

2014

Flagler County, Florida



**Comprehensive
Annual Financial Report
September 30, 2014**

Flagler County's transformation from a sleepy farming community of just over 10,000 residents in 1980 to our present day number of over 100,000 is a vivid reminder of the incredible growth experienced over the last 35 years. This unprecedented population explosion brought a number of very diverse visitors to our area. The faces of Flagler County are a representation of the various backgrounds from which they come. It is this diversity that makes us who we are.



The trend has continued in the last 15 years as witnessed by the increasing number of other nationalities from all over the world becoming our neighbors and friends.

As our once rural community grows and flourishes, we are all beneficiaries of the goodwill, strong work ethic and international delicacies now present in Flagler County. As we move into a new era of growth and prosperity, it is the many different faces of Flagler County that will continue to define us as the “go to” destination to live, work and play.

FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

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

**FLAGLER COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
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FLAGLER COUNTY, FLORIDA

PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Frank Meeker – **Chairman** – District 2

Charles Erickson – **Vice Chairman** - District 1

George Hanns - District 5

Barbara Revels – District 3

Nate McLaughlin – District 4

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

Gail Wadsworth

TAX COLLECTOR

Suzanne Johnston

SHERIFF

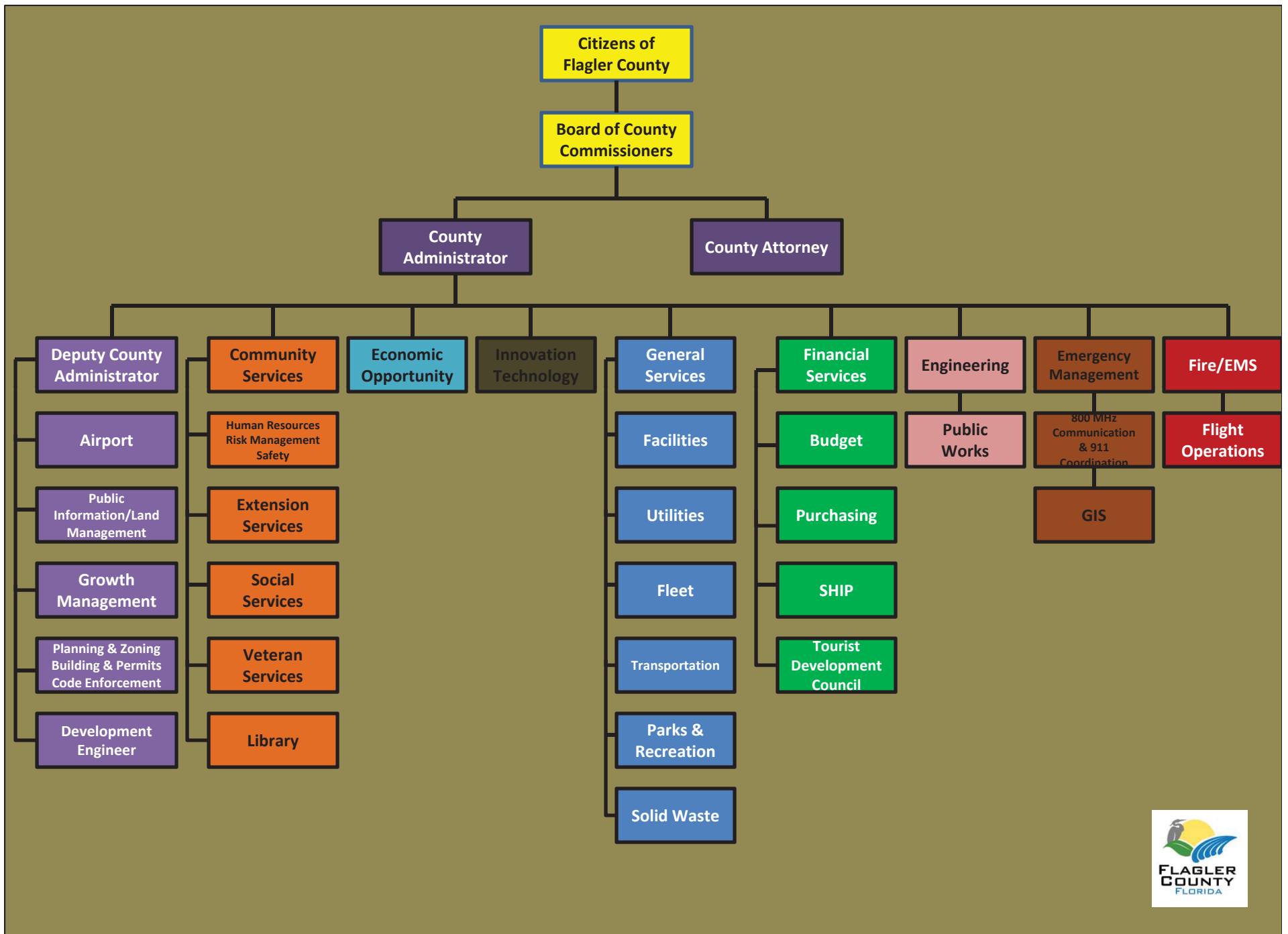
James Manfre

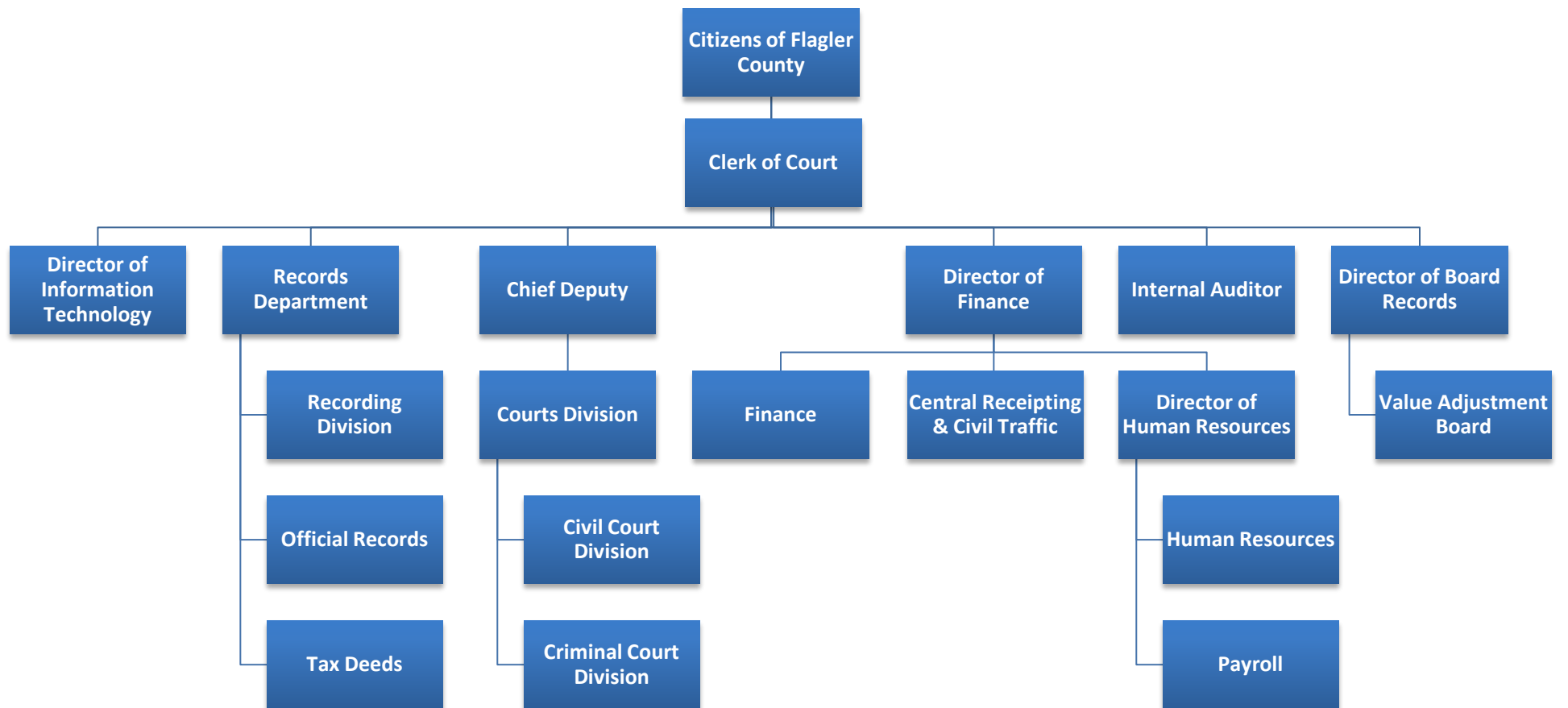
PROPERTY APPRAISER

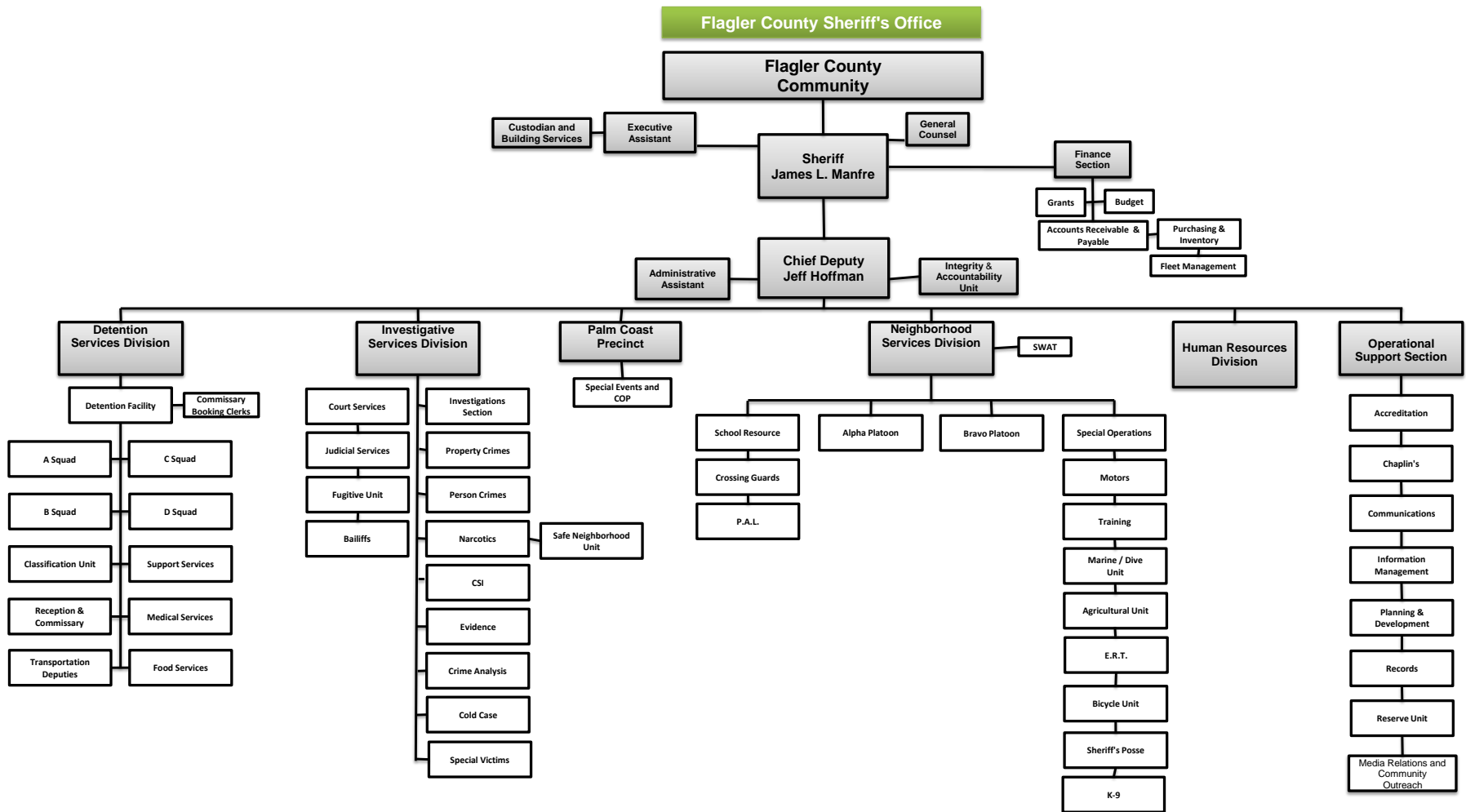
James Gardner

SUPERVISOR OF ELECTIONS

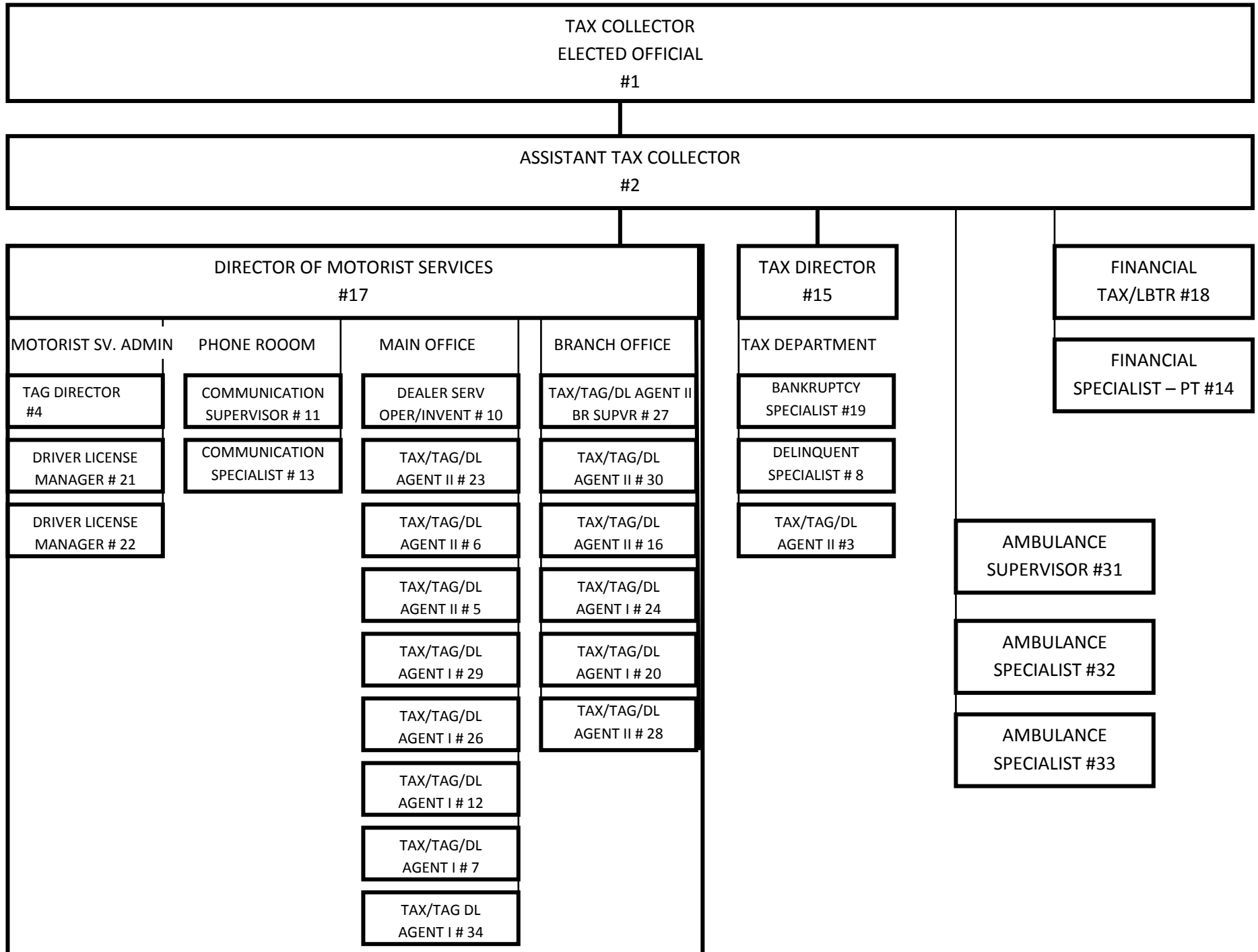
Kaitlyn Lenhart

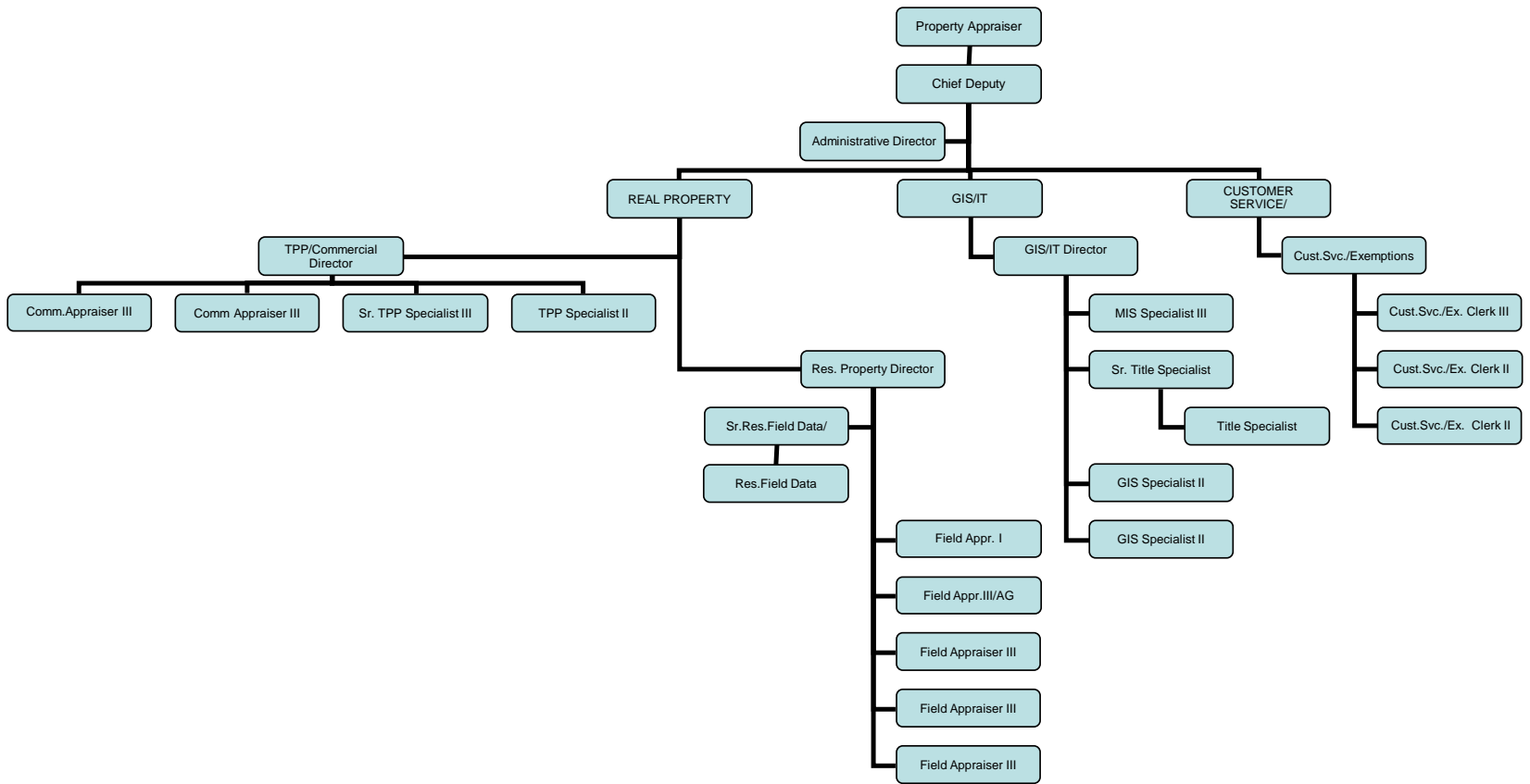


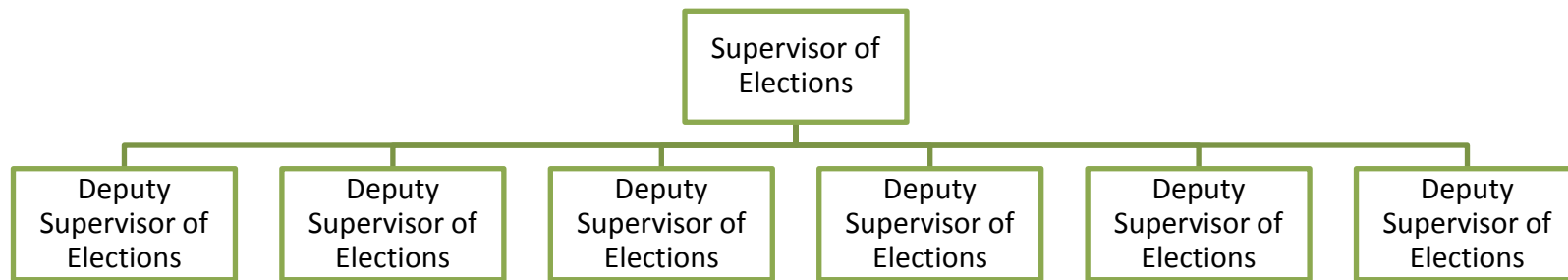




Updated
