,062
Fund balances-beginning	302,337	161,484	161,487	3
Fund balances-ending	$ -	$ -	$ 182,065	$ 182,065

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 20,968	$ 20,968	$ -	$ (20,968)
EXPENDITURES				
Current				
CDBG grant	20,968	20,968	-	20,968
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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 5,500	$ 5,500	$ 5,392	$ (108)
Investment income	60	60	67	7
Total revenues	5,560	5,560	5,459	(101)
EXPENDITURES				
Current				
Public works	28,967	27,826	242	27,584
Excess (deficiency) of revenues over expenditures	(23,407)	(22,266)	5,217	27,483
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	24	24
Net change in fund balances	(23,407)	(22,266)	5,241	27,507
Fund balances-beginning	23,407	22,266	22,543	277
Fund balances-ending	$ -	$ -	$ 27,784	$ 27,784

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 1,450	$ 1,450	$ 1,354	$ (96)
Intergovernmental	250	250	340	90
Investment income	30	30	47	17
Total revenues	1,730	1,730	1,741	11
EXPENDITURES				
Current				
Mosquito control	10,413	19,211	659	18,552
Excess (deficiency) of revenues over expenditures	(8,683)	(17,481)	1,082	18,563
OTHER FINANCING SOURCES (USES)				
Transfers in	8	8	6	(2)
Net change in fund balances	(8,675)	(17,473)	1,088	18,561
Fund balances-beginning	8,675	17,473	22,183	4,710
Fund balances-ending	$ -	$ -	$ 23,271	$ 23,271

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 2,300	$ 2,300	$ 2,437	$ 137
Intergovernmental	400	400	-	(400)
Investment income	80	80	91	11
Total revenues	2,780	2,780	2,528	(252)
EXPENDITURES				
Current				
Mosquito control	32,423	35,839	351	35,488
Excess (deficiency) of revenues over expenditures	(29,643)	(33,059)	2,177	35,236
OTHER FINANCING SOURCES (USES)				
Transfers in	15	15	11	(4)
Net change in fund balances	(29,628)	(33,044)	2,188	35,232
Fund balances-beginning	29,628	33,044	35,408	2,364
Fund balances-ending	$ -	$ -	$ 37,596	$ 37,596

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING DEPARTMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Licenses and permits	$ 739,100	$ 739,100	$ 1,204,427	$ 465,327
Intergovernmental	-	-	183	183
Charges for services	2,200	2,200	2,322	122
Fines and forfeitures	2,000	2,000	15,469	13,469
Miscellaneous revenue	1,500	1,500	1,428	(72)
Investment income	5,000	5,000	29,773	24,773
Total revenues	749,800	749,800	1,253,602	503,802
EXPENDITURES				
Current				
Building	1,916,448	1,886,098	773,333	1,112,765
Capital outlay	1,200	31,550	30,350	1,200
Total expenditures	1,917,648	1,917,648	803,683	1,113,965
Excess (deficiency) of revenues over expenditures	(1,167,848)	(1,167,848)	449,919	1,617,767
Fund balances-beginning	1,167,848	1,167,848	1,385,512	217,664
Fund balances-ending	$ -	$ -	$ 1,835,431	$ 1,835,431

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 6,000	$ 6,000	$ 10,170	$ 4,170
Investment income	15	15	34	19
Total revenues	6,015	6,015	10,204	4,189
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,281)	(15,338)	(6,281)	9,057
Net change in fund balances	(266)	(9,323)	3,923	13,246
Fund balances-beginning	266	9,323	9,621	298
Fund balances-ending	$ -	$ -	$ 13,544	$ 13,544

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 3,100	$ 3,100	$ 3,827	$ 727
Investment income	35	35	5	(30)
Total revenues	3,135	3,135	3,832	697
EXPENDITURES				
Current				
Judiciary	3,429	3,689	65	3,624
Excess (deficiency) of revenues over expenditures	(294)	(554)	3,767	4,321
Fund balances-beginning	294	554	710	156
Fund balances-ending	$ -	$ -	$ 4,477	$ 4,477

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 225,000	$ 225,000	$ 258,617	$ 33,617
Miscellanous revenue	-	-	18	18
Investment income	2,500	2,500	11,102	8,602
Total revenues	227,500	227,500	269,737	42,237
EXPENDITURES				
Current				
Judiciary	817,013	858,981	216,608	642,373
Capital outlay	47,600	75,610	21,320	54,290
Total expenditures	864,613	934,591	237,928	696,663
Excess (deficiency) of revenues over expenditures	(637,113)	(707,091)	31,809	738,900
Fund balances-beginning	637,113	707,091	718,312	11,221
Fund balances-ending	$ -	$ -	$ 750,121	$ 750,121

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Budget**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 15,000	$ 15,000	$ 18,802	$ 3,802
Investment income	20	20	23	3
Total revenues	15,020	15,020	18,825	3,805
EXPENDITURES				
Current				
Judiciary	100	100	-	100
Excess (deficiency) of revenues over expenditures	14,920	14,920	18,825	3,905
OTHER FINANCING SOURCES (USES)				
Transfers out	(14,169)	(14,169)	(14,169)	-
Net change in fund balances	751	751	4,656	3,905
Fund balances-beginning	(751)	(751)	1,837	2,588
Fund balances-ending	$ -	$ -	$ 6,493	$ 6,493

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 21,500	$ 21,500	$ 28,153	$ 6,653
Investment income	160	160	804	644
Total revenues	21,660	21,660	28,957	7,297
EXPENDITURES				
Current				
Public safety	61,141	64,156	5,091	59,065
Excess (deficiency) of revenues over expenditures	(39,481)	(42,496)	23,866	66,362
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,000)	(15,000)	(15,000)	-
Net change in fund balances	(54,481)	(57,496)	8,866	66,362
Fund balances-beginning	54,481	57,496	58,287	791
Fund balances-ending	$ -	$ -	$ 67,153	$ 67,153

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 14,200	$ 18,800	$ 18,793	$ (7)
Investment income	100	100	146	46
Total revenues	14,300	18,900	18,939	39
EXPENDITURES				
Current				
Judiciary	140,670	148,932	144,867	4,065
Excess (deficiency) of revenues over expenditures	(126,370)	(130,032)	(125,928)	4,104
OTHER FINANCING SOURCES (USES)				
Transfers in	106,742	106,742	106,742	-
Net change in fund balances	(19,628)	(23,290)	(19,186)	4,104
Fund balances-beginning	19,628	23,290	23,998	708
Fund balances-ending	$ -	$ -	$ 4,812	$ 4,812

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ 18,200	$ 18,200	$ 21,443	$ 3,243
Investment income	40	40	95	55
Total revenues	18,240	18,240	21,538	3,298
EXPENDITURES				
Current				
Judiciary	73,590	75,569	57,619	17,950
Excess (deficiency) of revenues over expenditures	(55,350)	(57,329)	(36,081)	21,248
OTHER FINANCING SOURCES (USES)				
Transfers in	56,249	56,249	56,249	-
Net change in fund balances	899	(1,080)	20,168	21,248
Fund balances-beginning	(899)	1,080	1,992	912
Fund balances-ending	$ -	$ -	$ 22,160	$ 22,160

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 455,972	$ 950,144	$ 942,436	$ (7,708)
Charges for services	50	50	100	50
Miscellaneous revenue	-	-	1,243	1,243
Investment income	1,200	1,200	5,635	4,435
Total revenues	457,222	951,394	949,414	(1,980)
EXPENDITURES				
Current				
Public safety	1,180,671	1,009,784	634,049	375,735
Capital outlay	-	614,974	593,445	21,529
Total expenditures	1,180,671	1,624,758	1,227,494	397,264
Excess (deficiency) of revenues over expenditures	(723,449)	(673,364)	(278,080)	395,284
Fund balances-beginning	723,449	673,364	700,909	27,545
Fund balances-ending	$ -	$ -	$ 422,829	$ 422,829

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- NORTH MALACOMPRA DISTRICT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 25,710	$ 25,710	$ 35,273	$ 9,563
Investment income	25	25	156	131
Total revenues	25,735	25,735	35,429	9,694
EXPENDITURES				
Capital Outlay	57,358	59,345	792	58,553
Excess (deficiency) of revenues over expenditures	(31,623)	(33,610)	34,637	68,247
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	156	156
Net change in fund balances	(31,623)	(33,610)	34,793	68,403
Fund balances-beginning	31,623	33,610	34,897	1,287
Fund balances-ending	$ -	$ -	$ 69,690	$ 69,690

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	$ 436,017	$ 388,387	$ 405,061	$ 16,674
Charges for services	1,137,360	1,168,100	1,283,794	115,694
Fines and forfeitures	178,500	138,500	223,613	85,113
Miscellaneous revenue	-	280	280	-
Investment income	7,200	8,980	8,982	2
TOTAL REVENUES	1,759,077	1,704,247	1,921,730	217,483
EXPENDITURES				
Current				
Judiciary	1,759,077	1,704,247	1,616,700	87,547
Excess (deficiency) of revenues over expenditures	-	-	305,030	305,030
OTHER FINANCING SOURCES (USES)				
Reversion to other governments	-	-	(305,030)	(305,030)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(305,030)	(305,030)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	32,670	32,670
FUND BALANCES, END OF YEAR	$ -	$ -	$ 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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 225,000	$ 245,500	$ 245,687	$ 187
Investment income	460	840	844	4
Total revenues	225,460	246,340	246,531	191
EXPENDITURES				
Current				
Judiciary	252,063	200,193	200,101	92
Excess (deficiency) of revenues over expenditures	(26,603)	46,147	46,430	283
FUND BALANCES, BEGINNING OF YEAR	26,603	(46,147)	221,655	267,802
FUND BALANCES, END OF YEAR	$ -	$ -	$ 268,085	$ 268,085

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 75,000	$ 84,260	$ 84,262	$ 2
Investment revenue	300	570	572	2
Total revenues	75,300	84,830	84,834	4
EXPENDITURES				
Current				
General government	45,540	32,020	32,018	2
Excess (deficiency) of revenues over expenditures	29,760	52,810	52,816	6
FUND BALANCES, BEGINNING OF YEAR	(29,760)	(52,810)	152,382	205,192
FUND BALANCES, END OF YEAR	$ -	$ -	$ 205,198	$ 205,198

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
EXPENDITURES				
Current				
Public safety	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,000	2,000
Net change in fund balances	-	-	2,000	2,000
Fund balances-beginning	-	-	1,177	1,177
Fund balances-ending	$ -	$ -	$ 3,177	$ 3,177

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ -	$ -	$ 7,000	$ 7,000
EXPENDITURES				
Current				
Public safety	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	7,000	7,000
Fund balances-beginning	-	-	427	427
Fund balances-ending	$ -	$ -	$ 7,427	$ 7,427

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- INMATE WELFARE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ -	$ -	$ 106,790	$ 106,790
EXPENDITURES				
Current				
Public safety	-	-	75,649	(75,649)
Excess (deficiency) of revenues over expenditures	-	-	31,141	31,141
Fund balances-beginning	-	-	31,450	31,450
Fund balances-ending	$ -	$ -	$ 62,591	$ 62,591

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,972,401	$ 1,972,401	$ 1,903,138	$ (69,263)
Investment income	1,000	1,000	17,710	16,710
Total revenues	1,973,401	1,973,401	1,920,848	(52,553)
EXPENDITURES				
Debt service				
Principal retirement	1,919,193	1,962,346	870,000	1,092,346
Interest and fiscal charges	292,148	292,148	292,147	1
Other debt service costs	700	3,000	2,425	575
Total expenditures	2,212,041	2,257,494	1,164,572	1,092,922
Excess (deficiency) of revenues over expenditures	(238,640)	(284,093)	756,276	1,040,369
OTHER FINANCING SOURCES (USES)				
Transfers in	-	45,453	45,358	(95)
Net change in fund balance	(238,640)	(238,640)	801,634	1,040,274
Fund balance-beginning	238,640	238,640	365,928	127,288
Fund balance-ending	$ -	$ -	$ 1,167,562	$ 1,167,562