4/22/2015









GAIL WADSWORTH, Clerk of the Circuit Court & Comptroller

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

May 27, 2015

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, 2014.

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, 2014.

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, 2014 have been audited by independent accounting firm of Carr, Riggs & Ingram, LLC, licensed in the state of Florida. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unmodified opinion, based on their audit the County's fiscal year ended September 30, 2014 financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

the administration of federal awards. These reports are presented in the section entitled Compliance.

Governmental accounting and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A follows the independent auditor's report.

County Services and Reporting Entity

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

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

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

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

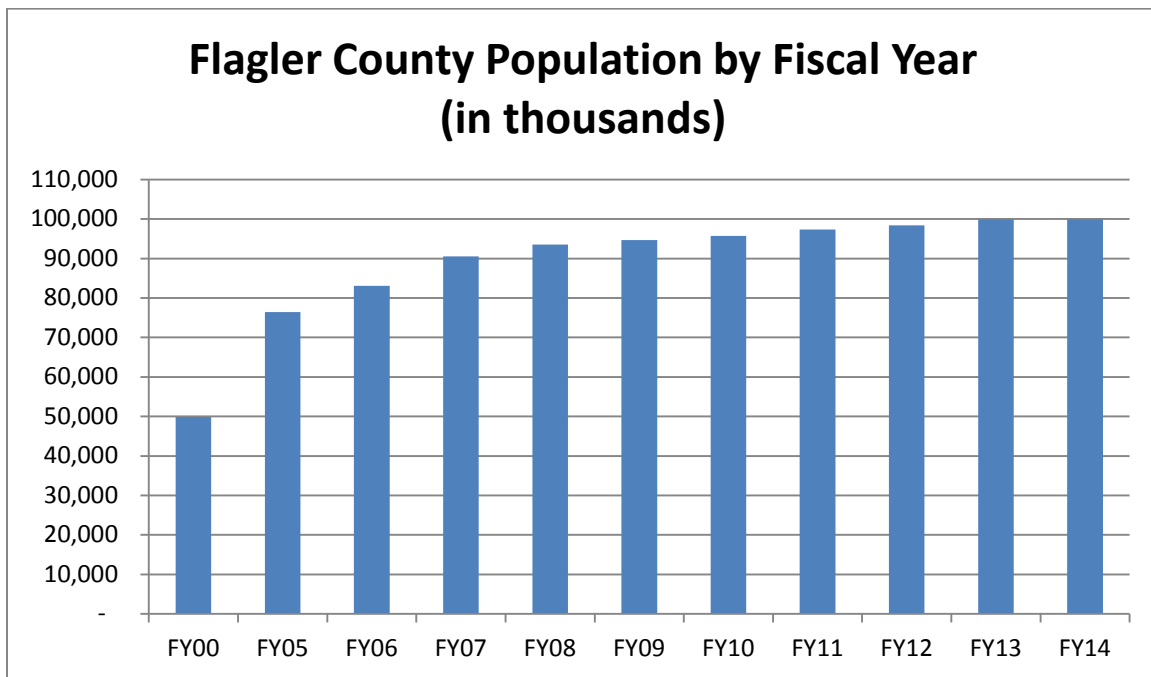
In developing and evaluating the accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designated to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records in order to prepare accurate financial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

Economic Condition and Outlook

Financial condition may be defined as the ability to balance cyclical expenditure needs with recurring revenue sources, while providing adequate services on a continuing basis. Given the County's financial statements are a snapshot of the activities of the previous fiscal year, the best understanding can be achieved by examining the environment in which the County functions. Assessing financial condition is dependent on many different factors, not limited to but including: local economy, planning and projects, management policies and practices, and risk management.

Local Economy

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



The principal commerce during this population explosion was a continued agricultural presence with the lion share of expansion resulting from the residential home building industry. The County issued 1,931 building permits in the 2014 fiscal year representing an increase of 23% from the previous year. 2014's permit total is a nearly perfect median to our 10 year high in 2005 (4,100) and low in 2011 (190). As witnessed by these numbers, 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 8.1% rate, still much higher than the state and national averages. Average household income is hovering just above \$47,000, slightly higher than the State of Florida per household average of \$46,956. A stagnant school enrollment of around 13,000 students at the two local high schools, 2 middle schools and 5 elementary schools over the previous 5 years reflects the County's population stability and lack of noticeable growth.

Planning and Projects

Significant population growth in the last 15 years demands infrastructure improvements. The previous population graphic, showing a doubling of population in the last 15 years from 50,000 to 100,000 residents, clearly establishes the necessity for capital growth and expansion as well as maintenance and upgrades to current infrastructure. Flagler County Government has responded to these demands both proactively and reactively. The following examples of ongoing projects reflect a healthy response to growth and a plan focusing on long term stability.

Major capital projects and improvements

- The County issued the Flagler County, Florida, Capital Improvement and Refunding Revenue Bonds, Series 2015 with a face value of \$42,775,000 to provide funds to refund all of the County's outstanding Capital Improvement Revenue Bonds, Series 2005 and to fund the construction of several capital projects within the County including a new Sheriff Operations Center and Detention Center. These projects will have estimated completion dates of 10/2015 & 9/2015 respectively.
- Ongoing improvements are continuing throughout FY 2013-2014 and are ongoing on the Bunnell Flagler County utility (BFCU), a joint venture between Flagler County and the City of Bunnell. The City and the County have equally shared legal responsibility for all aspects of the BFCU.
- An Interchange Justification Report dated December 2010, approved by both the FDOT and Federal Highway Administration (FHWA) concluded an interchange at Matanzas Woods Parkway is logical because of its location between Palm Coast Parkway and US 1 and relationship to significant growth planned in the vicinity. Planning and engineering is ongoing with an estimated completion date of April 2016. The total project is budgeted at \$9.3 million.
- The six-laning Project – Palm Coast Parkway is a DOT pass-through grant which flows through Flagler County to the City of Palm Coast. The project entails widening of approximately 1.23 miles of Palm Coast Parkway from Cypress Point Parkway/Boulder Rock Drive to Florida Park Drive with the addition of pedestrian/bike paths on both sides of Palm Coast Parkway. The project is currently underway with an approximate cost of \$10.5M and estimated completion date of December 2015.
- Planning development continues for the Malacompra drainage project. Phase #1 - \$2.9M, Phase #2 - \$2.5M, Phase III - \$3M.
- Flagler County Airport
 - The County issued the Flagler County, Florida, Taxable Airport Revenue Note, Series 2015 in the amount of \$2,850,000 to finance the purchase of real property located on the Flagler County Airport premises.
 - The Airport South Entrance Road Phase II bid award was completed in May of 2014 in the amount of \$1.5 million. This is the gateway to future commercial projects including: Flagler Executive Airport Commerce Center and a National
 - Guard Armory, currently in ongoing negotiations and pending federal funding.

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
- Derivatives and reverse repurchase agreements
- Competitive selection of investment instruments
- Authorized investments and portfolio composition
- Performance measurements
- Reporting
- Third-party custodial agreements
- Formal investment policy adoption

For the fiscal year ended September 30, 2014, the County earned approximately 20 basis points on investments. Given the established benchmark yield of .02%, actual rate of return of .20% exceeded the benchmark by 10 fold.

Flagler County has FY 2014 assets totaling approximately \$384 million with total liabilities of \$102 million. This strong financial footing is reinforced by Standard & Poor's Ratings Services. S & P revised its outlook to positive from stable and affirmed its 'AA-' rating on Flagler County's outstanding general obligation (GO) bonds and its 'A+' rating on the County's capital improvement and revenue refunding bonds. They also assigned our 'AA-' rating to the county's series 2015 GO refunding bonds.

The outlook was revised to positive due to improving budgetary performance and economic metrics, including the U.S. Bureau of Labor Statistics' (BLS) projection in 2014 that the county's annual unemployment rate could drop below 10%. The GO bonds are secured by the county's full faith, credit and resources pledge, while its covenant to budget and appropriate from legally available non-ad valorem revenue secures the capital improvement and revenue refunding bonds. Non-ad valorem revenue means all legally available general fund revenue other than those generated from property tax.

Risk management

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

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

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

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

Goals and Objectives

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

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

Acknowledgments

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

Sincerely,



Gail Wadsworth
Clerk of the Circuit Court and Comptroller

INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners
Flagler County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Flagler County, Florida (the "County"), as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the County implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 27, 2015

Management's Discussion and Analysis

The County's management discussion and analysis presents an overview and analysis of the County's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the County's financial statements beginning on page 13.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities at September 30, 2014 (fiscal year end) by \$261,002,649 (net position) for governmental activities, representing an increase of \$7,070,092.
- The amount reported as unrestricted net position, \$5,557,315, decreased \$167,166 over the previous year. This amount is a measure of the County's resources to meet the County's ongoing obligations to its citizens and creditors.
- Flagler County, Florida entered into an interlocal agreement with the City of Bunnell on February 6, 2013 to purchase and operate a potable water and sanitary wastewater utility system, with the understanding that ownership and operation of the utility would be handled on a joint basis between the two parties. This joint venture, known as the Bunnell Flagler County Utility ("BFCU"), purchased the assets of the existing water treatment plant on September 16, 2013 and received the wastewater assets through donation at the closing. The City and the County have equally shared legal responsibility for all aspects of the BFCU, to include but not limited to: meeting all financial, regulatory, environmental and liability requirements; providing water, sewer and reuse service within the designated service area; and operating all other aspects of the BFCU, regardless of whichever party is authorized to act. Additional information on the County's investment in joint venture can be found in Note 16 on pages 50 - 51 of this report.

Overview of the Financial Statements

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

Government-wide financial statements

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

The statement of net position presents information on all of the County's assets, deferred outflows and liabilities, with the difference between the sum of assets and deferred outflows, minus liabilities, 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, 2014. 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, landfill, utilities and waste management.

The government-wide financial statements can be found on pages 13 - 14 of this report.

Fund financial statements

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

Governmental funds

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

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

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

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

The governmental fund financial statements can be found on pages 15 - 18 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, refuse disposal, water and wastewater services 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, sanitary landfill, water and waste water services and waste management fund, the County's only non-major proprietary fund. 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 19 -22 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 23 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 24 - 52 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 progress in funding of its Other Postemployment Benefits (OPEB) obligation. Required supplementary information can be found on pages 53 – 56 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA NET POSITION (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 56,569	\$ 60,231	\$ 5,826	\$ 4,802	\$ 62,395	\$ 65,033
Capital assets	293,864	295,113	23,555	24,013	317,419	319,126
Total Assets	350,433	355,344	29,381	28,815	379,814	384,159
Deferred Outflows	555	412	106	89	661	501
Non-current liabilities	76,565	73,146	6,886	6,484	83,451	79,630
Other liabilities	19,654	21,607	1,940	771	21,594	22,378
Total Liabilities	96,219	94,753	8,826	7,255	105,045	102,008
Net position						
Net investment in capital						
assets	216,373	221,697	14,817	17,390	231,190	239,087
Restricted	32,672	33,749	2,752	1,226	35,424	34,975
Unrestricted	5,724	5,557	3,092	3,033	8,816	8,590
Total net position	\$ 254,769	\$261,003	\$ 20,661	\$ 21,649	\$275,430	\$ 282,652

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 by \$282,651,632 as of the fiscal year ended September 30, 2014.

The largest reported amount of the County's net position (eighty-four percent) 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.

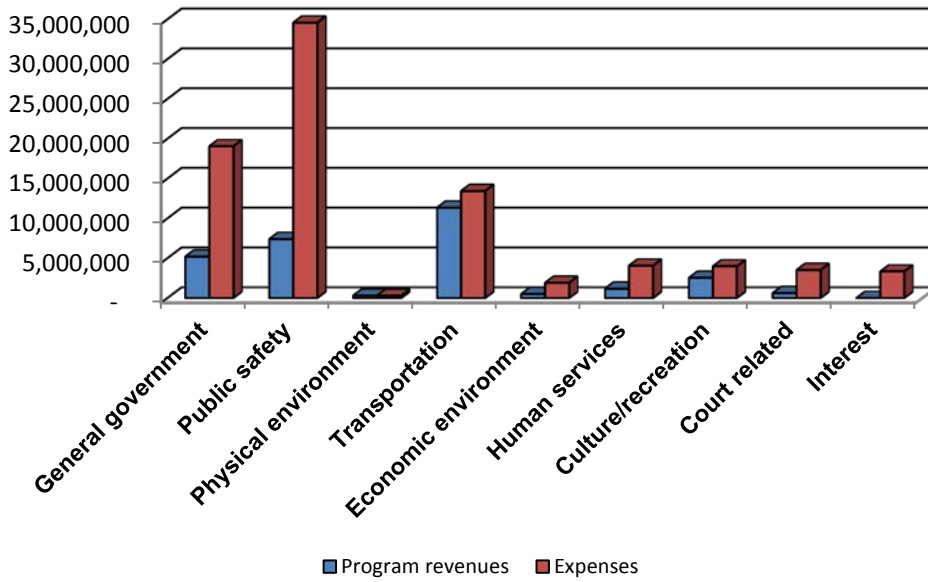
Thirteen percent of the County's net position (Restricted Net Position) represents resources that are subject to external restrictions on their use. The remaining three percent of the County's net position (Unrestricted Net Position) may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2014 the County is able to report positive balances in all three categories of net position for governmental activities and positive balances for all three categories of net position for business-type activities.