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ -	$ -	$ 24	$ 24
EXPENDITURES				
Debt service				
Other debt service costs	-	4	3	1
Excess (deficiency) of revenues over expenditures	-	(4)	21	25
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(45,453)	(45,358)	95
Net change in fund balance	-	(45,457)	(45,337)	120
Fund balance-beginning	-	45,457	45,337	(120)
Fund balance-ending	$ -	$ -	$ -	$ -

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 1,931,232	$ 1,931,232	$ 1,865,327	$ (65,905)
Investment income	2,000	2,000	11,448	9,448
Total revenues	1,933,232	1,933,232	1,876,775	(56,457)
EXPENDITURES				
Debt service				
Principal retirement	955,000	955,000	955,000	-
Interest and fiscal charges	836,061	835,237	835,236	1
Other debt service costs	2,000	2,824	2,151	673
Total expenditures	1,793,061	1,793,061	1,792,387	674
Excess (deficiency) of revenues over expenditures	140,171	140,171	84,388	(55,783)
Fund balance-beginning	(140,171)	(140,171)	422,306	562,477
Fund balance-ending	$ -	$ -	$ 506,694	$ 506,694

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 200,000	$ 200,000	$ 196,162	$ (3,838)
Intergovernmental	2,272,425	2,272,425	2,455,069	182,644
Investment income	2,000	2,000	21,657	19,657
Total revenues	2,474,425	2,474,425	2,672,888	198,463
EXPENDITURES				
Debt service				
Principal retirement	1,210,000	1,210,000	1,210,000	-
Interest and fiscal charges	1,742,726	1,742,726	1,742,725	1
Other debt service costs	5,825	5,825	2,497	3,328
Total expenditures	2,958,551	2,958,551	2,955,222	3,329
Excess (deficiency) of revenues over expenditures	(484,126)	(484,126)	(282,334)	201,792
Fund balance-beginning	484,126	484,126	3,542,364	3,058,238
Fund balance-ending	$ -	$ -	$ 3,260,030	$ 3,260,030

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Taxes	$ 2,758,891	$ 2,758,891	$ 2,788,820	$ 29,929
Intergovernmental	1,107,904	1,319,131	943,625	(375,506)
Miscellaneous income	581,000	1,481,000	4,132	(1,476,868)
Investment income	7,500	7,500	68,793	61,293
Total revenues	4,455,295	5,566,522	3,805,370	(1,761,152)
EXPENDITURES				
Capital outlay	4,652,114	8,388,434	3,780,629	4,607,805
Excess (deficiency) of revenues over expenditures	(196,819)	(2,821,912)	24,741	2,846,653
OTHER FINANCING SOURCES (USES)				
Transfers in	1,118,500	1,118,500	-	(1,118,500)
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES	118,500	118,500	(1,000,000)	(1,118,500)
Net change in fund balances	(78,319)	(2,703,412)	(975,259)	1,728,153
Fund balances-beginning	78,319	2,703,412	5,434,470	2,731,058
Fund balances-ending	$ -	$ -	$ 4,459,211	$ 4,459,211

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 2,500	$ 2,500	$ 6,423	$ 3,923
EXPENDITURES				
Current				
Recreation	393,384	395,035	224	394,811
Excess (deficiency) of revenues over expenditures	(390,884)	(392,535)	6,199	398,734
Fund balances-beginning	390,884	392,535	392,663	128
Fund balances-ending	$ -	$ -	$ 398,862	$ 398,862

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 12,460	$ 11,460
EXPENDITURES				
Current				
Recreation	725,160	776,596	10,132	766,464
Excess (deficiency) of revenues over expenditures	(724,160)	(775,596)	2,328	777,924
Fund balances-beginning	724,160	775,596	775,647	51
Fund balances-ending	$ -	$ -	$ 777,975	$ 777,975

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 7,500	$ 7,500	$ 12,455	$ 4,955
EXPENDITURES				
Capital outlay	417,299	1,479,942	662,419	817,523
Excess (deficiency) of revenues over expenditures	(409,799)	(1,472,442)	(649,964)	822,478
Fund balances-beginning	409,799	1,472,442	1,472,441	(1)
Fund balances-ending	$ -	$ -	$ 822,477	$ 822,477

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL-
CPF - TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2018
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Miscellaneous revenue	$ -	$ -	$ 255,286	$ 255,286
Investment income	-	-	1,941	1,941
Total revenues	-	-	257,227	257,227
EXPENDITURES				
Current				
Physical Environment	-	1,568,280	1,486,873	81,407
Debt Service				
Other debt service costs	-	31,720	31,604	116
Total expenditures	-	1,600,000	1,518,477	81,523
Excess (deficiency) of revenues over expenditures	-	(1,600,000)	(1,261,250)	338,750
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	1,600,000	1,520,000	(338,750)
Net change in fund balances	-	-	258,750	258,750
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 258,750	$ 258,750

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL-
CPF - TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2018B
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Miscellaneous revenue	$ -	$ -	$ 690,468	$ 690,468
Investment income	-	-	10,957	10,957
Total revenues	-	-	701,425	701,425
EXPENDITURES				
Current				
Physical Environment	-	3,075,550	3,456,415	(380,865)
Debt Service				
Other debt service costs	-	49,450	34,756	14,694
Total expenditures	-	3,125,000	3,491,171	(366,171)
Excess (deficiency) of revenues over expenditures	-	(3,125,000)	(2,789,746)	335,254
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	3,125,000	3,112,000	(13,000)
Net change in fund balances	-	-	322,254	322,254
Fund balances-beginning	-	-	-	-
Fund balances-ending	$ -	$ -	$ 322,254	$ 322,254

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Special assessments	$ 123,930	$ 123,930	$ 119,921	$ (4,009)
Investment income	25	25	2,972	2,947
Total revenues	123,955	123,955	122,893	(1,062)
EXPENDITURES				
Capital outlay	3,150	48,140	2,922	45,218
Excess (deficiency) of revenues over expenditures	120,805	75,815	119,971	44,156
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	531	531
Net change in fund balances	120,805	75,815	120,502	44,687
Fund balances-beginning	(120,805)	(75,815)	117,894	193,709
Fund balances-ending	$ -	$ -	$ 238,396	$ 238,396

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Investment income	$ 1,500	$ 1,500	$ 47,548	$ 46,048
Total revenues	1,500	1,500	47,548	46,048
EXPENDITURES				
Land management	1,273,428	2,141,091	40,882	2,100,209
Excess (deficiency) of revenues over expenditures	(1,271,928)	(2,139,591)	6,666	2,146,257
Fund balances-beginning	1,271,928	2,139,591	627,755	(1,511,836)
Fund balances-ending	$ -	$ -	$ 634,421	$ 634,421

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, 2018

	Landfill Fund	Waste Management	Total
ASSETS			
Current assets			
Cash and equivalents	$ 157,850	$ 206,794	$ 364,644
Investments	2,701,086	659,916	3,361,002
Accounts receivable, net	962	4,999	5,961
Due from other funds	191	7,107	7,298
Due from other governments	63,700	-	63,700
Total current assets	2,923,789	878,816	3,802,605
Noncurrent assets			
Land and construction in progress	306,996	-	306,996
Other capital assets, net of accumulated depreciation	35,334	-	35,334
Total noncurrent assets	342,330	-	342,330
Total assets	3,266,119	878,816	4,144,935
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	42,835	22,291	65,126
OPEB related	329	202	531
Total deferred outflows	43,164	22,493	65,657
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	19,614	112,419	132,033
Due to other governmental agencies	136	-	136
Due to other funds	-	13,571	13,571
Compensated absences	9,804	1,504	11,308
Net pension liability	383	229	612
Total current liabilities	29,937	127,723	157,660
Noncurrent liabilities			
OPEB liability	15,077	9,241	24,318
Net pension liability	98,133	51,787	149,920
Total noncurrent liabilities	113,210	61,028	174,238
Total liabilities	143,147	188,751	331,898
DEFERRED INFLOWS OF RESOURCES			
Pension related	12,201	6,041	18,242
OPEB related	505	309	814
Total deferred inflows	12,706	6,350	19,056
NET POSITION			
Net investment in capital assets	342,330	-	342,330
Restricted for			
Future capital outlay	1,225,758	-	1,225,758
Unrestricted	1,585,342	706,208	2,291,550
Total net position	$ 3,153,430	$ 706,208	$ 3,859,638

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

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION- NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Landfill Fund	Waste Management	Total
OPERATING REVENUES			
Charges for services	$ 1,738	$ 1,636,655	$ 1,638,393
Miscellaneous	33	-	33
Total operating revenues	1,771	1,636,655	1,638,426
OPERATING EXPENSES			
Personal services	150,362	90,027	240,389
Vehicle fuel	1,830	-	1,830
Contractual services	34,360	1,475,359	1,509,719
Repairs and maintenance	1,985	3,649	5,634
Professional services	64,460	582	65,042
Utilities	3,759	-	3,759
Insurance	2,341	-	2,341
Rentals and leases	4,473	-	4,473
Depreciation	10,258	-	10,258
Miscellaneous	8,995	2,243	11,238
Total operating expenses	282,823	1,571,860	1,854,683
Operating income (loss)	(281,052)	64,795	(216,257)
Nonoperating revenues (expenses)			
Intergovernmental	63,700	-	63,700
Franchise fees	-	143,003	143,003
Interest income	31,259	16,168	47,427
Total nonoperating revenues (expenses)	94,959	159,171	254,130
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(186,093)	223,966	37,873
Transfers in	-	7,031	7,031
Change in net position	(186,093)	230,997	44,904
Net position-beginning, as previously reported	3,347,749	482,708	3,830,457
Restatement	(8,226)	(7,497)	(15,723)
Net position-beginning, as restated	3,339,523	475,211	3,814,734
Net position-ending	$ 3,153,430	$ 706,208	$ 3,859,638

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

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Landfill	Waste Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 94,871	$ 1,644,416	$ 1,739,287
Payments to suppliers	(139,792)	(1,480,689)	(1,620,481)
Payments to employees	(144,277)	(86,918)	(231,195)
Increase (decrease) in due from other funds	(104)	(1,505)	(1,609)
Increase (decrease) in due to other funds	(626)	593	(33)
Other receipts	33	-	33
Net cash provided (used) by operating activities	(189,895)	75,897	(113,998)
NON-CAPITAL FINANCING ACTIVITIES			
Franchise fees	-	143,003	143,003
Transfers in	-	7,031	7,031
Net cash provided by non-capital financing activities	-	150,034	150,034
CAPITAL AND RELATED FINANCING ACTIVTIES			
Acquistion and construction of capital assets	(78,826)	-	(78,826)
INVESTING ACTIVITIES			
Investment purchases	(1,526,186)	(1,014,437)	(2,540,623)
Proceeds from sale of investments	270,000	775,000	1,045,000
Interest on investments	29,615	14,851	44,466
Net cash provided (used) by investing activities	(1,226,571)	(224,586)	(1,451,157)
Net increase (decrease) in cash and equivalents	(1,495,291)	1,344	(1,493,947)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,653,141	205,450	1,858,591
CASH AND EQUIVALENTS, END OF YEAR	$ 157,850	$ 206,794	$ 364,644
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (281,052)	$ 64,795	$ (216,257)
Adjustment to reconcile operating loss to net cash used in operations:			
Depreciation	10,258	-	10,258
Changes in assets and liabilities:			
Accounts receivable	2,134	7,609	9,743
Due from other governments	91,000	151	91,151
Due from other funds	(104)	(1,505)	(1,609)
Accounts payable and accrued expenses	(17,587)	1,145	(16,442)
Due to other governments	(3)	-	(3)
Due to other funds	(626)	593	(33)
Compensated absences	37	(504)	(467)
OPEB liability	(73)	(45)	(118)
Net pension liability	6,121	3,658	9,779
Net cash provided (used) by operating activities	$ (189,895)	$ 75,897	$ (113,998)
NONCASH INVESTING ACTIVITIES			
Change in fair market value of investments	(1,645)	(1,317)	$ (2,962)