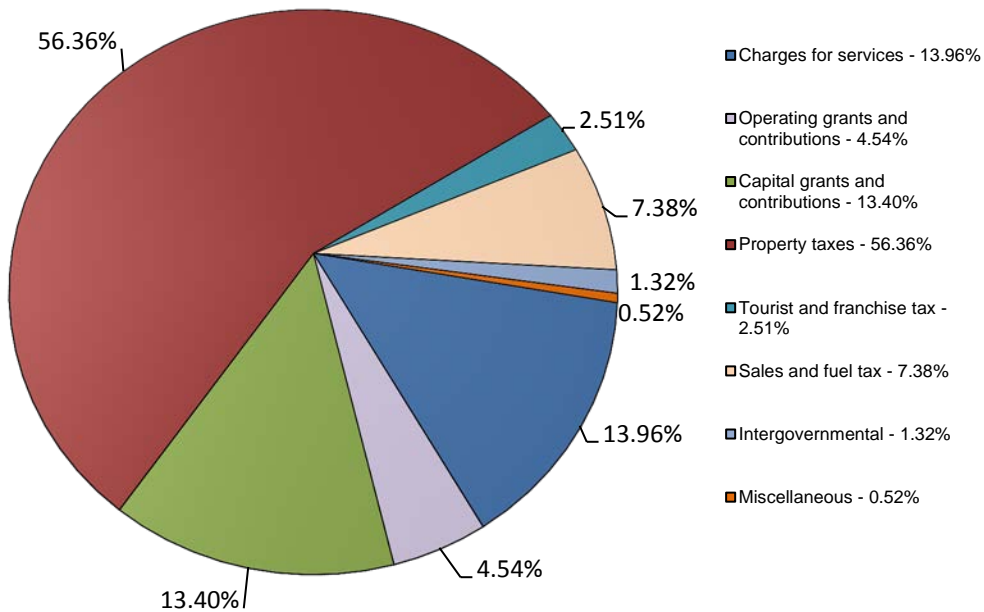
FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenues						
Charges for Services	\$ 12,160	\$ 12,741	\$ 3,612	\$ 3,697	\$ 15,772	\$ 16,438
Operating grants and contributions	5,444	4,146	71	83	5,515	4,229
Capital grants and contributions	4,671	12,234	3,943	1,759	8,614	13,993
General revenues						
Property taxes	45,786	51,456	-	-	45,786	51,456
Other taxes	8,321	9,034	133	132	8,454	9,166
Miscellaneous	3,605	1,686	57	211	3,662	1,897
Total revenues	79,987	91,297	7,816	5,882	87,803	97,179
Expenses						
General government	18,857	19,061	-	-	18,857	19,061
Public safety	34,382	34,584	-	-	34,382	34,584
Physical environment	648	303	-	-	648	303
Transportation	10,477	13,446	-	-	10,477	13,446
Economic environment	2,402	1,913	-	-	2,402	1,913
Human services	3,706	4,073	-	-	3,706	4,073
Culture/recreation	3,426	3,982	-	-	3,426	3,982
Court related	3,171	3,522			3,171	3,522
Interest/charges on long-term debt	3,488	3,335	-	-	3,488	3,335
Airport	-	-	2,636	2,718	2,636	2,718
Landfill	-	-	169	122	169	122
Utilities	-	-	511	675	511	675
Waste management	-	-	1,354	1,355	1,354	1,355
Total expenses	80,557	84,219	4,670	4,870	85,227	89,089
Transfers	151	(8)	(151)	8	-	-
Increase (Decrease) in net position	(419)	7,070	2,995	1,020	2,576	8,090
Net position, beginning, as previously reported	252,052	254,769	17,666	20,661	269,718	275,430
Restatement	3,136	(836)	-	(32)	3,136	(868)
Net position, ending	\$ 254,769	\$ 261,003	\$ 20,661	\$ 21,649	\$ 275,430	\$ 282,652

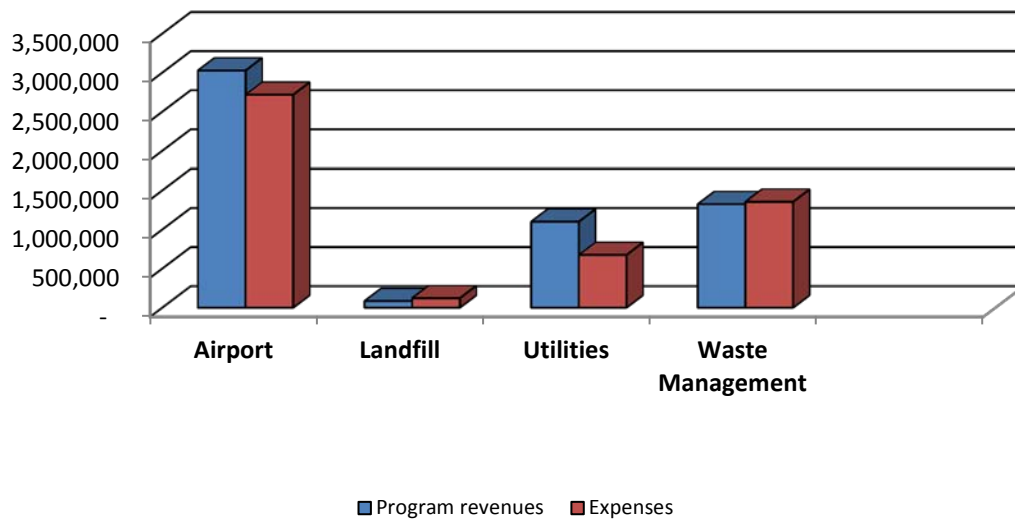
Expenses and Program Revenues - Governmental Activities



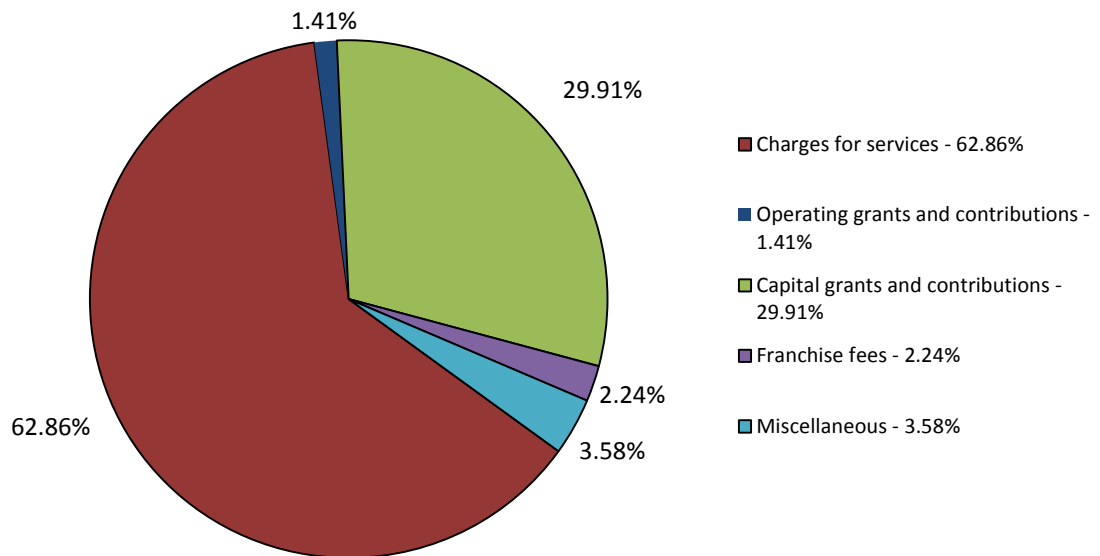
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities increased the County's net position by \$7,070,092. Taxes and fees have been established to fund current operating needs in addition to other activities, debt repayment and asset acquisition in future years.

Business-type activities

Business-type activities increased the County's net position in the amount of \$1,019,449 for the fiscal year ended September 30, 2014.

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, 2014, the County's governmental funds reported combined ending fund balances of \$42,521,886 an increase of \$2,189,546. Assigned and unassigned fund balance of \$7,919,438 in the general fund is available for spending at the County's discretion; \$25,473,334 of restricted fund balances of other governmental funds are available for spending at the County's discretion within the limitations of the funds' revenue source. The amount reported as restricted for debt service was \$3,914,855.

The General Fund is the operating fund of the County. At September 30, 2014, assigned and unassigned fund balance of this fund was \$7,919,438 while the total fund balance amounted to \$12,548,402. 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 \$2,184,591 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 14/15 budget.

The fund balance of the County's general fund increased by \$1,322,712 during the fiscal year ended September 30, 2014. This increase was primarily the result of ad valorem revenues received above amounts anticipated and budgeted.

The special revenue funds have a total fund balance of \$20,116,990. The County's special revenue funds reported as major funds; Constitutional Gas Tax and Road Impact Fees-Palm Coast, reported fund balance decreases of \$59,461 and \$144,449, respectively, primarily as a result of project expenditures beyond grant revenues.

Proprietary funds

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

Proprietary funds reported unrestricted net position of \$3,033,190 at September 30, 2014.

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, 2014 amounts to \$319,126,492 (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, 2014 was \$1,708,189 (\$1,249,690 net increase for governmental activities and a net increase of \$458,499 for business-type activities).

Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 36 - 37 of this report.

Long-term debt

The County issued \$240,000 of new capital lease obligations for the fiscal year ended September 30, 2014. Subsequent to year end, the County refinanced its General Obligation Bonds, Series 2005 and Capital Improvement Bonds, Series 2005 to benefit from advantageous interest rates.

Additionally, subsequent to year end, the County issued Capital Improvement Bonds, Series 2015 to fund various capital improvement projects within the County and issued the Taxable Airport Revenue Note, Series 2015 to purchase two buildings located on the County's Airport property.

Additional information on the County's debt can be found in Note 7 on pages 38 - 44 of this report.

Economic Factors and Next year's Budgets and Rates

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

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

The Board of County Commissioners approved a General Fund millage rate of 8.539 mills, a debt service millage rate of 0.314 mills and an ESL millage rate of .25 mills for the fiscal year 2015.

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

Requests for Information

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,689,452	\$ 2,564,993	\$ 19,254,445
Cash with fiscal agent	530,466	-	530,466
Investments	30,572,223	3,025,694	33,597,917
Internal balances	1,874,492	(1,874,492)	-
Due from other governmental agencies	8,775,357	634,671	9,410,028
Accounts receivable, net	1,107,262	173,986	1,281,248
Note receivable	256,418	-	256,418
Investment in joint venture	-	210,668	210,668
Inventory	255,015	66,495	321,510
Other assets	169,695	-	169,695
Capital assets			
Land and work in process	103,720,305	1,224,469	104,944,774
Capital assets being depreciated, net	191,393,097	22,788,621	214,181,718
Total capital assets, net of depreciation	295,113,402	24,013,090	319,126,492
TOTAL ASSETS	355,343,782	28,815,105	384,158,887
DEFERRED OUTFLOWS			
Derivative instruments - interest rate swaps	412,218	88,971	501,189
LIABILITIES			
Accounts payable and accrued expenses	7,262,438	354,317	7,616,755
Due to other governmental agencies	5,022,882	29,373	5,052,255
Deposits	2,171,764	78,785	2,250,549
Unearned revenue	800,824	-	800,824
Long-term liabilities:			
Due within one year:			
Notes and bonds payable	3,489,194	252,835	3,742,029
Compensated absences	2,781,674	56,013	2,837,687
Capital leases	78,977	-	78,977
Due in more than one year:			
Notes and bonds payable	71,017,389	6,370,220	77,387,609
Capital leases	79,996	-	79,996
Arbitrage liability	7,445	-	7,445
OPEB liability	1,628,550	24,579	1,653,129
Derivative liabilities	412,218	88,971	501,189
TOTAL LIABILITIES	94,753,351	7,255,093	102,008,444
NET POSITION			
Net investment in capital assets	221,697,440	17,390,035	239,087,475
Restricted for:			
Debt service	3,914,855	-	3,914,855
Capital projects	19,674,923	1,225,758	20,900,681
Other purposes	10,158,116	-	10,158,116
Unrestricted	5,557,315	3,033,190	8,590,505
TOTAL NET POSITION	\$ 261,002,649	\$ 21,648,983	\$ 282,651,632

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

**FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

					Net (Expenses) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 19,061,399	\$ 4,986,693	\$ 214,966	\$ 2,535	\$ (13,857,205)	\$ -	\$ (13,857,205)
Public safety	34,583,622	6,044,959	1,248,716	109,996	(27,179,951)	-	(27,179,951)
Physical environment	303,418	400	-	312,403	9,385	-	9,385
Transportation	13,445,435	738,142	1,193,785	9,424,257	(2,089,251)	-	(2,089,251)
Economic environment	1,913,323	937	492,328	-	(1,420,058)	-	(1,420,058)
Human services	4,073,002	134,013	895,075	152,321	(2,891,593)	-	(2,891,593)
Culture and recreation	3,981,558	257,028	53,545	2,232,414	(1,438,571)	-	(1,438,571)
Court related	3,521,907	578,464	48,082	-	(2,895,361)	-	(2,895,361)
Interest on long term debt	3,335,340	-	-	-	(3,335,340)	-	(3,335,340)
Total governmental activities	84,219,004	12,740,636	4,146,497	12,233,926	(55,097,945)	-	(55,097,945)
Business-type activities							
Airport	2,718,394	1,524,369	-	1,503,627	-	309,602	309,602
Landfill	121,762	1,802	83,200	-	-	(36,760)	(36,760)
Utilities	675,084	845,327	-	255,368	-	425,611	425,611
Waste management	1,354,836	1,325,745	-	-	-	(29,091)	(29,091)
Total business-type activities	4,870,076	3,697,243	83,200	1,758,995	-	669,362	669,362
TOTAL PRIMARY GOVERNMENT	\$ 89,089,080	\$ 16,437,879	\$ 4,229,697	\$ 13,992,921	(55,097,945)	669,362	(54,428,583)
GENERAL REVENUES							
Property taxes					51,456,258	-	51,456,258
Tourist and franchise taxes					2,293,162	131,475	2,424,637
Sales and fuel taxes					6,740,672	-	6,740,672
Intergovernmental					1,206,660	-	1,206,660
Miscellaneous					479,136	210,761	689,897
Transfers					(7,851)	7,851	-
Total general revenues and transfers					62,168,037	350,087	62,518,124
Change in net position					7,070,092	1,019,449	8,089,541
NET POSITION, BEGINNING OF YEAR, as previously reported					254,769,009	20,661,421	275,430,430
Restatement, GASB 65					(836,452)	(31,887)	(868,339)
NET POSITION, BEGINNING BALANCE AS RESTATED					253,932,557	20,629,534	274,562,091
NET POSITION, END OF YEAR					\$ 261,002,649	\$ 21,648,983	\$ 282,651,632

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

FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Constitutional Gas Tax	Road Impact Fees- Palm Coast	NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,475,993	\$ 524,633	\$ 340,541	\$ 6,807,937	\$ 15,149,104
Cash with fiscal agent	-	-	-	530,466	530,466
Investments	5,283,379	1,005,529	1,304,391	19,908,292	27,501,591
Accounts receivable (net of allowance for uncollectibles)	1,017,269	2,337	2,855	69,327	1,091,788
Notes receivable	-	256,418	-	-	256,418
Due from other funds	234,081	-	-	168,195	402,276
Advances to other funds	1,880,000	-	-	-	1,880,000
Due from other governments	1,191,380	2,110,375	3,984,202	1,489,400	8,775,357
Inventory	255,015	-	-	-	255,015
Other assets	114,158	-	-	45,295	159,453
Total assets	<u>\$ 17,451,275</u>	<u>\$ 3,899,292</u>	<u>\$ 5,631,989</u>	<u>\$ 29,018,912</u>	<u>\$ 56,001,468</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,510,006	\$ 903,938	\$ 162,620	\$ 1,162,503	\$ 4,739,067
Deposits	1,221,561	-	-	947,959	2,169,520
Due to other funds	9,432	-	-	397,177	406,609
Due to other governments	984,524	-	3,466,990	571,368	5,022,882
Unearned revenue	38,728	145,531	-	562,205	746,464
Total liabilities	<u>4,764,251</u>	<u>1,049,469</u>	<u>3,629,610</u>	<u>3,641,212</u>	<u>13,084,542</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	138,622	256,418	-	-	395,040
FUND BALANCES					
Nonspendable					
Inventories	255,015	-	-	-	255,015
Parks and recreation	-	-	-	540,000	540,000
Prepays	93,585	-	-	45,295	138,880
Advances to other funds	1,880,000	-	-	-	1,880,000
Restricted for					
Bond covenants or debt service	-	-	-	3,914,855	3,914,855
Grant programs and projects	-	-	-	298,821	298,821
Federal and state law	254,405	2,593,405	-	9,121,956	11,969,766
Capital projects and acquisitions	1,860,293	-	-	4,491,370	6,351,663
ESL acquisitions	-	-	-	2,307,297	2,307,297
Impact fees	-	-	2,002,379	3,708,286	5,710,665
Other purposes	285,666	-	-	949,820	1,235,486
Assigned for FY 2015 expenditures	2,184,591	-	-	-	2,184,591
Unassigned	5,734,847	-	-	-	5,734,847
Total fund balances	<u>12,548,402</u>	<u>2,593,405</u>	<u>2,002,379</u>	<u>25,377,700</u>	<u>42,521,886</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,451,275</u>	<u>\$ 3,899,292</u>	<u>\$ 5,631,989</u>	<u>\$ 29,018,912</u>	<u>\$ 56,001,468</u>

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, 2014

Total fund balances- governmental funds	\$ 42,521,886
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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	403,723,618	
Accumulated depreciation	(108,677,900)	
		295,045,718

Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:

Bonds payable	(73,796,347)	
Compensated absences	(2,781,674)	
OPEB liability	(1,628,550)	
Arbitrage liability	(7,445)	
Capital leases payable	(158,973)	
		(78,372,989)

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		(710,236)
Accrued interest payable		(1,070,981)

Unavailable resources are reported as deferred inflows in the governmental funds, but not in the governmental activities:

Deferred inflows - long-term receivables	395,040
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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.

3,194,211

Net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 261,002,649</div>
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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, 2014

	General Fund	Constitutional Gas Tax	Road Impact Fees- Palm Coast	NonMajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 47,952,758	\$ -	\$ -	\$ 8,571,681	\$ 56,524,439
Special assessments/Impact fees	-	-	-	289,341	289,341
Licenses and permits	51,205	-	-	592,215	643,420
Intergovernmental	5,288,013	4,884,708	5,267,600	3,563,502	19,003,823
Charges for services	8,596,333	-	-	2,121,459	10,717,792
Fines and forfeitures	190,391	-	-	825,244	1,015,635
Miscellaneous revenue	539,125	-	-	98,874	637,999
Investment income	79,742	4,221	5,762	44,360	134,085
Total revenues	<u>62,697,567</u>	<u>4,888,929</u>	<u>5,273,362</u>	<u>16,106,676</u>	<u>88,966,534</u>
EXPENDITURES					
Current					
General government	16,776,778	-	-	77,877	16,854,655
Public safety	30,543,570	-	-	1,239,473	31,783,043
Physical environment	307,395	-	-	13,678	321,073
Transportation	2,027,879	10,437	4,129,591	2,048,414	8,216,321
Economic environment	526,909	-	-	1,388,069	1,914,978
Human services	3,925,816	-	-	47,912	3,973,728
Culture and recreation	2,863,426	-	-	443,354	3,306,780
Court related	874,318	-	-	2,463,246	3,337,564
Capital Outlay	2,097,550	4,937,953	1,288,220	1,640,231	9,963,954
Debt service					
Principal retirement	1,186,868	-	-	2,735,000	3,921,868
Interest and fiscal charges	325,907	-	-	3,083,362	3,409,269
Other debt service costs	-	-	-	5,904	5,904
Total expenditures	<u>61,456,416</u>	<u>4,948,390</u>	<u>5,417,811</u>	<u>15,186,520</u>	<u>87,009,137</u>
Excess (deficiency) of revenues over expenditures	<u>1,241,151</u>	<u>(59,461)</u>	<u>(144,449)</u>	<u>920,156</u>	<u>1,957,397</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	29,052	-	-	224,640	253,692
Transfers out	(187,491)	-	-	(74,052)	(261,543)
Long term debt issued	240,000	-	-	-	240,000
Total other financing sources (uses)	<u>81,561</u>	<u>-</u>	<u>-</u>	<u>150,588</u>	<u>232,149</u>
Net changes in fund balance	1,322,712	(59,461)	(144,449)	1,070,744	2,189,546
Fund balances-beginning	<u>11,225,690</u>	<u>2,652,866</u>	<u>2,146,828</u>	<u>24,306,956</u>	<u>40,332,340</u>
Fund balances-ending	<u>\$ 12,548,402</u>	<u>\$ 2,593,405</u>	<u>\$ 2,002,379</u>	<u>\$ 25,377,700</u>	<u>\$ 42,521,886</u>

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, 2014

Net change in fund balances- total governmental funds \$2,189,546

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	8,566,290	
Current year depreciation	(9,685,653)	
Loss on disposal of capital assets	(6,171)	
Contributions of capital assets	<u>2,309,150</u>	
		1,183,616

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 premium		35,985
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Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Issuing debt provides current financial resources to governmental funds but increases liabilities in the statement of net position.

Principal repayment	3,921,868	
Debt issued	<u>(240,000)</u>	
		3,681,868

Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		15,298
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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	(154,096)	
OPEB liability	(168,082)	
Accrued interest payable	<u>43,848</u>	
		(278,330)

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	5,965	
Gain from operations	<u>236,144</u>	
		242,109

Change in net position of governmental activities		<u><u>\$7,070,092</u></u>
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The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Airport Fund	Landfill Fund	Utility	NonMajor Enterprise Fund	Total	Fund
ASSETS						
Current assets						
Cash and equivalents	\$ 329,347	\$ 1,684,594	\$ 343,264	\$ 207,788	\$ 2,564,993	\$ 1,540,348
Investments	1,779	1,987,060	379,471	657,384	3,025,694	3,070,632
Accounts receivable, net	116,635	4,881	48,062	4,408	173,986	15,474
Due from other funds	3,196	-	94	14,088	17,378	-
Due from other governments	543,501	7,625	83,545	-	634,671	-
Inventory	66,495	-	-	-	66,495	-
Other current assets	-	-	-	-	-	10,242
Total current assets	1,060,953	3,684,160	854,436	883,668	6,483,217	4,636,696
Noncurrent assets						
Investment in joint venture	-	-	210,668	-	210,668	-
Land and construction in progress	851,065	203,404	170,000	-	1,224,469	-
Other capital assets, net of accumulated depreciation	15,852,099	55,308	6,881,214	-	22,788,621	67,684
Total noncurrent assets	16,703,164	258,712	7,261,882	-	24,223,758	67,684
Total assets	17,764,117	3,942,872	8,116,318	883,668	30,706,975	4,704,380
DEFERRED OUTFLOWS OF RESOURCES						
Derivative instruments-Interest rate swaps	88,971	-	-	-	88,971	-
LIABILITIES						
Current liabilities						
Accounts payable and accrued expenses	\$ 144,449	\$ 11,489	\$ 98,604	\$ 99,775	\$ 354,317	\$ 1,452,390
Due to other governmental agencies	17,661	33	11,679	-	29,373	-
Deposits	41,195	-	37,590	-	78,785	2,244
Unearned revenue	-	-	-	-	-	54,360
Due to other funds	8,104	82	3,563	121	11,870	1,175
Compensated absences	33,071	10,025	11,433	1,484	56,013	-
Current portion of long term debt	210,835	-	42,000	-	252,835	-
Total current liabilities	455,315	21,629	204,869	101,380	783,193	1,510,169
Noncurrent liabilities						
Bonds payable	-	-	3,212,000	-	3,212,000	-
Notes payable	3,158,220	-	-	-	3,158,220	-
Advances from other funds	-	-	1,880,000	-	1,880,000	-
OPEB liability	12,764	5,227	5,682	906	24,579	-
Derivative liabilities	88,971	-	-	-	88,971	-
Total noncurrent liabilities	3,259,955	5,227	5,097,682	906	8,363,770	-
Total liabilities	3,715,270	26,856	5,302,551	102,286	9,146,963	1,510,169
NET POSITION						
Net investment in capital assets	13,334,109	258,712	3,797,214	-	17,390,035	67,684
Restricted for						
Future capital outlay	-	1,225,758	-	-	1,225,758	-
Unrestricted	803,709	2,431,546	(983,447)	781,382	3,033,190	3,126,527
Total net position	\$ 14,137,818	\$ 3,916,016	\$ 2,813,767	\$ 781,382	\$ 21,648,983	\$ 3,194,211