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

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, 2018

	Clerk Agency	Sheriff Agency	Tax Collector Agency	Total Agency Funds
ASSETS				
Cash and cash equivalents	$ 2,439,325	$ 16,234	$ 1,920,312	$ 4,375,871
Accounts receivable	-	-	101,816	101,816
Due from other governments	576	-	-	576
Total assets	2,439,901	16,234	2,022,128	4,478,263
LIABILITIES				
Due to other governments	117,916	-	-	117,916
Deposits	2,290,943	16,234	2,022,128	4,329,305
Other liabilities	31,042	-	-	31,042
Total liabilities	2,439,901	16,234	2,022,128	4,478,263
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, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
CLERK OF COURT:				
ASSETS				
Cash and cash equivalents	$ 1,706,969	$ 6,473,516	$ 5,741,160	$ 2,439,325
Accounts receivable	6,889	6,889	13,778	-
Due from other governments	51	2,751	2,226	576
Total assets	$ 1,713,909	$ 6,483,156	$ 5,757,164	$ 2,439,901
LIABILITIES				
Due to other governments	$ 76,335	$ 1,818,521	$ 1,776,940	$ 117,916
Deposits	1,597,677	4,587,539	3,894,273	2,290,943
Other liabilities	39,897	59,656	68,511	31,042
Total liabilities	$ 1,713,909	$ 6,465,716	$ 5,739,724	$ 2,439,901

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
SHERIFF:				
ASSETS				
Cash and cash equivalents	$ 12,722	$ 732,139	$ 728,627	$ 16,234
Accounts receivable	-	-	-	-
Total assets	$ 12,722	$ 732,139	$ 728,627	$ 16,234
LIABILITIES				
Due to other governments	$ -	$ -	$ -	$ -
Deposits	12,722	732,139	728,627	16,234
Total liabilities	$ 12,722	$ 732,139	$ 728,627	$ 16,234

(Continued)

FLAGLER COUNTY, FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(Continued)

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
TAX COLLECTOR:				
ASSETS				
Cash and cash equivalents	$ 1,932,527	$ 221,931,304	$ 221,943,519	$ 1,920,312
Accounts receivable	84,204	16,916,254	16,898,642	101,816
Total assets	$ 2,016,731	$ 238,847,558	$ 238,842,161	$ 2,022,128
LIABILITIES				
Deposits	$ 2,016,731	$ 19,179,553	$ 19,174,156	$ 2,022,128

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
TOTAL ALL AGENCY				
ASSETS				
Cash and cash equivalents	$ 3,652,218	$ 229,136,959	$ 228,413,306	$ 4,375,871
Accounts receivable	91,093	16,923,143	16,912,420	101,816
Due from other governments	51	2,751	2,226	576
Total assets	$ 3,743,362	$ 246,062,853	$ 245,327,952	$ 4,478,263
LIABILITIES				
Due to other governments	$ 76,335	$ 1,818,521	$ 1,776,940	$ 117,916
Deposits	3,627,130	24,499,231	23,797,056	4,329,305
Other liabilities	39,897	59,656	68,511	31,042
Total liabilities	$ 3,743,362	$ 26,377,408	$ 25,642,507	$ 4,478,263

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 162

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 167

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

Debt Capacity Information Page 171

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 177

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

Operating Information Page 179

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.

COUNTY COMMISSION

FLAGLER COUNTY, FLORIDA

Schedule 1

FLAGLER COUNTY, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	$ 227,959,203	$ 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
Restricted	47,157,909	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
Unrestricted	(34,774,701)	(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
Total governmental activities net position	$ 240,342,411	$ 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
Business-type activities										
Net investment in capital assets	$ 33,485,567	$ 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
Restricted	1,225,758	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
Unrestricted	4,885,461	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
Total business-type activities net position	$ 39,596,786	$ 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
Primary government:										
Net investment in capital assets	$ 261,444,770	$ 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
Restricted	48,383,667	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
Unrestricted	(29,889,240)	(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
Total primary government net position	$ 279,939,197	$ 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

Schedule 2

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities										
General government	$ 24,792,530	$ 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
Public safety	49,523,776	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
Physical environment	13,839,359	666,737	860,996	516,579	303,418	648,364	1,003,943	346,520	649,192	1,892,271
Transportation	9,559,671	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
Economic environment	2,445,867	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
Human services	4,075,492	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
Culture and recreation	4,511,665	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
Court related	4,333,419	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
Interest on long-term debt	3,379,296	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
Total governmental activities expenses	116,461,075	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
Business-type expenses										
Airport	2,771,133	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
Landfill	282,823	306,547	250,419	251,598	121,762	169,182	99,637	128,813	163,604	325,308
Transportation	-	-	-	-	-	-	-	-	-	-
Utilities	2,557,216	2,759,147	3,021,868	1,215,817	675,084	579,164	373,945	364,742	388,864	497,798
Waste management	1,571,860	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
Total business-type activities expenses	7,183,032	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
Total primary government expenses	$ 123,644,107	$ 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
Program revenues										
Governmental activities										
Charges for services										
General government	$ 4,204,567	$ 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
Public safety	9,763,619	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
Physical environment	-	-	-	28,000	400	1,709	-	-	-	-
Transportation	1,652,466	834,842	769,625	944,076	738,142	633,123	758,879	564,018	727,150	810,898
Economic environment	-	-	150	75	937	2,991	3,868	5,059	8,846	-
Human services	169,823	176,236	132,784	154,925	134,013	98,245	129,147	145,142	187,208	248,130
Culture and recreation	301,136	274,993	290,302	270,548	257,028	260,942	219,078	221,838	198,594	198,075
Court related	2,387,520	2,084,193	1,858,118	2,245,473	578,464	587,258	523,567	506,937	508,639	445,278
Operating grants and contributions	17,497,647	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
Capital grants and contributions	9,397,442	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
Total governmental activities program revenues	45,374,220	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
Business-type activities										
Charges for services										
Airport	2,157,867	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
Landfill	1,738	903	941	2,563	1,802	2,721	708	2,557	1,737	464
Transportation	-	-	-	-	-	-	-	-	-	-
Utilities	3,041,404	2,795,378	2,563,711	789,757	845,327	532,878	357,586	486,326	464,158	470,463
Waste management	1,636,655	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
Operating grants and contributions	525,342	275,787	163,923	3,856,840	83,200	70,588	70,588	70,588	77,207	211,960
Capital grants and contributions	3,060,787	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
Total business-type activities program revenues	10,423,793	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
Total primary government program revenues	$ 55,798,013	$ 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

Schedule 2 (Continued)

FLAGLER COUNTY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net (Expense)/Revenue										
Governmental activities	$ (71,086,855)	$ (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)
Business-type activities	3,240,761	9,636,306	3,360,499	(433,036)	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434
Total primary government net expense	$ (67,846,094)	$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 65,556,127	$ 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
Tourist and franchise taxes	3,190,081	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
Sales and fuel taxes	8,376,977	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
Intergovernmental	1,518,936	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
Interest Revenue	1,123,086	-	-	-	-	-	-	-	-	-
Miscellaneous	90,095	540,000	344,472	603,112	479,136	2,478,766	1,058,991	19,272,714	1,161,642	2,035,834
Transfers	(7,031)	(5,565)	(8,200)	491,995	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790
Total governmental activities	79,848,271	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
Business-type activities										
Tourist and franchise taxes	143,003	135,318	130,833	129,303	131,475	132,843	141,113	145,047	$ 139,656	$ 138,915
Special assessment/Impact fees	638,519	529,690	394,925	-	-	-	-	-	-	-
Interest Revenue	123,209	-	-	-	-	-	-	-	-	-
Miscellaneous	45,887	126,380	127,184	69,230	210,761	57,617	29,303	68,159	36,695	82,807
Settlement proceeds	-	-	-	-	-	-	-	-	911,498	-
Transfers	7,031	5,565	8,200	(491,995)	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)
Special item - utility merger	-	-	431,661	-	-	-	-	-	-	-
Total business-type activities	957,649	796,953	1,092,803	(293,462)	350,087	39,599	180,393	$ 326,180	$ 1,497,894	$ (786,068)
Total primary government	$ 80,805,920	$ 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
Changes in Net Position										
Governmental activities	$ 8,761,416	$ (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
Business-type activities	4,198,410	10,433,259	4,453,302	(726,498)	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366
Total primary government	$ 12,959,826	$ (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

Schedule 3

FLAGLER COUNTY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund										
Nonspendable	2,387,035	2,130,709	2,210,389	$ 2,150,126	$ 2,228,600	$ 2,136,457	$ 2,103,642	$ 2,186,759	$ -	$ -
Restricted	15,629,429	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	3,887,688	3,029,580	4,527,501	4,723,032	2,184,591	3,545,789	3,710,120	8,830,592	-	-
Unassigned	5,419,805	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
Unreserved										
Designated for future use	-	-	-	-	-	-	-	-	503,179	-
Undesignated	-	-	-	-	-	-	-	-	14,166,178	15,520,379
Total general fund	$ 27,323,957	$ 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
All other governmental funds										
Nonspendable	$ 594,282	$ 572,670	$ 573,959	$ 607,316	$ 585,295	$ 643,485	$ 673,638	$ 600,000	$ -	$ -
Restricted	42,497,065	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
Unreserved										
Special revenue funds	-	-	-	-	-	-	-	-	18,713,003	18,970,258
Capital projects funds	-	-	-	-	-	-	-	-	2,321,454	4,913,837
Total all other governmental funds	$ 43,091,347	$ 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

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	$ 72,889,196	$ 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
Licenses and permits	1,267,563	900,390	928,526	820,475	643,420	607,419	426,238	1,444,784	406,499	444,458
Intergovernmental	30,004,268	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
Charges for services	12,544,457	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
Fines and forfeitures	1,013,335	869,131	870,842	1,102,940	1,015,635	917,761	805,024	986,177	939,516	813,887
Miscellaneous revenue	2,073,811	1,503,962	817,563	1,191,050	637,999	2,109,741	1,296,411	1,353,404	847,086	2,177,910
Investment income	1,057,357	424,236	313,872	130,572	134,085	121,705	106,378	109,267	163,704	(234,367)
Total revenues	120,849,987	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
Expenditures										
General government	21,275,601	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
Public safety	44,743,104	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
Physical environment	13,709,345	618,896	576,954	474,282	321,073	404,571	955,307	283,302	566,661	1,407,037
Transportation	5,401,237	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
Economic environment	2,351,311	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
Human services	3,964,165	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
Culture and recreation	3,569,077	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
Court related	4,104,604	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
Capital Outlay	18,219,558	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
Debt service										
Principal	4,295,414	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
Interest and fiscal charges	3,304,248	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
Bond issuance costs	7,076	7,031	96,289	1,224,605	-	-	-	-	-	50,326
Total expenditures	124,944,740	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
Excess of revenues over (under) expenditures	$ (4,094,753)	$ (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)
Other Financing Sources (Uses)										
Transfers in	$ 1,349,961	$ 2,943,952	$ 1,374,776	$ 1,171,460	$ 253,692	$ 1,178,791	$ 257,780	$ 857,401	$ 1,796,393	$ 1,604,980
Transfers out	(1,356,992)	(2,949,517)	(1,782,976)	(679,465)	(261,543)	(589,271)	(270,257)	(970,375)	(1,606,438)	(254,184)
Insurance recovery	-	-	-	-	-	-	-	-	13,745	15,980
Long term debt issued	24,338,000	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	1,200,000	1,021,000	243,270	960,000	240,000	-	500,000	411,678	412,000	-
Sale of capital assets	-	9,994	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(11,900,049)	(22,753,259)	-	-	-	-	-	-
Total other financing sources (uses)	25,530,969	1,585,429	(684,979)	53,173,880	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776
Net change in fund balances	$ 21,436,216	$ (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
Debt service as a percentage of noncapital expenditures	7.18%	9.81%	8.97%	30.84%	9.35%	10.60%	12.70%	10.94%	11.18%	11.16%