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, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Airport Fund	Landfill Fund	Utility	NonMajor Enterprise Fund	Total	
OPERATING REVENUES						
Charges for services	\$ 1,524,369	\$ 1,802	\$ 566,101	\$ 1,325,745	\$ 3,418,017	\$ -
Employee and employer contributions	-	-	-	-	-	6,665,016
Miscellaneous	198,307	-	-	-	198,307	2,080
Total operating revenues	1,722,676	1,802	566,101	1,325,745	3,616,324	6,667,096
OPERATING EXPENSES						
Personal services	323,848	125,324	154,929	23,213	627,314	39,051
Vehicle fuel	10,818	2,882	10,033	-	23,733	-
Aviation fuel	757,890	-	-	-	757,890	-
Contractual services	67,006	16,928	27,612	1,325,606	1,437,152	-
Repairs and maintenance	46,881	1,989	48,574	4,771	102,215	18,662
Professional services	220,182	84,620	238	662	305,702	435,064
Employee claims	-	-	-	-	-	5,208,415
Utilities	74,012	3,067	185,023	59	262,161	1,524
Insurance	49,923	2,975	9,634	-	62,532	708,943
Rentals and leases	13,901	897	2,783	-	17,581	-
Depreciation	1,013,312	14,893	75,514	-	1,103,719	2,014
Miscellaneous	18,447	2,524	38,006	525	59,502	17,279
Provision for closure and postclosure care	-	(134,337)	-	-	(134,337)	-
Total operating expenses	2,596,220	121,762	552,346	1,354,836	4,625,164	6,430,952
Operating income (loss)	(873,544)	(119,960)	13,755	(29,091)	(1,008,840)	236,144
Nonoperating revenues (expenses)						
Intergovernmental	-	83,200	-	-	83,200	-
Franchise fees	-	-	-	131,475	131,475	-
Change in investment in joint venture	-	-	279,226	-	279,226	-
Interest income	2,042	6,846	425	3,141	12,454	5,965
Interest expense	(122,174)	-	(122,738)	-	(244,912)	-
Total nonoperating revenues (expenses)	(120,132)	90,046	156,913	134,616	261,443	5,965
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(993,676)	(29,914)	170,668	105,525	(747,397)	242,109
Capital grants	1,463,627	-	225,815	-	1,689,442	-
Capital contribution	40,000	-	29,553	-	69,553	-
Transfers in	-	-	-	7,851	7,851	-
Change in net position	509,951	(29,914)	426,036	113,376	1,019,449	242,109
Net position-beginning, as previously reported	13,641,756	3,945,930	2,405,729	668,006	20,661,421	2,952,102
Restatement, GASB 65	(13,889)	-	(17,998)	-	(31,887)	-
Net position-beginning as restated	13,627,867	3,945,930	2,387,731	668,006	20,629,534	2,952,102
Net position-ending	\$ 14,137,818	\$ 3,916,016	\$ 2,813,767	\$ 781,382	\$ 21,648,983	\$ 3,194,211

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, 2014

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service
	Airport	Landfill	Utility			
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Receipts from customers	\$ 1,451,419	\$ 118,560	\$ 562,207	\$ 1,327,229	\$ 3,459,415	\$ 6,686,276
Payments to suppliers	(1,222,746)	(108,776)	(1,015,433)	(1,904,986)	(4,251,941)	(6,646,637)
Payments to employees	(311,929)	(126,393)	(153,920)	(23,005)	(615,247)	-
Increase (decrease) in due from other funds	3,745	4,190	9,257	(1,184)	16,008	-
Increase (decrease) in due to other funds	7,648	82	3,318	62	11,110	1,175
Other receipts	198,307	-	-	-	198,307	2,080
Net cash provided (used) by operating activities	126,444	(112,337)	(594,571)	(601,884)	(1,182,348)	42,894
NON-CAPITAL FINANCING ACTIVITIES						
Franchise fees	-	-	-	131,475	131,475	-
Transfers in	-	-	-	7,851	7,851	-
Net cash provided(used) by non-capital financing activities	-	-	-	139,326	139,326	-
CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(1,296,303)	-	(196,363)	-	(1,492,666)	(68,088)
Payments on long term debt	(234,340)	-	-	-	(234,340)	-
Capital grants	1,121,574	-	864,912	-	1,986,486	-
Interest paid	(122,174)	-	(122,738)	-	(244,912)	-
Net cash provided (used) by capital and related financing activities	(531,243)	-	545,811	-	14,568	(68,088)
INVESTING ACTIVITIES						
Investment purchases	(701,335)	(109,577)	(201,564)	(484,431)	(1,496,907)	(14,381)
Proceeds from sale of investments	700,000	110,000	-	1,150,000	1,960,000	-
Interest on investments	2,053	16,125	2,631	4,777	25,586	20,336
Net cash provided by investing activities	718	16,548	(198,933)	670,346	488,679	5,955
Net increase(decrease) in cash and equivalents	(404,081)	(95,789)	(247,693)	207,788	(539,775)	(19,239)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	733,428	1,780,383	590,957	-	3,104,768	1,559,587
CASH AND EQUIVALENTS, END OF YEAR	\$ 329,347	\$ 1,684,594	\$ 343,264	\$ 207,788	\$ 2,564,993	\$ 1,540,348

Continued

FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Page 2

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service
	Airport	Landfill	Utility			
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (873,544)	\$ (119,960)	\$ 13,755	\$ (29,091)	\$ (1,008,840)	\$ 236,144
Adjustment to reconcile operating income (loss) to net cash used in operations						
Depreciation	1,013,312	14,893	75,514	-	1,103,719	2,014
Provision for closure and postclosure	-	(134,337)	-	-	(134,337)	-
Changes in assets and liabilities						
Accounts receivable	(57,834)	(1,455)	(3,894)	1,484	(61,699)	21,260
Inventory	(26,571)	-	350	-	(26,221)	-
Due from other governments	(15,116)	118,213	-	-	103,097	-
Accounts payable and accrued expenses	50,711	7,141	(695,325)	(573,363)	(1,210,836)	(217,499)
Unearned revenue	(325)	-	-	-	(325)	4,334
Due to other governments	10,724	(35)	(755)	-	9,934	-
Due from other funds	3,745	-	9,257	(1,184)	11,818	-
Due to other funds	7,648	4,190	3,318	62	15,218	1,175
Deposits	1,775	82	2,200	-	4,057	(4,534)
Compensated absences	10,631	(1,567)	382	117	9,563	-
OPEB liability	1,288	498	627	91	2,504	-
NET CASH(USED) PROVIDED BY OPERATING ACTIVITIES	\$ 126,444	\$ (112,337)	\$ (594,571)	\$ (601,884)	\$ (1,182,348)	\$ 42,894
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Land contribution received	\$ 40,000	-	-	-	\$ 40,000	-
NONCASH INVESTING ACTIVITIES						
Interest in joint venture	-	-	\$ 210,668	-	\$ 210,668	-
Change in fair market value of investments	\$ (11)	\$ (9,278)	\$ (2,206)	\$ (1,636)	\$ (13,131)	\$ (14,370)

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 5,309,250
Accounts receivable	46,885
Due from other governments	875
	<hr/>
Total assets	5,357,010 <hr/>
LIABILITIES	
Due to other governments	169,347
Deposits	5,174,302
Other liabilities	13,361
	<hr/>
Total liabilities	5,357,010 <hr/>
Net position	<hr/> \$ - <hr/>

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(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.

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

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

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

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

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

(a) Reporting Entity (continued)

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 fiscal year 2012-2013, the County entered into a joint venture. See Note 16.

(b) 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.

(c) 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.

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

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

(e) 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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(1) **Summary of Significant Accounting Policies:** (continued)

(e) **Fund Financial Statements** (continued)

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.

The County reports the following major governmental funds:

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

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

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

The County reports the following major enterprise funds:

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(1) **Summary of Significant Accounting Policies:** (continued)

(e) **Fund Financial Statements** (continued)

Landfill – To account for the operations and activities of the County's three landfills.

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

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

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

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

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

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

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

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

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

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

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

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

(g) **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.

(h) **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 required to be presented by law or by sound financial practices, including the General, Special Revenues, Debt Service, and Capital Projects funds.
- (iv) Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are considered necessary, the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a Public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the proceeding year.
- (v) Following successful completion of the above referenced Public hearings, the Board advertises and subsequently conducts a second Public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These Public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the adoption by resolution of the budget to the preceding year as an interim measure.
- (vi) Pursuant to the provisions of Section 129.07, Florida Statutes, the County is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board or the County Administrator.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

(h) Budgets and Budgetary Accounting (continued)

(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.

(i) **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.

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

(k) **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.

(l) **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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

(m) **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.

(n) **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.

(o) **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.

(p) **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 only one item that qualifies for reporting in this category, the value of two derivative hedging instruments.

In addition to liabilities, the statement of financial position 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 one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from longterm receivable notes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(q) **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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(1) **Summary of Significant Accounting Policies:** (continued)

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

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

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

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

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

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

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

(s) **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.

(t) **Future Accounting Changes** – The Governmental Accounting Standards Board has issued statements that will become effective in 2015. The statements address:

- i) Accounting and financial reporting for pensions; and
- ii) Mergers, acquisitions and transfers of operations.

The County is currently evaluating the effects that these statements will have in its financial statements for the year ended September 30, 2015.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(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, 2014, the County had the following cash deposits balances:

	Maturity Date	Carrying Amounts
Cash and cash equivalents	N/A	\$ 19,254,445
Cash and cash equivalents with trustee	N/A	5,309,250
Cash and cash equivalents with fiscal agent	N/A	<u>530,466</u>
Total		<u>\$ 25,094,161</u>

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.

As of September 30, 2014, the County had the following investment types and weighted average duration presented in terms of years:

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(2) Cash Deposits and Investments: (continued)

Security Type	Fair Value	Weighted Average Duration (Years)
Federal Instrumentalities Notes	\$ 18,832,084	0.35
U.S. Treasury Notes	5,051,790	0.84
Corporate Notes	911,655	0.29
PFM Funds - Prime Money Market Fund Institutional Class	637,465	55 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	8,164,923	24 days
TOTAL	\$ 33,597,917	0.35

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, 2014 Fund Fact Sheet. Bloomberg was the source for the Wells Fargo Advantage Heritage Money Market Fund's weighted average duration.

A. Interest Rate Risk

The County's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five (5) years requires the Clerks approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreements. The County utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2014, the investment portfolio had a weighted average duration of .35 years.

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

B. Credit Risk

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

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

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

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

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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(2) Cash Deposits and Investments: (continued)

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, 2014, the County had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	Portfolio Asset Allocation
Federal Instrumentalities Notes	AA+	56.05%
U.S. Treasury Notes	AA+	15.04%
Corporate Notes	AA+	2.71%
PFM Funds - Prime Money Market Fund Institutional Class	AAAm	1.90%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	24.30%
TOTAL		<u><u>100.00%</u></u>

Custodial Credit Risk

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

As of September 30, 2014, the County's investment portfolio and 2005 Capital Improvement Bond Portfolio 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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(2) Cash Deposits and Investments: (continued)

As of September 30, 2014, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Notes	\$ 18,832,084	56.05%
U.S. Treasury Notes	5,051,790	15.04%
Corporate Notes	911,655	2.71%
PFM Funds - Prime Money Market Fund Institutional Class	637,465	1.90%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	8,164,923	24.30%
TOTAL	\$ 33,597,917	100.00%

(3) Property Taxes:

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

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

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

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

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

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(4) Allowance for Doubtful Accounts:

Account receivables are reported net of an allowance for uncollectible accounts of \$3,466,156 in the General Fund and, \$53,519, \$25,905 and \$126,257 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

(5) Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 94,922,052	\$ 1,958,865	\$ -	\$ 96,880,917
Fine art collection	123,700	-	-	123,700
Construction in process	3,644,490	4,922,730	1,851,532	6,715,688
Total capital assets, not being depreciated	98,690,242	6,881,595	1,851,532	103,720,305
Capital assets, being depreciated:				
Buildings	77,562,773	247,155	-	77,809,928
Improvements other than buildings	18,539,737	361,371	-	18,901,108
Equipment	34,485,191	1,406,994	604,773	35,287,412
Vehicles	16,574,321	1,313,032	329,129	17,558,224
Infrastructure	147,957,794	2,584,913	-	150,542,707
Total capital assets being depreciated	295,119,816	5,913,465	933,902	300,099,379
Less accumulated depreciation for:				
Buildings	12,567,802	1,542,666	-	14,110,468
Improvements other than buildings	11,397,128	1,137,226	-	12,534,354
Equipment	24,156,117	2,470,332	601,065	26,025,384
Vehicles	10,980,766	1,407,348	326,666	12,061,448
Infrastructure	40,844,533	3,130,095	-	43,974,628
Total accumulated depreciation	99,946,346	9,687,667	927,731	108,706,282
Total capital assets being depreciated, net	195,173,470	(3,774,202)	6,171	191,393,097
	<u>\$ 293,863,712</u>	<u>\$ 3,107,393</u>	<u>\$ 1,857,703</u>	<u>\$ 295,113,402</u>

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

Governmental activities:	
General government	\$ 2,212,946
Public safety	2,754,275
Physical environment	47,997
Transportation	3,608,522
Economic environment	24,251
Human services	93,177
Culture/recreation	834,156
Court related	112,343
Total depreciation expense - governmental activities	<u>\$ 9,687,667</u>

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(6) Capital Assets – Business-type Activities:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 834,459	\$ -	\$ -	\$ 834,459
Construction in process	7,283,611	176,026	7,069,627	390,010
Total capital assets, not being depreciated	8,118,070	176,026	7,069,627	1,224,469
Capital assets, being depreciated:				
Buildings	10,463,864	-	-	10,463,864
Improvements other than buildings	11,390,829	6,083,647	-	17,474,476
Equipment	1,063,417	32,305	19,049	1,076,673
Infrastructure	1,756,468	2,339,867	-	4,096,335
Total capital assets being depreciated	24,674,578	8,455,819	19,049	33,111,348
Less accumulated depreciation for:				
Buildings	2,107,350	218,332	-	2,325,682
Improvements other than buildings	6,033,363	776,483	-	6,809,846
Equipment	1,038,934	18,158	19,049	1,038,043
Infrastructure	58,410	90,746	-	149,156
Total accumulated depreciation	9,238,057	1,103,719	19,049	10,322,727
Total capital assets being depreciated, net	15,436,521	7,352,100	-	22,788,621
Business-type activities capital assets, net	<u>\$ 23,554,591</u>	<u>\$ 7,528,126</u>	<u>\$ 7,069,627</u>	<u>\$ 24,013,090</u>
Depreciation expense was charged as follows:				
Business-type activities:				
Airport	\$ 1,013,312			
Sanitary landfill	14,893			
Utilities - Beverly Beach	75,514			
Total depreciation expense - business-type activities	<u>\$ 1,103,719</u>			

**FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

(7) Long-Term Debt:

The balance of bonds and notes payable at September 30, 2014, are as follows:

Bonds and Notes Payable from Governmental Activities

Limited General Obligation Bonds, Series 2005 with an original face value of \$6,665,000, were issued in February, 2005 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 3.000 – 3.625%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.163 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2017. \$ 1,875,000

General Obligation Bonds, Series 2005 with an original face value of \$32,990,000 were issued September, 2005 to finance the costs of the acquisition and construction of a new judicial center in the County. Interest is paid at 3.000 – 4.375%. 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. 26,990,000

Capital Improvement Revenue Bonds, Series 2005 with an original face value of \$34,105,000, were issued in September 2005 to finance the costs of the acquisition and construction of certain capital improvements in the County and funding a deposit to the Reserve Account for the Series 2005 Capital Improvement Revenue Bonds. Interest is paid at 3.250 – 5.000%. The bonds are special obligations of the County. The payment of principal and interest on the bond is payable solely from and secured by a lien upon and pledge of all monies allocated for and distributed to the County from the Local Government Half-Cent Sales Tax, Discretionary Sales Surtax, Communication Services Tax and Revenue Sharing. The approximate amount of the pledge is equal to the remaining principal and interest of \$39,505,584. Principal payments are due on Oct 1. Interest payments are due on April 1 and October 1 each year. Maturity is October 1, 2035. The County recognized pledged revenues of \$3,535,516 and made \$1,806,256 principal and interest payments. 24,485,000

Limited General Obligation Bonds, Series 2009 with an original face value of \$10,000,000, were issued in August, 2009 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 5.110%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029. 8,375,000

Limited General Obligation Bonds, Series 2010 with an original face value of \$4,500,000, were issued in October 2010 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 4.480%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029. 4,425,000

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(7) Long-Term Debt: (continued)

Florida Local Government Finance Commission, Pooled Commercial Paper Note Series A-2 was issued September 11, 2013 in the amount of \$2,300,000 to finance various capital improvements within the County. Payments are made from the General Fund using legally available non ad valorem revenues of the County. Interest payments, at a variable rate, are made monthly. The LOC rate is between 95 and 110 basis points. Four principal payments of \$153,560 each are due yearly in June with a final balloon payment of \$1,685,760 due in June of the fifth year. Maturity is June 5, 2018.

2,146,441

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.

5,216,000

Note Payable - non-interest bearing note was issued August 27, 2012 as a repayment of Medicaid retrospective billing in the amount of \$567,811. Payments are due monthly. Maturity date is October 1, 2017.

283,906

Bonds and notes payable from governmental activities

73,796,347

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 \$5,932,970. Payments made during the fiscal year were for interest only, in the amount of \$113,890. Net revenues recognized for the fiscal year were \$146,810.

3,254,000

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. Payments of principal and interest at 4.43% are due on January 1, April 1, July 1 and October 1 each year. Maturity is October 1, 2023. The principal and interest are payable from lawfully available non-ad valorem revenues.

857,315

Note Payable - non-interest bearing note was issued on June 28, 2008 as a repayment on a CDBG grant in the amount of \$413,905. Payments of principal only, are due quarterly on each January 1, April 1, July 1 and October 1. Maturity is January 1, 2015

26,739

Note Payable - was issued on January 27, 2011 in the amount of \$2,800,000 to finance improvements to the County Airport. Interest is paid at a rate of 3.270%. Principal payments are due February 1. Interest payments are due on August 1 and February 1 of each year. Maturity is February 1, 2016. Payments are to be made from legally available non ad valorem revenues of the County.

2,485,000

Bonds and notes payable from business-type activities

6,623,054

Capital Lease Obligation from Governmental Activities

Represents an agreement with a financial institution for vehicles and equipment with interest rates ranging from 1.29 to 1.90%. Aggregate historical cost of the vehicles and equipment is \$740,000.

158,973

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(7) Long-Term Debt: (continued)

Accrued Compensated Absences

Governmental Activities	2,781,674
Business-Type Activities	56,013

OPEB Liability

Governmental Activities	1,628,550
Business-Type Activities	24,579

Arbitrage Liability

Governmental Activities	7,445
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Add Unamortized Premium

Governmental Activities	710,236
Total Long-Term Obligations	<u><u>\$ 85,786,871</u></u>

As of September 30, 2014, all reserve requirements had been met through maintenance of reserve accounts.

Debt service requirements to maturity on the County's long-term obligations at September 30, 2014, are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	Bonds		Notes payable		Total Long- Term Obligations and Interest
	Principal	Interest	Principal	Interest	
2015	\$ 2,535,000	\$ 2,962,506	\$ 954,194	\$ 266,939	\$ 6,718,639
2016	2,645,000	2,851,881	987,194	231,565	6,715,640
2017	2,750,000	2,740,724	1,022,194	193,731	6,706,649
2018	2,440,000	2,627,680	2,494,765	154,677	7,717,122
2019	2,550,000	2,550,000	848,000	93,751	6,041,751
2020-2024	14,485,000	10,867,857	1,340,000	63,913	26,756,770
2025-2029	17,965,000	7,329,244	-	-	25,294,244
2030-2034	15,500,000	3,316,719	-	-	18,816,719
2034-2039	5,280,000	254,281	-	-	5,534,281
Total principal and interest	66,150,000	35,500,892	7,646,347	1,004,576	110,301,815
Less interest to be paid	-	(35,500,892)	-	(1,004,576)	(36,505,468)
Total principal	66,150,000	-	7,646,347	-	73,796,347
Deferred amounts	710,236	-	-	-	710,236
Totals	<u><u>\$ 66,860,236</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,646,347</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 74,506,583</u></u>

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(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	
2015	\$ 42,000	\$ 113,890	\$ 210,835	\$ 116,743	\$ 483,468
2016	44,000	112,420	2,452,389	72,825	2,681,634
2017	45,000	110,880	81,016	30,533	267,429
2018	47,000	109,305	84,718	26,584	267,607
2019	48,000	107,660	88,589	22,724	266,973
2020-2024	270,000	511,700	451,507	49,736	1,282,943
2025-2029	320,000	460,950			780,950
2030-2034	379,000	400,995			779,995
2035-2039	450,000	329,875	-	-	779,875
2040-2044	535,000	245,385	-	-	780,385
2045-2049	636,000	144,900			780,900
2050-2052	438,000	31,010	-	-	469,010
Total principal and interest	3,254,000	2,678,970	3,369,054	319,145	9,621,169
Less interest to be paid	-	(2,678,970)	-	(319,145)	(2,998,115)
Totals	<u>\$3,254,000</u>	<u>\$ -</u>	<u>\$3,369,054</u>	<u>\$ -</u>	<u>\$ 6,623,054</u>

Governmental Activities Long-term obligations not included above:

Accrued compensated absences payable	2,781,674
OPEB liability	1,628,550
Arbitrage liability	7,445
Capitalized lease obligations	158,973

Business-type Activities Long-term obligations not included above:

Accrued compensated absences payable	56,013
OPEB liability	24,579

Total long-term obligations	<u><u>\$ 85,786,871</u></u>
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FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(7) Long-Term Debt: (continued)

Changes in long-term liabilities for the fiscal year ended September 30, 2014, are summarized as follows:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2014</u>	<u>Due within one year</u>
Governmental activities:					
General long-term obligations:					
Bonds payable	68,575,000	-	2,425,000	66,150,000	2,535,000
Notes payable	8,895,541	-	1,249,194	7,646,347	954,194
Deferred amounts:					
Issuance premiums	746,221	-	35,985	710,236	-
Total bonds and notes payable	78,216,762	-	3,710,179	74,506,583	3,489,194
Accrued compensated absences	2,627,578	3,041,529	2,887,433	2,781,674	2,781,674
OPEB liability	1,460,468	168,082	-	1,628,550	-
Arbitrage liability	7,445	-	-	7,445	-
Capitalized lease obligations	166,647	240,000	247,674	158,973	78,977
Total governmental activity long-term obligations	82,478,900	3,449,611	6,845,286	79,083,225	6,349,845
Business-type activities:					
Bonds payable	3,254,000	-	-	3,254,000	42,000
Notes payable	3,603,394	-	234,340	3,369,054	210,835
Total bonds and notes payable	6,857,394	-	234,340	6,623,054	252,835
Accrued compensated absences	46,450	53,301	43,738	56,013	56,013
OPEB liability	22,075	2,504	-	24,579	-
Landfill closure & postclosure care	134,337	-	134,337	-	-
Total business-type activity long-term obligations	7,060,256	55,805	412,415	6,703,646	308,848
TOTAL LONG-TERM LIABILITIES	<u>\$ 89,539,156</u>	<u>\$3,505,416</u>	<u>\$7,257,701</u>	<u>\$ 85,786,871</u>	<u>\$6,658,693</u>

Compensated absences are liquidated by the respective funds that are obligated for the related payroll cost.