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
2018	12,991,017,208	901,582,659	1,349,078,577	2,245,725,057	4,496,386,293	8,122,501,452	347,939,803	24,148,872	8,494,590,127	8.6117	65.4%
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%

(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
2018	8.1167	0.4950	8.6117	6.6390	4.5937	5.3600	7.3990	0.2403	0.2724	0.0320	10.0000	2.3000
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

(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

	2018				2009		
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank
Florida Power & Light Company	$ 3,387,062	2.24%	1	Florida Power & Light Company	$ 2,027,735	1.29%	1
Palm Coast Holdings Inc	1,485,242	0.98%	2	Intervest At Plantation Bay	520,989	0.33%	2
Florida Landmark Communities	1,142,109	0.76%	3	Centex Homes	406,774	0.26%	3
Palm Coast Florida Holdings	867,449	0.57%	4	Palm Coast Center LLC	400,052	0.25%	4
Palm Coast Land LLC	529,316	0.35%	5	Hammock Beach III LLC	377,266	0.24%	5
KRG Palm Coast Landing LLC	521,549	0.35%	6	LRCF Palm Coast LLC	363,278	0.23%	6
Ebsco Integra Woods	497,116	0.33%	7	Bell South Telecommunications	348,957	0.22%	7
Hammock Dunes Owners	417,792	0.28%	8	Hammock Dunes Club, Inc	327,036	0.21%	8
Branch Island Walk Associates	390,827	0.26%	9	Palm Coast Medical Specialists	316,968	0.20%	9
Bright House Networks	312,437	0.21%	10	Target Corporation T-2364	309,524	0.20%	10
Total	$ 9,550,900	6.33%		Total	$ 5,398,579	3.43%	
Total Taxes Levied	$ 150,882,148			Total Taxes Levied	$ 157,540,003		

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
2018	$ 164,638,576	$ 156,065,256	94.79%	N/A	$ 156,065,256	94.79%
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%

(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)
2018	$ 33,940,000	$ 1,274,250	$ 46,336,000	$ 6,820,000	$ 4,444,463	$ 15,546,652	$ 3,076,000	$ 10,667,620	$ 122,104,985	2.60%	1,067
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

(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)
2018	$ 33,940,000	$ 1,274,250	$ 4,419,159	$ 30,795,091	0.36%	269.21
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

(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, 2018

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
School District	$ 53,291,000	100%	$ 53,291,000
City of Palm Coast	7,685,000	58.53%	4,498,031
Subtotal, overlapping debt			57,789,031
Flagler County direct debt			108,361,365
Total direct and overlapping debt			$ 166,150,396

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

Tourist Development Tax Revenue Bond, Series 2017

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2018	$ 1,327,934	$ 85,917	$ 1,242,017	$ 1,875,000	$ 141,870	0.62
2017	733,510	393,259	340,251	-	69,661	4.88

Note: Bonds were issued in August 2017.

(1) The pledged revenues includes the Local Tourist Development Taxes.

Capital Improvement Revenue Bonds, Series 2005 (1)

Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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

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 Principal	Debt Service Interest	Coverage
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

(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 Principal	Debt Service Interest	Coverage
2018	$ 1,007,119	$ 533,976	$ 473,143	$ 47,000	$ 109,305	3.03
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 Principal	Debt Service Interest	Coverage
2018	$ 583,470	$ 26,439	$ 557,031	$ 156,000	$ 85,481	2.31
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 Principal	Debt Service Interest	Coverage
2018	$ 1,649,215	$ 1,485,346	$ 163,870	$ 131,000	$ 74,449	0.80
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)
2018	114,391	4,697,956	41,068	12,883	3.6%
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%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2018 based on 2017 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

	2018			2009		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Flagler County Schools	1,750	1	3.90%	1,800	1	5.64%
Florida Hospital Flagler	1,115	2	2.48%	645	3	2.02%
Palm Coast Data Ltd.	750	3	1.67%	976	2	3.06%
Hammock Beach Resort	505	4	1.13%	-	-	-
Publix Supermarkets	491	5	1.09%	466	5	1.46%
City of Palm Coast	452	6	1.01%	392	6	1.23%
Insurance Services Office, Inc.	326	7	0.73%	-	-	-
Walmart	300	8	0.67%	575	4	1.80%
Florida Healthcare	300	9	0.67%	-	-	-
Flagler County Sheriff's Office	295	10	0.66%	-	-	-
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	6,284			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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program/Function:										
General Government										
Legistative and Executive	12.0	13.0	12.0	11.0	11.0	11.2	11.2	12.0	12.0	11.0
Financial and Administrative	24.9	23.0	22.0	22.0	17.0	17.0	18.0	18.0	18.0	18.0
Other General Government	48.5	48.5	48.0	42.0	42.5	35.5	35.5	34.0	36.0	42.0
Legal Counsel	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Comprehensive Planning	7.4	7.4	6.9	6.9	6.5	6.5	7.5	6.0	7.0	11.0
Court-Related	4.0	4.0	4.0	4.0	4.3	2.8	2.8	2.5	2.5	2.5
Public Safety										
Fire/Rescue & Fire Inspection	93.0	92.0	89.0	86.0	83.0	83.0	83.0	84.0	79.0	79.0
Emergency Management	8.8	10.1	10.0	10.0	9.5	10.3	10.3	10.0	11.0	12.0
Building Inspections	7.8	7.8	7.2	7.2	6.5	5.5	5.5	6.0	6.0	9.0
Code Enforcement	2.3	2.3	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0
Physical Environment	23.0	22.5	22.5	11.8	10.8	11.0	11.0	11.0	10.0	10.0
Transportation	68.8	68.8	69.8	61.3	60.3	59.8	57.4	54.5	46.5	48.5
Economic Environment	10.7	10.4	5.0	5.0	4.5	4.0	4.0	2.0	2.0	2.0
Human Services	17.5	17.5	16.5	15.4	15.4	15.4	16.8	15.8	15.8	17.5
Culture/Recreation										
Libraries	18.1	18.1	17.7	17.1	16.3	15.5	16.5	18.0	18.5	19.0
Parks and Recreation	23.0	21.5	21.5	20.5	17.5	17.5	17.5	18.5	18.0	17.5
Total	373.9	371.0	358.0	326.1	311.0	300.9	302.9	298.3	288.3	305.0
Constitutional Officers:										
Clerk of Court	54.0	54.0	56.0	57.0	52.0	50.5	50.5	51.5	47.5	57.0
Sheriff	295.0	279.0	285.0	278.0	278.0	285.0	285.0	279.0	279.0	279.0
Tax Collector	31.0	31.0	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0
Property Appraiser	28.0	28.0	27.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0
Supervisor of Elections	8.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total	416.0	399.0	406.0	400.0	394.0	399.5	399.5	397.5	393.5	403.0

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17

FLAGLER COUNTY, FLORIDA

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Number of Building Permits Reviewed and Issued	3,081	2,596	2,029	2,033	1,914	1,931	1,560	1,940	1,555	1,313
Number of Registered Voters	82,192	78,193	78,586	73,296	69,290	70,337	66,515	65,814	62,869	61,826
Public Safety										
Physical Arrests by Sheriff's Department	3,124	2,708	2,649	2,794	2,845	2,759	3,350	3,616	3,202	3,143
Total Fire	2,714	2,869	4,564	5,301	1,258	962	793	1,010	950	1,447
Total EMS Runs	15,373	14,002	13,353	10,100	14,143	11,887	11,005	10,411	10,154	8,366
Flight Operations-Air Ambulance Transports	30	40	25	22	21	41	41	25	20	30
Human Services										
Number of acres sprayed by Mosquito Control	364	5,630	1,218	1,200	2,345	1,418	6,073	3,200	655	7,088
Meals on Wheels	24,150	27,735	26,361	21,449	25,245	27,775	30,630	27,590	36,499	21,792
Number of applicants for assistance	885	872	717	507	804	808	1,011	916	1,011	813
Culture Recreation										
Collection items circulated in County Libraries	414,423	406,000	411,988	418,053	428,284	443,261	447,450	451,741	479,294	514,124
Number of persons who visited County Libraries	291,630	315,398	291,352	289,846	318,039	318,039	337,659	360,561	407,444	487,707
Transportation										
Number of Trips	108,175	113,927	109,183	101,896	97,995	93,906	91,518	83,430	79,666	72,669
Physical Environment										
Wastewater flow, in millions of gallons	217.017	215.918	182.89	17.679	15.677	17.114	15.969	14.986	14.640	12.223
Drinking water flow, in millions of gallons	94.652	91.978	76.624	23.316	22.467	22.842	21.890	20.669	19.618	19.136
Number of water customers serviced	2377	2277	2307	522	482	497	465	458	462	466

(1) Information is unavailable

Source: Various Departments

Schedule 18

FLAGLER COUNTY, FLORIDA

CAPITAL ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program/Function:										
Public Safety										
Fire/Rescue Vehicles	55	50	51	52	48	45	44	44	40	40
Fire Stations	8	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	96.966	95.52	95.52	95.52	95.52	95.52	95.52	95.52	92.98	92.62
Unpaved	135.63	133.70	133.70	133.70	133.70	133.70	131.70	131.70	131.70	131.70
Public Works Vehicles	22	22	24	27	28	27	27	30	28	28
Public Works Heavy Machinery	64	63	65	65	52	50	54	47	49	49
Transit Vehicles	38	41	40	41	38	40	39	34	31	32
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	9,599	9,599	9,599	9,599	6,400	6,400	6,400	6,400	6,400
Number of Parks	27	27	26	21	21	20	20	20	20	20
Number of Playgrounds	13	13	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, 2018

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	$ 161,630	
			161,630	
Violence Against Women's Office				
Safe Havens: Supervised Visitation and Safe Exchange	16.527	2011-CW-AX-K014	57,101	
			57,101	
Passed through Florida Office of the Attorney General:				
Crime Victim Assistance	16.575	VOCA-2017-FCSO-00333	129,940	
			129,940	
Florida Coalition Against Domestic Violence	16.558	18-8051-LE-ENH	31,200	
			31,200	
U.S. Department of Transportation				
Direct Assistance:				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-12-0009-018-2016	780,649	
			780,649	
Federal Transit Administration				
Passed through Florida Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	ARA98; 422633-2-84-32	40,032	
			40,032	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-16-X023-00	303,865	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G0818; FPN 436945-1-84-02	188,379	
Transit Services Programs Cluster			492,244	
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	29,427	
Help America Vote Act Requirements	90.401	MOA # 2015-2016-0001-FLA	7,466	
Help America Vote Act Requirements	90.401	MOA#2016-2017-0001-FLA	18,835	
Help America Vote Act Requirements	90.401	MOA#2018-2019-001-FLA	108,815	
			164,543	
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	A017FCBCC	37,134	
Special Programs for the Aging, Title III B	93.044	A018FCBCC	128,229	
Special Programs for the Aging, Title III C1	93.045	A017FCBCC	6,706	
Special Programs for the Aging, Title III C1	93.045	A018FCBCC	36,022	
Special Programs for the Aging, Title III C2	93.045	A017FCBCC	20,815	
Special Programs for the Aging, Title III C2	93.045	A018FCBCC	83,452	
Nutrition Services Incentive Program	93.053	A017FCBCC	5,540	
Nutrition Services Incentive Program	93.053	A018FCBCC	16,017	
Aging Cluster			333,915	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS (continued)				
Passed through the Northeast Florida Agency on Aging (continued)				
National Family Caregiver Support, Title III E	93.052	A017FCBCC	7,137	
National Family Caregiver Support, Title III E	93.052	A018FCBCC	17,750	
			24,887	
U.S. Department of Health and Human Services (continued)				
Passed through the Northeast Florida Agency on Aging				
Low-Income Home Energy Assistance	93.568	P017FCBCC	$ 15,599	
			15,599	
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue				
Child Support Enforcement	93.563	COC18	111,421	
Child Support Enforcement	93.563	FY2016	1,029	
			112,450	
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	G18NF0001A	7,651	
			7,651	
Department of Homeland Security				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17-PA-U5-04-28-02-091	4,804,986	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0014	102,346	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0108-Hurricane Irma	346,983	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DEM-17-PA-U5-04-28-15-252	34,660	
			5,288,975	
Passed through Volunteer Florida				
Emergency Management Performance Grants	97.042	FY 2017 - Citizen Corps	7,000	
Emergency Management Performance Grants	97.042	FY 2017 - EM CERT Program	7,000	
Passed through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.042	18-FG-7A-04-28-01-236	54,003	
Emergency Management Performance Grants	97.042	19-FG-AF-04-28-01-071	6,250	
			74,253	
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 7,715,069	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	18-BG-W9-04-28-01-235	$ 68,740	
Emergency Management Programs	31.063	19-BG-21-04-28-01-014	2,266	
			71,006	
Department of Environmental Protection				
Beach Management Funding Assistance Program	37.003	17FL1	5,729,353	
			5,729,353	
Small County Consolidated Grant	37.012	SC807	63,700	
			63,700	
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP18061	264,598	
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP18060	300,000	
			564,598	
Wastewater Treatment Facility Construction	37.077	WW180500	96,013	
Wastewater Treatment Facility Construction	37.077	WW180502	139,008	
			235,021	
Department of Economic Opportunity				
Passed through Enterprise Florida				
Economic Development Partnerships	40.040	Enterprise Florida	4,500	
			4,500	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP 2017-2018	382,803	
State Housing Initiatives Partnership Program (SHIP)	40.901	Executive Order 16-230	27,241	
			410,044	
Department of Agriculture and Consumer Services				
Mosquito Control	42.003	16082	340	
			340	
Department of State and Secretary of State				
State Aid to Libraries	45.030	18-ST-10	29,394	
			29,394	
Florida Department of Transportation				
Florida Commission for the Transportation Disadvantaged (CTD), Trip and Equipment Grant Program	55.001	GOM40; FM 43202718401/43202818401	327,277	
Florida Commission for the Transportation Disadvantaged (CTD), Trip and Equipment Grant Program	55.001	G0X23; 43202718401/43202818401	107,093	
Florida Commission for the Transportation Disadvantaged (CTD), Trip and Equipment Grant Program	55.001	G0Y03;43202718401	5,029	
			439,399	
Aviation Grant Programs	55.004	AS346; 420843-2-94-05	1,872,410	
Aviation Grant Programs	55.004	G0A25; 420843-2-94-04	192,088	
Aviation Grant Programs	55.004	G0Z08; 437025-1-94-01	23,180	
			2,087,678	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	$ 171,573	
County Incentive Grant Program (CIGP)	55.008	GOU37; 437209-1-34-01	10,024	
County Incentive Grant Program (CIGP)	55.008	G0V02; 433729-1-54-02	622,890	
			804,487	
Small County Outreach Program (SCOP)	55.009	ARS76; 424351-1-58-01	1,549,693	
Small County Outreach Program (SCOP)	55.009	G0A08; 424351-2-54-01	738,969	
Small County Outreach Program (SCOP)	55.009	G0E98; 438989-1-54-01	821	
Small County Outreach Program (SCOP)	55.009	G0E99; 435300-1-54-01	153,443	
Small County Outreach Program (SCOP)	55.009	G0F01; 436595-1-54-01	99,995	
Small County Outreach Program (SCOP)	55.009	G0O86; 435633-1-34-01	110,752	
Small County Outreach Program (SCOP)	55.009	G0O85; 435291-1-34-01	39,261	
Small County Outreach Program (SCOP)	55.009	G0O92; 441625-1-54-01	350,000	
			3,042,934	
Small County Road Assistance Program (SCRAP)	55.016	GOA62; 430093-1-54-02	170,235	
Small County Road Assistance Program (SCRAP)	55.016	G0E97; 431926-1-54-01	1,837,982	
Small County Road Assistance Program (SCRAP)	55.016	GOR88; 433614-1-54-01	1,639,408	
			3,647,625	
Department of Health				
County Grant Awards	64.005	C5018	4,131	
County Grant Awards	64.005	C6018	7,919	
			12,050	
Department of Elder Affairs				
Passed through the Northeast Florida Agency on Aging				
Home Care for the Elderly	65.001	H017FCBCC	1,577	
Home Care for the Elderly	65.001	H018FCBCC	845	
			2,422	
Alzheimer's Respite Services	65.004	Z017FCBCC	106,462	
Alzheimer's Respite Services	65.004	Z018FCBCC	47,881	
			154,343	
Local Services Programs	65.009	L017FCBCC	18,370	
Local Services Programs	65.009	L018FCBCC	3,781	
			22,151	
Community Care for the Elderly	65.010	C017FCBCC	128,373	
Community Care for the Elderly	65.010	C018FCBCC	44,377	
			172,750	
E911 State Grant Program	72.002	S10-17-12-01	214,182	
E911 State Grant Program	72.002	S10-17-12-02	54,990	
			269,172	
Prepaid Next Generation 911 State Grant Program	72.003	S11-18-05-06	31,500	
Prepaid Next Generation 911 State Grant Program	72.003	S11-18-05-07	6,860	
Prepaid Next Generation 911 State Grant Program	72.003	S11-18-05-08	7,013	
Prepaid Next Generation 911 State Grant Program	72.003	S11-18-05-09	135,452	
Prepaid Next Generation 911 State Grant Program	72.003	S11-18-05-10	27,674	
			208,499	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 17,971,466	$ -

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

(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, 2018. 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) **Sub-recipients**

Of the expenditures presented in the accompanying schedule of federal awards and state financial assistance, no awards were provided to sub-recipients.

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 AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROLS 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, 2018. The County's major federal program and state projects are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2018.

Other Matters

The results of our tests disclosed an instance of noncompliance that is required to be reported under Chapter 10.550, Rules of the Auditor General, and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major state project is not modified with respect to this matter.

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

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described

in the accompanying schedule of findings and questioned costs as items 2018-003 and 2018-004 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-002 to be a significant deficiency.

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.

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

St. Augustine, Florida
September 11, 2019

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued — Unmodified
2. Internal control over financial reporting:
   a. Material weaknesses identified? — Yes
   b. Significant deficiencies identified not considered to be material weaknesses? — None noted
   c. Noncompliance material to the financial statements noted? — No

Federal and State Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified
2. Internal control over major programs:
   a. Material weaknesses identified? — Yes/Yes
   b. Significant deficiencies identified (not considered material weaknesses)? — Yes/None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) or Chapter 10.557? — Yes/Yes
4. Identification of major programs:

CFDA Number	Federal Program
97.036	Disaster Grants – Public Assistance

CSFA Number	State Project
37.039	Statewide Surface Water Restoration & Wastewater Projects
55.008	County Incentive Grant Program (CIGP)
55.009	Small County Outreach Program (SCOP)
37.003	Beach Management Funding Assistance Program
37.077	Wastewater Treatment Facility Construction

5. Dollar threshold used to distinguish between type A and type B Federal programs: $750,000
6. Dollar threshold used to distinguish between type A and type B State projects: $539,144
7. Auditee qualified as low-risk auditee under 2 CFR 200.520? — No

PART II – FINANCIAL STATEMENT FINDINGS

2018-001 Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance

Criteria: 2 CFR 200.510(b) (and Florida statute 69I-5.003) requires non-Federal (and non-State) entities to prepare a schedule of expenditures of federal awards (and state financial assistance) for the period covered by the financial statements, including the total federal awards (and state financial assistance) expended. Management is responsible for the preparation of an accurate and complete schedule of expenditures of federal awards and state financial assistance.

Condition: The final expenditure balances for two major grants were not provided accurately and timely to complete the schedule.

Cause: A lack of management oversight resulted in the incomplete schedule.

Effect: Failure to properly prepare the schedule could affect the selection of major programs and projects, which could impact the County's compliance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

Recommendation: We recommend utilizing a grant administrator who oversees the preparation of the schedule of expenditures of federal awards and state financial assistance. The administrator's responsibility could include oversight of all grants to ensure compliance, and that final expenditure amounts are calculated and carried to the schedule accurately and timely.

Views of responsible officials: See accompanying corrective action plan.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

2018-002 *Federal Award Allowable Activities and Costs Requirements*
Disaster Grants-Public Assistance – CFDA 97.036
Contract 17-PA-U5-04-28-02-091, 2016-2019
Questioned costs – none

Criteria: 2 CFR 200.303 requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of Federal awards. Evidence of the allowability of activity and cost for participants in the program for disaster grants must be documented and accurate to show compliance.

Condition: The County was unable to evidence certain equipment hours claimed on one force account equipment record for one project worksheet for one employee during a single pay period.

Cause: The County's review of the consultant's work was not adequate to ensure the proper equipment number was claimed on the appropriate days.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS (Continued)

Effect: Noncompliance with allowable activities and costs grant requirements.

Recommendation: We recommend a thorough review of all force account records prior to certification of those records for reimbursement claims, whether prepared by an outside consultant or prepared in-house.

Views of responsible officials: See accompanying corrective action plan.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

2018-003 (Previously reported as 2017-001)
State Award Allowable Activities and Costs Requirements
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contracts GOM40, GOX23, and GOY03, 2017 and 2018
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – Likely questioned costs of $276,821 were computed based on reimbursements for trips provided to participants without documentation of their disadvantaged status.

Criteria: Florida statutes 215.97(1)(b) promotes sound financial management, including effective internal controls, with respect to State financial assistance administered by nonstate entities. 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. The County did not regularly produce the required internal intake forms.

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.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS (Continued)

2018-004 (Previously reported as 2017-002)
State Award Oversight
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contracts GOM40, GOX23, and GOY03, 2017 and 2018
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – none

Criteria: Florida statutes 215.97(1)(b) promotes sound financial management, including effective internal controls, with respect to State financial assistance administered by nonstate entities. Grant programs/projects should be subject to effective management oversight ensuring compliance with grant requirements.

Condition: The County was unable to produce several of the required internal intake forms. 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.

PART V – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Financial Statement Findings – None

Federal Award Findings – None

State Award Findings

2017-001 – Missing documentation evidencing transportation disadvantaged status – Material Weakness – Repeated as 2018-003

2017-002 – Lack of management oversight of grant award – Material Weakness – Repeated as 2018-004

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 AUDITORS' 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 11, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2018-002.

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

The County's Response to Findings

The County's response to the 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 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

St. Augustine, Florida
September 11, 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable County Commissioners
Flagler County, Florida

Report on the Financial Statements

We have audited the financial statements Flagler County, Florida (the "County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated September 11, 2019.

Auditors' Responsibility

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; 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.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 11, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The findings identified as 2017-001 and 2017-002 in the prior year audit repeated in the current year as 2018-003 and 2018-004.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners of Flagler County, Florida, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

St. Augustine, Florida
September 11, 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

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

The Honorable 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, 2018. 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, 2018.

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

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

St. Augustine, Florida
September 11, 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH 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, 2018. 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, 2018.

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

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

St. Augustine, Florida
September 11, 2019

Financial Services
1769 E. Moody Blvd Bldg 2
Bunnell, FL 32110

www.flaglercounty.org
Phone: (386) 313-4008
Fax: (386) 313-4108

September 10, 2019

Independent Audit for Fiscal Year Ending September 30, 2018

Corrective Action Plan for Flagler County, Florida

Part II – Financial Statement Findings

2018-001: Preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance

Condition: The final expenditure balances for two major grants were not provided accurately and timely to complete the schedule.

Recommendation: We recommend utilizing a grant administrator who oversees the preparation of the schedule of expenditures of federal awards and state financial assistance. The administrator's responsibility could include oversight of all grants to ensure compliance, and that final expenditure amounts are calculated and carried to the schedule accurately and timely.

Corrective Action: The Financial Services Department will add an additional Budget Analyst and reorganize staffing and assignments. This will allow for the designation of a Senior Budget Analyst to be dedicated to absorbing all grant related oversight including the preparation of the schedule of expenditures of federal awards and state financial assistance.
Contact Person – E. John Brower, Financial Services Director
Completion Date – December 1, 2019

Part III – Findings and Questioned Costs – Federal Programs

2018-002: *Federal Award Allowable Activities and Costs Requirements*
Disaster Grants-Public Assistance – CFDA 97.036
Contract 17-PA-U5-04-28-02-091, 2016-2019
Questioned costs – none

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

Condition: The County was unable to evidence certain equipment hours claimed on one force account equipment record for one project worksheet for one employee during a single pay period.
Recommendation: We recommend a thorough review of all force account records prior to certification of those records for reimbursement claims, whether prepared by an outside consultant or prepared in-house.

Corrective Action: The County Administrator has retained a qualified consultant with deep expertise in Federal Emergency Management Agency (FEMA) procedures and requirements to oversee emergency claims submitted by the County. The Financial Services Department has recently reorganized current assignments to dedicate staff towards the accurate and timely creation of supporting documentation for all federal reimbursement requests.
Contact Person – E. John Brower, Financial Services Director
Completion Date – Already implemented

Part IV – Findings and Questioned Costs – State Projects

2018-003: (Previously reported as 2017-001)
State Award Allowable Activities and Costs Requirements
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contracts GOM40, GOX23, and GOY03, 2017 and 2018
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – Likely questioned costs of $276,821 were computed based on reimbursements for trips provided to participants without documentation of their disadvantaged status.

Condition: The County was unable to produce several of the required internal intake forms. The County did not regularly produce the required internal intake forms.

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.

Corrective Action: 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.
Contact Person – Heidi Petito, General Services Director
Completion Date – Already implemented

2018-004: (Previously reported as 2017-002)
State Award Oversight
Florida Commission for the Transportation Disadvantaged – CSFA 55.001
Contracts GOM40, GOX23, and GOY03, 2017 and 2018
FM/Job No: 43202718401/43202818401, Florida Department of Transportation
Questioned costs – none

Condition: The County was unable to produce several of the required internal intake forms. 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.

Corrective Action: The General Services Director oversees grant requirements and will document internal controls including oversight for compliance.
Contact Person – Heidi Petito, General Services Director
Completion Date – Already implemented

COUNTY COMMISSION

FLAGLER COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT & COMPTROLLER

FLAGLER COUNTY, FLORIDA

AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2018

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2018

	Page(s)
Independent Auditors' Report	1
Financial Statements:	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Statement of Fiduciary Net Position – Agency Funds	5
Notes to Financial Statements	6
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Funds	12
Additional Elements required by the Rules of the Auditor General:	
Management Letter	18
Independent Auditors' 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*	20
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	22
Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes	23
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes	24
Schedule of Findings	25
Elected Official's Response to Auditors' Comments	26

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 AUDITORS' REPORT

The Honorable Tom Bexley
Clerk of the Circuit Court & Comptroller
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, Florida Clerk of the Circuit Court & Comptroller (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

Auditors' 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 auditors' 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, 2018, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 April 11, 2019, 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.

St. Augustine, Florida
April 11, 2019

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,002,483	$ 326,777	$ 265,461	$ 203,993	$ 2,798,714
Accounts receivable	1,898	3,712	225	163	5,998
Due from other funds	20	1,138	-	-	1,158
Due from Board of County Commissioners	200	-	-	-	200
Due from other governments	8,968	22,146	2,459	1,068	34,641
Prepaid	30,556	32,670	-	-	63,226
Other assets	1,378	2,160	-	-	3,538
TOTAL ASSETS	$ 2,045,503	$ 388,603	$ 268,145	$ 205,224	$ 2,907,475
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 91,977	$ 25,263	$ 60	$ 26	$ 117,326
Due to Constitutional Officers	-	122	-	-	122
Due to Board of County Commissioners	290,433	-	-	-	290,433
Due to other governments	570,891	330,548	-	-	901,439
Deposits	1,061,646	-	-	-	1,061,646
TOTAL LIABILITIES	2,014,947	355,933	60	26	2,370,966
FUND BALANCES					
Nonspendable:					
Prepaid	30,556	32,670	-	-	63,226
Restricted for					
Court related	-	-	268,085	-	268,085
Records modernization	-	-	-	205,198	205,198
TOTAL FUND BALANCES	30,556	32,670	268,085	205,198	536,509
TOTAL LIABILITIES AND FUND BALANCES	$ 2,045,503	$ 388,603	$ 268,145	$ 205,224	$ 2,907,475

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, 2018

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
REVENUES					
Intergovernmental	$ -	$ 405,061	$ -	$ -	$ 405,061
Charges for services	720,446	1,283,794	245,687	84,262	2,334,189
Fines and forfeitures	-	223,613	-	-	223,613
Miscellaneous revenue	35,652	280	-	-	35,932
Investment income	7,993	8,982	844	572	18,391
TOTAL REVENUES	764,091	1,921,730	246,531	84,834	3,017,186
EXPENDITURES					
Current					
General government					
Personal services	1,816,273	-	-	-	1,816,273
Operating expenses	208,953	-	-	32,018	240,971
Capital outlay	74,519	-	-	-	74,519
Court related					
Personal services	14,915	1,453,994	114,071	-	1,582,980
Operating expenses	25,675	162,706	86,030	-	274,411
TOTAL EXPENDITURES	2,140,335	1,616,700	200,101	32,018	3,989,154
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,376,244)	305,030	46,430	52,816	(971,968)
OTHER FINANCING SOURCES (USES)					
Appropriation from- Board of County Commissioners	1,678,127	-	-	-	1,678,127
Reversion to other governments	-	(305,030)	-	-	(305,030)
Reversion to Board of County Commissioners	(271,327)	-	-	-	(271,327)
TOTAL OTHER FINANCING SOURCES (USES)	1,406,800	(305,030)	-	-	1,101,770
NET CHANGE IN FUND BALANCES	30,556	-	46,430	52,816	129,802
FUND BALANCES, BEGINNING OF YEAR	-	32,670	221,655	152,382	406,707
FUND BALANCES, END OF YEAR	$ 30,556	$ 32,670	$ 268,085	$ 205,198	$ 536,509

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, 2018

		Agency Funds
ASSETS		
Cash and cash equivalents	$	2,477,296
Due from other governments		576
TOTAL ASSETS	$	2,477,872
LIABILITIES		
Accounts payable	$	31,042
Due to other funds		1,158
Due to Board of County Commissioners		36,813
Due to constitutional officers		2,900
Due to other governments		115,016
Deposits		2,290,943
TOTAL LIABILITIES		2,477,872
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 have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These 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, management's discussion and analysis or the pension or other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement, rather than duplicate, the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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).

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

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.

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, 2018 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.

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

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.

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 two operating leases for office equipment. The leases expire at varying dates. Monthly payments range from $422 to $2,069. Lease payments for the year ended September 30, 2018 was $35,241. The future minimum lease payments for the next three years are as follows:

Year Ending September 30,	Amount
2019	$29,888
2020	29,888
2021	23,682
	$83,457

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, 2018, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	$ 20	$ -
Court Operations	1,138	-
Agency funds:		
Child Support	-	1,158
Totals	$ 1,158	$ 1,158

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

At September 30, 2018, the amounts due from/to entities of Flagler County consist of the following:

General Fund	
Due from Board of County Commissioners	$ 200
Due from entities of Flagler County	$ 200
General Fund	
Due to Board of County Commissioners	$ 290,433
Court Operations	
Due to Sheriff	122
Agency Funds	
Due to Sheriff	2,900
Due to Board of County Commissioners	36,813
Due to entities of Flagler County	$ 330,268

There were $271,327 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 $584,499 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, 2018.

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 678,700	$ 720,410	$ 720,446	$ 36
Miscellaneous revenue	5,000	4,270	35,652	31,382
Investment income	4,898	7,988	7,993	5
TOTAL REVENUES	688,598	732,668	764,091	31,423
EXPENDITURES				
Current				
General government				
Personal services	1,928,890	1,816,267	1,816,273	(6)
Operating expenses	187,823	214,669	208,953	5,716
Capital outlay	39,057	74,495	74,519	(24)
Court related				
Personal services	-	14,945	14,915	30
Operating expenses	9,955	25,685	25,675	10
TOTAL EXPENDITURES	2,165,725	2,146,061	2,140,335	5,726
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,477,127)	(1,413,393)	(1,376,244)	37,149
OTHER FINANCING SOURCES (USES)				
Appropriation from- Board of County Commissioners	1,677,127	1,678,127	1,678,127	-
Reversion to Board of County Commissioners	-	(264,734)	(271,327)	(6,593)
Transfer out- other funds	(200,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,477,127	1,413,393	1,406,800	(6,593)
NET CHANGE IN FUND BALANCES	-	-	30,556	30,556
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ 30,556	$ 30,556

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Intergovernmental	$ 436,017	$ 388,387	$ 405,061	$ 16,674
Charges for services	1,137,360	1,168,100	1,283,794	115,694
Fines and forfeitures	178,500	138,500	223,613	85,113
Miscellaneous revenue	-	280	280	-
Investment income	7,200	8,980	8,982	2
TOTAL REVENUES	1,759,077	1,704,247	1,921,730	217,483
EXPENDITURES				
Court related				
Personal services	1,553,282	1,453,959	1,453,994	(35)
Operating expenses	205,795	174,173	162,706	11,467
TOTAL EXPENDITURES	1,759,077	1,628,132	1,616,700	11,432
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	76,115	305,030	228,915
OTHER FINANCING SOURCES (USES)				
Reversion to other governments	-	(76,115)	(305,030)	(228,915)
TOTAL OTHER FINANCING SOURCES (USES)	-	(76,115)	(305,030)	(228,915)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	32,670	32,670
FUND BALANCES, END OF YEAR	$ -	$ -	$ 32,670	$ 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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 225,000	$ 245,500	$ 245,687	$ 187
Investment income	460	840	844	4
TOTAL REVENUES	225,460	246,340	246,531	191
EXPENDITURES				
Court related				
Personal services	113,549	114,069	114,071	(2)
Operating expenses	108,404	86,124	86,030	94
Capital outlay	30,110	-	-	-
TOTAL EXPENDITURES	252,063	200,193	200,101	92
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,603)	46,147	46,430	283
FUND BALANCES, BEGINNING OF YEAR	210,000	221,655	221,655	-
FUND BALANCES, END OF YEAR	$ 183,397	$ 267,802	$ 268,085	$ 283

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, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget**
REVENUES				
Charges for services	$ 75,000	$ 84,260	$ 84,262	$ 2
Investment income	300	570	572	2
TOTAL REVENUES	75,300	84,830	84,834	4
EXPENDITURES				
Current				
General government				
Operating expenses	35,150	32,020	32,018	2
Capital Outlay	10,390	-	-	-
TOTAL EXPENDITURES	45,540	32,020	32,018	2
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,760	52,810	52,816	6
FUND BALANCES, BEGINNING OF YEAR	138,000	152,380	152,382	2
FUND BALANCES, END OF YEAR	$ 167,760	$ 205,190	$ 205,198	$ 8

Note to schedule:
The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles.
Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Tom Bexley
Clerk of the Circuit Court & Comptroller
Flagler County, Florida

Report on the Financial Statements

We have audited the financial statements of the office of the Flagler County, Florida Clerk of the Circuit Court & Comptroller (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 11, 2019.

Auditors' Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 11, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter. Prior year finding 2017-001 repeated as 2018-001.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Flagler County, Florida Clerk of the Circuit Court & Comptroller, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

St. Augustine, Florida
April 11, 2019

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 AUDITORS' 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 & Comptroller
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, Florida Clerk of the Circuit Court & Comptroller (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated April 11, 2019.

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.

St. Augustine, Florida
April 11, 2019

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 ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Tom Bexley
Clerk of the Circuit Court & Comptroller
Flagler County, Florida

We have examined the office of the Flagler County, Florida Clerk of the Circuit Court & Comptroller's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. 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, 2018.

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

Carr, Riggs & Ingram, L.L.C

St. Augustine, Florida
April 11, 2019

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 ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Tom Bexley
Clerk of the Circuit Court & Comptroller
Flagler County, Florida

We have examined the office of the Flagler County, Florida Clerk of the Circuit Court & Comptroller'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, 2018. 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, 2018. However, we did note an immaterial instance of noncompliance that is reported in the accompanying schedule of findings as item 2018-001.

The Office's response to item 2018-001 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.

St. Augustine, Florida
April 11, 2019

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 ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Tom Bexley
Clerk of the Circuit Court & Comptroller
Flagler County, Florida

We have examined the office of the Flagler County, Florida Clerk of the Circuit Court & Comptroller'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, 2018. 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, 2018.

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

Carr, Riggs & Ingram, L.L.C.
St. Augustine, Florida
April 11, 2019

2018-001 (Similar item reported in previous audit reports 2017-001 and 2016-001)

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.

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

April 11, 2019

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, 2018. 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."

2018-001 Condition: The Office did not achieve the following performance measure: Collections performance standards for Circuit Criminal.

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

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

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

Flagler County Sheriff

Audit Report

September 30, 2018

Flagler County Sheriff

Table of Contents
September 30, 2018

REPORT	Page
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Governmental Funds:	
Balance Sheet	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Fiduciary Funds:	
Statement of Fiduciary Net Position	6
Notes to Financial Statements	7
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	12
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	13
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	14
Combining Statement of Fiduciary Net Position – Agency Funds	15
ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL	
Management Letter	16
Independent Auditors' 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*	18
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	20
Schedule of Findings	21
Elected Official's Response to Auditors' Comments	--

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 AUDITORS' 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, Florida Sheriff (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

Auditors' 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 auditors' 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, 2018, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to

the 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 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 14, 2019, 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.

St Augustine, Florida
June 14, 2019

Flagler County Sheriff

Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	$ 1,247,977	$ 58,701	$ 1,306,678
Due from other county agencies	36,130	-	36,130
Due from other governments	66,711	-	66,711
Accounts receivable	123,500	16,054	139,554
Total assets	$ 1,474,318	$ 74,755	$ 1,549,073
Liabilities			
Accounts payable and accrued liabilities	$ 623,377	$ 1,560	$ 624,937
Accrued wages	187,389	-	187,389
Due to other county agencies	446,722	-	446,722
Total liabilities	1,257,488	1,560	1,259,048
Fund balances			
Restricted:			
Law enforcement education	-	7,427	7,427
Federal equitable sharing	-	3,177	3,177
Contractual obligations for capital acquisitions	215,934	-	215,934
Donations	896	-	896
Committed:			
Inmate benefits	-	62,591	62,591
Total fund balances	216,830	73,195	290,025
Total liabilities and fund balances	$ 1,474,318	$ 74,755	$ 1,549,073

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

Flagler County Sheriff

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
September 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	$ 464,131	$ -	$ 464,131
Charges for services	3,806,456	113,790	3,920,246
Miscellaneous	8,520	-	8,520
Total revenues	4,279,107	113,790	4,392,897
Expenditures			
Current:			
Public safety:			
Personal services	22,756,411	-	22,756,411
Operating expenditures	3,953,289	75,649	4,028,938
Capital outlay	1,336,727	-	1,336,727
Court related:			
Personal services	824,076	-	824,076
Operating expenditures	13,831	-	13,831
Debt service:			
Principal	192,647	-	192,647
Interest	16,633	-	16,633
Total expenditures	29,093,614	75,649	29,169,263
Excess of revenues over (under) expenditures	(24,814,507)	38,141	(24,776,366)
Other financing sources (uses)			
Appropriation from board of county commissioners	24,223,347	-	24,223,347
Reversion to board of county commissioners	(390,010)	-	(390,010)
Capital lease	1,200,000	-	1,200,000
Transfers in	-	2,000	2,000
Transfers out	(2,000)	-	(2,000)
Total other financing sources (uses)	25,031,337	2,000	25,033,337
Net change in fund balances	216,830	40,141	256,971
Fund balances - beginning of year	-	33,054	33,054
Fund balances - end of year	$ 216,830	$ 73,195	$ 290,025

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

Flagler County Sheriff

Statement of Fiduciary Net Position
September 30, 2018

		Agency Funds
Assets		
Cash and equivalents	$	27,579
Total assets		27,579
Liabilities		
Due to other county agencies		11,345
Assets held for others		16,234
Total liabilities		27,579
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, Florida 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 have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund 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, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Agency Funds are comprised of the following:

Inmate Trust Fund – This fund is used to account for revenues and expenditures of funds held on behalf of inmates during their time in the detention facility.

Suspense Fund – This fund is used to account for funds held on behalf of others (typically defendants) until a case has reached resolution.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

Budgetary Requirements and Basis

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Section 30.49(2)(a), Florida Statutes. The budgeted revenues and expenditures in these financial statements reflect all amendments approved by the Sheriff and the Board. Budgetary control is required at the fund level. Total budgeted expenditures may not exceed related actual expenditures at the fund level. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP"), except for capital outlay expenditures and other financing sources related to the acquisition of assets through capital leases which are accomplished based upon the Sheriff's authority set forth in Section 30.53 Florida Statutes. A reconciliation of General Fund budgeted and actual expenditures and revenues and other financing sources for the fiscal year ended September 30, 2018 is as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

		General Fund
EXPENDITURES		
Budgetary Basis	$	28,112,247
Adjustments:		
Capital leases - expenditures		1,200,000
GAAP Basis	**$**	**29,312,247**
REVENUES AND OTHER FINANCING SOURCES		
Budgetary Basis	$	28,112,247
Adjustments:		
Issuance of debt - capital leases		1,200,000
GAAP Basis	**$**	**29,312,247**

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 Office has an operating lease for facilities which expired December 2018. The Office is currently renting space on a month-to-month basis. Monthly rent ranges from $4,336 to $4,951. Rent expenditures under this lease for the year ended September 30, 2018, were $57,564. The future minimum payments for the remaining terms are as follows:

Year ending September 30,	Amount
2019	$ 14,852
	$ 14,852

NOTE 3 – 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 insurance coverage during the previous three years.

NOTE 4 – CONTINGENCIES AND COMMITMENTS

The Office is currently involved in litigation in four cases. Two cases are employment law related. In those cases, if a court were to enter a judgment for back-pay against the Office, our insurance company would not cover that amount. Two cases are general civil cases for damages, one for false arrest and one for general negligence. In those cases any damages, if assessed against the Office, would be covered by our insurance. 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
September 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	$ 130,000	$ 130,000	$ 464,131	$ 334,131
Charges for services	3,583,855	3,758,900	3,806,456	47,556
Miscellaneous	-	-	8,520	8,520
Total revenues	3,713,855	3,888,900	4,279,107	390,207
Expenditures				
Public safety:				
Personal services	22,925,263	23,052,328	22,756,411	295,917
Operating expenditures	3,704,620	3,729,934	3,953,289	(223,355)
Capital outlay	150,431	173,097	352,661	(179,564)
Court related:				
Personal services	870,702	870,702	824,076	46,626
Operating expenditures	18,885	18,885	13,831	5,054
Debt service:				
Principal	252,453	252,453	192,647	59,806
Interest	14,848	14,848	16,633	(1,785)
Total expenditures	27,937,202	28,112,247	28,109,548	2,699
Excess of revenues over (under) expenditures	(24,223,347)	(24,223,347)	(23,830,441)	392,906
Other financing sources (uses)				
Appropriation from board of county commissioners	24,223,347	24,223,347	24,223,347	-
Reversion to board of county commissioners	-	-	(390,010)	(390,010)
Transfers out	-	-	(2,000)	(2,000)
Total other financing sources (uses)	24,223,347	24,223,347	23,831,337	(392,010)
Net change in fund balances	-	-	896	896
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ 896	$ 896

Supplementary Information

Flagler County Sheriff

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	$ 48,097	$ 7,427	$ 3,177	$ 58,701
Accounts receivable	16,054	-	-	16,054
Total assets	$ 64,151	$ 7,427	$ 3,177	$ 74,755
Liabilities				
Accounts payable	$ 1,560	$ -	$ -	$ 1,560
Fund balances				
Restricted	-	7,427	3,177	10,604
Committed	62,591	-	-	62,591
Total fund balances	62,591	7,427	3,177	73,195
Total liabilities and fund balances	$ 64,151	$ 7,427	$ 3,177	$ 74,755

Flagler County Sheriff

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2018

	Inmate Welfare Fund	Police Education Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	$ 106,790	$ 7,000	$ -	$ 113,790
Expenditures				
Current:				
Public safety:				
Operating expenditures	75,649	-	-	75,649
Excess of revenues over (under) expenditures	31,141	7,000	-	38,141
Other financing sources (uses)				
Transfers in	-	-	2,000	2,000
Total other financing sources (uses)	-	-	2,000	2,000
Net change in fund balances	31,141	7,000	2,000	40,141
Fund balances - beginning of year	31,450	427	1,177	33,054
Fund balances - end of year	$ 62,591	$ 7,427	$ 3,177	$ 73,195

Flagler County Sheriff

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2018

	Inmate Trust Fund	Suspense Fund	Total Agency Funds
Assets			
Cash and equivalents	$ 22,206	$ 5,373	$ 27,579
Total assets	22,206	5,373	27,579
Liabilities			
Due to other county agencies	11,345	-	11,345
Assets held for others	10,861	5,373	16,234
Total liabilities	22,206	5,373	27,579
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Rick Staly
Sheriff
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County, Florida Sheriff (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 14, 2019.

Auditors' Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 14, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter. Prior year finding 2017-002 is repeated as 2018-001. Corrective actions have been taken to address prior year finding 2017-001.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Flagler County, Florida Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

St. Augustine, Florida
June 14, 2019

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 AUDITORS' 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, Florida Sheriff (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying schedule of findings, as item 2018-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The Office's Response to Finding

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

Purpose of this Report

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

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

St Augustine, Florida
June 14, 2019

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 ACCOUNTANTS' 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, Florida Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. 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 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, 2018.

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

Carr, Riggs & Ingram, L.L.C

St. Augustine, Florida
June 14, 2019

2018-001 (Reported previously as item 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."

June 14, 2019

Ms. Sherill F. Norman, CPA
State of Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

Please accept this letter as my response to the findings noted in the most recent financial audit of the Flagler County Sheriff's Office prepared by Carr, Riggs & Ingram, LLC for the fiscal year ending September 30, 2018.

2018-001 (Reported previously as item 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, post receipts to accounts receivable and the general ledger, and receives and reconciles the monthly bank statement.

Causes: Due to the limited number of available personnel in the business office, 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.

FY 2018 Finding Response

2018-001 **Criteria:** The Office agrees that additional steps could be taken to separate incompatible duties.

Condition: With three assigned personnel, the Business Office continued to experience the segregation of duties concern that has been identified during previous audits.

Causes: The Business Office has a limited number of available personnel (three total) and therefore, it is not always possible to adequately segregate duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Recommendation: This condition was addressed by the Sheriff during the final quarter of the fiscal year with the authorization for a fourth position in the Business Office. The position was not filled during the audit period and therefore this condition must be noted in the Financial Statements. The addition and filling of this new position and a defined delineation of duties to ensure proper segregation of financial accounting and recording tasks should effectively resolve this condition and is in process.

Views of responsible officials: Previous audit comments on this condition occurred prior to the current administration being in office for a full year. As reported last year, it was noted that this administration took this reported condition seriously. During 2018, a new Financial Services Director with a significant background in governmental finance and accounting was hired and a fourth position was added to the Business Office. These changes, as well as a clear policy delineating financial task responsibilities, will ensure our internal controls are in keeping with the highest standards.

Sincerely,

Rick Staly
Sheriff

/lac

Flagler County Tax Collector

Audit Report

For the Year Ended September 30, 2018

Table of Contents
September 30, 2018

REPORT
Independent Auditors' Report 1

FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Fiduciary Funds:

Statement of Fiduciary Net Position 5

Notes to Financial Statements 6

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 10

SUPPLEMENTARY INFORMATION
Combining Statement of Fiduciary Net Position – Agency Funds 12

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 13

Independent Auditors' 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* 15

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes 17

Elected Official's Response to Auditors' Comments --

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 AUDITORS' 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, Florida Tax Collector (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

Auditors' 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 auditors' 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, 2018, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 intended to present the financial position and changes in financial position, where applicable, of the major fund and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 financial statements. The Combining Statement of Fiduciary Net Position – Agency Funds is presented for purposes of additional analysis and is not a required part of the financial statements.

The Combining Statement of Fiduciary Net Position – Agency Funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or the 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 Statement of Fiduciary Net Position – Agency Funds is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2019 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.

St. Augustine, Florida
April 3, 2019

Balance Sheet
Governmental Funds
September 30, 2018

		General Fund
Assets		
Cash	$	999,101
Due from other funds		19,369
Due from other county agencies		10,743
Due from other governments		56
Total assets	$	1,029,269
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	114,301
Due to other county agencies		847,236
Due to other governments		67,732
Total liabilities		1,029,269
Fund balance		-
Total liabilities and fund balance	$	1,029,269

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, 2018

		General Fund
Revenues		
Charges for services	$	3,966,873
Miscellaneous revenue		22,484
Total revenues		3,989,357
Expenditures		
General government services:		
Personal services		2,565,618
Operating expenditures		563,434
Capital outlay		29,481
Total expenditures		3,158,533
Excess of revenues over expenditures		830,824
Other financing uses		
Reversion to board of county commissioners		(830,824)
Net change in fund balance		-
Fund balance - October 1, 2017		-
Fund balance - September 30, 2018	$	-

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

Statement of Fiduciary Net Position
September 30, 2018

		Agency Funds
Assets		
Cash	$	2,255,869
Receivables		101,816
Total assets		2,357,685
Liabilities		
Assets held for others		2,022,128
Due to other funds		19,369
Due to other county agencies		316,188
Total liabilities		2,357,685
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, Florida 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 have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund 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, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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, Florida 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	$ 19,369	$ -
Agency funds:		
Tax fund	-	19,369
Total	$ 19,369	$ 19,369

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. 75, *Accounting and Financial Reporting 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, 2018

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 3,656,830	$ 3,656,830	$ 3,966,873	$ 310,043
Miscellaneous revenues	8,594	8,594	22,484	13,890
Total revenues	3,665,424	3,665,424	3,989,357	323,933
Expenditures				
General government services:				
Personal services	2,640,192	2,614,781	2,565,618	49,163
Operating expenditures	565,022	592,890	563,434	29,456
Capital outlay	25,100	29,482	29,481	1
Total expenditures	3,230,314	3,237,153	3,158,533	78,620
Excess of revenues over expenditures	435,110	428,271	830,824	402,553
Other financing uses				
Reversion to board of county commissioners	(435,110)	(428,271)	(830,824)	(402,553)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2017	-	-	-	-
Fund balances - September 30, 2018	$ -	$ -	$ -	$ -

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; 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, 2018

	Tax Fund	Tag Fund	Totals
Assets			
Cash	$ 1,962,197	$ 293,672	$ 2,255,869
Receivables	96,918	4,898	101,816
Total assets	2,059,115	298,570	2,357,685
Liabilities			
Assets held for others	1,726,708	295,420	2,022,128
Due to other funds	19,369	-	19,369
Due to other county agencies	313,038	3,150	316,188
Total liabilities	2,059,115	298,570	2,357,685
Net position	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

Report on the Financial Statements

We have audited the financial statements of the Flagler County, Florida Tax Collector (the "Office") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 3, 2019.

Auditors' Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 3, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Flagler County, Florida Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

St. Augustine, Florida
April 3, 2019

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 AUDITORS' 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, Florida Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated April 3, 2019.

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.

St. Augustine, Florida
April 3, 2019

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 ACCOUNTANTS' 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, Florida 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, 2018. 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, 2018.

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

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

St. Augustine, Florida
April 3, 2019

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

1769 E. Moody Blvd, Bldg. 2, Ste 102 / P.O. Box 846 / Bunnell, FL 32110
Phone: 386-313-4160 / Fax: 386-313-4161
www.flaglertax.com

April 3, 2019

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, 2018.

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, 2018

Table of Contents
September 30, 2018

REPORT
Independent Auditors' Report 1

FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Notes to Financial Statements 5

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 9

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 10

Independent Auditors' 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* 11

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes 13

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 AUDITORS' 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 major fund of the Flagler County, Florida Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

Auditors' 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Office as of September 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 February 20, 2019, 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.
St. Augustine, Florida
February 20, 2019

Balance Sheet – Governmental Funds
September 30, 2018

		General Fund
Assets		
Cash	$	86,924
Accounts receivable		2,171
Due from board of county commissioners		64,355
Total assets	$	153,450
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	14,033
Due to other governments		7,933
Due to board of county commissioners		131,484
Total liabilities		153,450
Fund balance		-
Total liabilities and fund balance	$	153,450

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2018

	General Fund
Revenues	
Charges for services	$ 62,435
Miscellaneous revenue	21,815
Total revenues	84,250
Expenditures	
General government:	
Personnel services	1,965,227
Operating expenditures	215,792
Capital outlay	59,920
Total expenditures	2,240,939
Excess of revenues under expenditures	(2,156,689)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,284,719
Reversion to board of county commissioners	(128,030)
Total other financing sources (uses)	2,156,689
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, Florida 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 have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These 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, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2018, the lease payments on all vehicle operating leases were $23,747.

NOTE 3 – LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments for noncancellable operating leases as of September 30, 2018 are as follows:

Year	Amount
2019	$ 12,189
2020	11,940
2021	11,940
2022	524
Total	$ 36,593

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, 2018

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 64,802	$ 64,802	$ 62,435	$ (2,367)
Miscellaneous revenue	-	-	21,815	21,815
Total revenues	64,802	64,802	84,250	19,448
Expenditures				
General government:				
Personnel services	2,098,530	2,040,080	1,965,227	74,853
Operating expenditures	250,991	250,991	215,792	35,199
Capital outlay	-	58,450	59,920	(1,470)
Total expenditures	2,349,521	2,349,521	2,240,939	108,582
Excess of revenues under expenditures	(2,284,719)	(2,284,719)	(2,156,689)	128,030
Other financing sources (uses)				
Appropriation from board of county commissioners	2,284,719	2,284,719	2,284,719	-
Reversion to board of county commissioners	-	-	(128,030)	(128,030)
Total other financing sources (uses)	2,284,719	2,284,719	2,156,689	(128,030)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

Notes to schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County, Florida Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated February 20, 2019. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

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

St. Augustine, Florida
February 20, 2019

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 AUDITORS' 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, Florida Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated February 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
February 20, 2019

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 ACCOUNTANTS' 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, Florida 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, 2018. 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, 2018.

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

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

St. Augustine, Florida
February 20, 2019

Flagler County
Supervisor of Elections

Audit Report

For the Year Ended September 30, 2018

Table of Contents
September 30, 2018

REPORT
Independent Auditors' Report 1

FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Notes to Financial Statements 5

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 8

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 9

Independent Auditors' 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* 10

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes 12

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 AUDITORS' 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 major fund of the Flagler County, Florida Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

Auditors' 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 auditors' 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 major fund of the Office as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund, of Flagler County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, 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.

St. Augustine, Florida
March 14, 2019

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds
As of September 30, 2018

		General Fund
Assets		
Cash	$	102,065
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	5,660
Due to other county agencies		79,171
Total liabilities		84,831
Fund balance:		
Restricted by grantor		17,234
Total liabilities and fund balance	$	102,065

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended September 30, 2018

	General Fund
Revenues	
Intergovernmental revenue	$ 121,138
Charges for services	4,085
Miscellaneous revenue	317
Total revenues	125,540
Expenditures	
General government:	
Personnel services	589,388
Operating expenditures	429,610
Capital outlay	13,659
Total expenditures	1,032,657
Excess of revenues under expenditures	(907,117)
Other financing sources (uses)	
Appropriation from board of county commissioners	974,162
Reversion to board of county commissioners	(79,171)
Total other financing sources (uses)	894,991
Net change in fund balance	(12,126)
Fund balance - October 1, 2017	29,360
Fund balance - September 30, 2018	$ 17,234

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County, Florida 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 have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund 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, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund of Flagler County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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. 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 insured or collateralized throughout the fiscal year 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.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the year ended September 30, 2018

	Budgeted Amounts			Variance
	Original	Final	Actual	With final Budget
Revenues				
Intergovernmental revenue	$ 12,323	$ 125,001	$ 121,138	$ (3,863)
Charges for services	-	-	4,085	4,085
Miscellaneous revenue	-	-	317	317
Total revenues	12,323	125,001	125,540	539
Expenditures				
General government:				
Personnel services	633,796	633,796	589,388	44,408
Operating expenditures	368,075	480,753	429,610	51,143
Capital outlay	13,975	13,975	13,659	316
Total expenditures	1,015,846	1,128,524	1,032,657	95,867
Excess of revenues under expenditures	(1,003,523)	(1,003,523)	(907,117)	96,406
Other financing sources (uses)				
Appropriation from board of county commissioners	974,163	974,163	974,162	(1)
Reversion to board of county commissioners	-	-	(79,171)	(79,171)
Total other financing sources (uses)	974,163	974,163	894,991	(79,172)
Net change in fund balances	(29,360)	(29,360)	(12,126)	17,234
Fund balances – October 1, 2017	29,360	29,360	29,360	-
Fund balances – September 30, 2018	$ -	$ -	$ 17,234	$ 17,234

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 $29,360 carried forward from a prior year and $125,001 of grant awards received during 2018 that were anticipated to be expended during 2018.

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the Flagler County, Florida Supervisor of Elections (the "Office"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 14, 2019. 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. Corrective actions have been taken to address findings and recommendations identified as 2017-001 and 2017-002 made in the preceding annual financial audit report.

Other Matters

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

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

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

Carr, Riggs & Ingram, L.L.C.
St. Augustine, Florida
March 14, 2019

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 AUDITORS' 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 major fund of the Flagler County, Florida Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated March 14, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on

compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

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

St. Augustine, Florida
March 14, 2019

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 ACCOUNTANTS' 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, Florida 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, 2018. 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, 2018.

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

Carr, Riggs & Ingram, L.L.C

St. Augustine, Florida
March 14, 2019