Future minimum lease payments under the capital leases as of September 30, 2014 and for the remaining terms are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2015	\$ 81,027
2016	81,027
Total principal and interest	162,054
Less amounts representing interest	(3,081)
Total principal	<u>\$ 158,973</u>

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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(7) Long-Term Debt: (continued)

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

	Amount originally reserved	Amount used as of September 30, 2014	Remaining balance, September 30, 2014
Monitoring of existing and future landfills	\$ 1,600,000	\$ (1,600,000)	\$ -
Future landfill capital purchases	1,380,000	(349,972)	1,030,028
Payments to the municipal corporations	1,250,000	(1,250,000)	-
Future purchase of fire suppression equipment and/or the construction of fire stations	2,314,654	(2,089,654)	225,000
Totals	<u>\$ 6,544,654</u>	<u>\$ (5,289,626)</u>	<u>\$ 1,255,028</u>

As of September 30, 2014 the County is no longer required to meet the reserve requirement of monitoring of existing and future landfills. The balance on the escrow account was \$1,609,861 at September 30, 2014.

The remaining balance at September 30, 2014 is included in equity on the accompanying statement of net position and balance sheet as follows:

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

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, 2014, the outstanding arbitrage rebate liability was \$7,445.

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, 2014 was \$857,315. 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, 2014, the underlying swaps had a negative fair value of \$88,971. This fair value was obtained from the counter-parties' market-to-market reports provided to the County.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(7) Long-Term Debt: (continued)

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, 2014 was \$5,216,000. 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, 2014, the underlying swaps had a negative fair value of \$412,218. 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, 2014 were as follows:

	<u>Changes in Fair Value</u>		<u>Ending Fair Value</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	142,720	Debt	(412,218)	\$5,216,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	17,504	Debt	(88,971)	\$ 857,315

Swap Payments and Associated Debt-

Assuming that interest rates remain the same, at September 30, 2014, debt service requirements on the variable rate notes and interest swaps would be as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>September 30,</u>	<u>Variable Rate Notes</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Interest</u> <u>Rate Swaps</u>	<u>Total</u>
2015	780,096	100,081	175,885	275,966
2016	816,389	87,068	151,820	238,888
2017	855,016	73,448	126,603	200,051
2018	893,718	59,184	99,886	159,070
2019	936,589	44,274	72,201	116,475
2020-2024	1,791,507	43,155	70,494	113,649
	<u>\$ 6,073,315</u>	<u>\$ 407,210</u>	<u>\$ 696,889</u>	<u>\$ 1,104,099</u>

Credit risk – As of September 30, 2014 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.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(8) Short-term debt:

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

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2014</u>
Tax anticipation note	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -

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

(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.

(10) Operating Lease Commitments:

The County has various operating leases for facilities, vehicles and equipment with maturities ranging from monthly to March 31, 2018. Monthly lease expense ranges from \$93 to \$8,597. During the year ended September 30, 2014, the lease payments totaled \$464,971.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2015	\$ 295,784
2016	105,973
2017	83,938
2018	<u>23,775</u>
	<u>\$ 509,470</u>

(11) Pension Plans:

Defined Benefit Pension Plan - The County participates in the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing multiple-employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, ten-year historical trend information, and other required supplementary information.

That report may be obtained by writing to the:

State of Florida Division of Retirement
Department of Management Services
PO Box 9000
Tallahassee, Florida 32315-9000

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(11) Pension Plans: (continued)

Defined Contribution Pension Plans -

Regular members hired before July, 1 2011 are eligible for normal retirement after six years of service and attaining age sixty-two, or thirty years of service regardless of age. Regular members hired after July 1, 2011 are eligible for normal retirement after eight years of service and attaining age sixty-five, or thirty three years of service regardless of age. Early retirement may be taken any time after completion of vestment period; however, there is a five percent benefit reduction for each year prior to normal retirement. Special risk members hired before July, 1 2011 are eligible for normal retirement after six years of service and attaining the age fifty-five, or twenty-five years of service regardless of age. Special risk members hired after July 1, 2011 are eligible for normal retirement after eight years of service and attaining age sixty, thirty years of special risk class service regardless of age, or attaining age fifty-seven with thirty years of combined special risk class service and military service. Generally, membership is compulsory for all full-time and part-time employees, except for elected county officials and senior management who may elect not to participate in the System. Retirement contribution rates are based on an actuarial report prepared for the State. The employee contribution rate was 3%. DROP participants are exempt from the 3% contribution.

The employer contribution rates are as follows:

	October 1, 2013 - June 30, 2014	July 1, 2014 - September 30, 2014
Regular employees	6.95%	7.37%
Special risk employees	19.06%	19.82%
Elected county officials	33.03%	43.24%
Senior management	18.31%	21.14%
Deferred retirement option employees	12.84%	12.28%

For the years ended September 30, 2014, 2013, and 2012, total contributions were \$4,123,688, \$3,092,960, and \$2,590,995, respectively. The County made actual contributions equal to the actuarially determined required contributions each year.

As of July 1, 2002, the Florida Retirement System offers members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the State of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees, Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

The Investment Plan provides vesting of benefits after one year of creditable service. Employees may make an election to participate in the Investment Plan instead of the Pension Plan. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The employee contribution rate was 3%. The rates for the Investment Plan are the same as the Pension Plan.

For the years ended September 30, 2014, 2013, and 2012, total contributions were \$243,804, \$166,142, and \$268,559 respectively. The County made actual contributions equal to the actuarially determined required contributions each year.

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(11) Pension Plans: (continued)

Deferred Compensation Plan –

The County offers their employees deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed the lesser of \$17,000 or 50% of gross annual compensation. There is an "age 50 catch up" provision that allows an additional \$5,500 contribution from the year the employee reaches 50 until the employee terminates employment.

(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 \$1,452,390 at September 30, 2014 is based on historical experience, current trends and an actuarial study performed by an actuarial firm.

The self-insurance plan is accounted for in the Group Medical Benefit Internal Service Fund. The self-insurance plan includes the Constitutional Officers who contributed a total of \$3,611,956 to the plan for the year ended September 30, 2014.

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

	<u>Liability October 1,</u>	<u>Claims incurred</u>	<u>Claims paid</u>	<u>Liability at September 30</u>
2013 - 2014	1,669,889	5,208,415	5,425,914	1,452,390
2012 - 2013	1,544,995	5,397,406	5,272,512	1,669,889

(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, 2014, interfund balances consisted of:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General fund	\$ 234,081	\$ 9,432
General fund advances	1,880,000	-
Nonmajor governmental funds	168,195	397,177
Airport	3,196	8,104
Landfill	-	82
Utility	94	3,563
Utility fund advances	-	1,880,000
Nonmajor business-type funds	14,088	121
Internal services fund	-	1,175
	<u>\$ 2,299,654</u>	<u>\$ 2,299,654</u>

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(13) Interfund Balances and Transfers: (continued)

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:

	<u>Transfer in</u>	<u>Transfer out</u>
General fund	\$ 29,052	\$ 187,491
Nonmajor governmental funds	224,640	74,052
Nonmajor business-type funds	7,851	-
Total transfers	<u>\$ 261,543</u>	<u>\$ 261,543</u>

(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, 2014. The projects include roadway improvements, taxiway rehabilitation, and inmate facility expansion design. At September 30, 2014 the County's significant construction commitments are as follows:

	<u>Total Adjusted Contract Amounts</u>	<u>Remaining Commitments</u>
Roadway Construction	3,050,114	1,889,229
Bridge Construction	2,425,583	1,270,649
Taxiway Rehabilitation	2,010,940	2,010,940
Inmate Facility Expansion Design	1,050,000	790,050

(15) Other Postemployment Benefits:

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(15) Other Postemployment Benefits: (continued)

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

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

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

Fiscal year ending	9/30/2014	9/30/2013	9/30/2012
Normal cost (service cost for one year)	\$ 292,302	\$ 282,244	\$ 293,386
Amortization of UAAL	153,915	142,405	117,998
Interest on normal cost and amortization	17,849	16,986	16,455
Annual required contribution (ARC)	464,066	441,635	427,839
NOO at beginning of year	1,482,543	1,204,874	868,782
Annual required contribution (ARC)	464,066	441,635	427,839
Interest on NOO	60,732	48,195	35,062
Adjustment to ARC	(52,635)	(41,769)	(30,387)
Annual OPEB cost	472,163	448,061	432,514
Employer contribution	(301,577)	(170,392)	(96,422)
Increase in NOO	170,586	277,669	336,092
NOO at end of year	\$ 1,653,129	\$ 1,482,543	\$ 1,204,874

The schedule of employer contributions was as follows:

Balance September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2012	432,514	96,422	22%	1,204,874
2013	448,061	170,392	38%	1,482,543
2014	472,163	301,577	64%	1,653,129

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(15) Other Postemployment Benefits: (continued)

The funded status of the OPEB Plan as of October 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,272,162
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,272,162</u>

Funded Ratio	0.00%
Covered Payroll	\$ 27,262,112
Ratio of UAAL to Covered Payroll	15.7%

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

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and program members) and include the types of benefits provided at the time of each evaluation and the historical pattern of sharing of benefit costs between the employer and program members to that point. The methods and assumptions used include techniques that are designed to reduce effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

(16) Joint Venture:

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

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

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(16) Joint Venture: (continued)

The results of operations and cash flows are accounted for in total within the financial statement of the joint venture. The County's interest in equity is reported in the County's Utility Fund. As of September 30, 2014, the County's investment gain in the joint venture was \$279,226. Complete financial statements for the joint venture may be obtained from the County at: Flagler County Clerk of Court and Comptroller, 1769 East Moody Boulevard – Building #1, Bunnell FL 32110.

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

STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

ASSETS	<u>\$ 7,914,138</u>
LIABILITIES	<u>7,492,802</u>
NET POSITION	
Net investment in capital assets	490,183
Unrestricted	<u>(68,847)</u>
TOTAL NET POSITION	<u><u>\$ 421,336</u></u>

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014

REVENUES	\$ 1,513,143
EXPENSES	<u>1,284,260</u>
OPERATING INCOME	228,883
NONOPERATING REVENUES (EXPENSES), NET	<u>329,569</u>
CHANGE IN NET POSITION	558,452
NET POSITION BEGINNING OF YEAR	<u>(137,116)</u>
NET POSITION END OF YEAR	<u><u>\$ 421,336</u></u>

As of September 30, 2014, the County's portion of contributions and net position in the joint venture are as follows:

County investment, at September 30, 2013	\$ (68,558)
ADD: 2014 County share of net gain	<u>279,226</u>
County investment in joint venture at September 30, 2014	<u><u>\$ 210,668</u></u>

(17) Change in Accounting Principle:

The beginning net positions of the governmental activities, business-type activities and certain enterprise funds were restated to remove unamortized bond issuance costs pursuant to the provisions of GASB 65, *Items Previously Reported as Assets and Liabilities*, that was implemented by the County in FY 2014. The effects of these restatements are summarized below:

FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(17) Change in Accounting Principle: (continued)

	Governmental Activities	Airport Fund	Utility Fund	Business-type Activities
Net position, September 30, 2013, as previously reported	\$ 254,769,009	\$13,641,756	\$2,405,729	\$ 20,661,421
Restatement	<u>(836,452)</u>	<u>(13,889)</u>	<u>(17,998)</u>	<u>(31,887)</u>
Net position, October 1, 2013, as restated	<u>\$ 253,932,557</u>	<u>\$13,627,867</u>	<u>\$2,387,731</u>	<u>\$ 20,629,534</u>

(18) Subsequent events:

Subsequent to year end the County issued the Flagler County, Florida, General Obligation Refunding Bonds, Series 2015 with a face value of \$25,500,000 to provide funds to refund all of the County's outstanding General Obligation Bonds, Series 2005.

The County also issued the Flagler County, Florida, Capital Improvement and Refunding Revenue Bonds, Series 2015 with a face value of \$42,775,000 to provide funds to refund all of the County's outstanding Capital Improvement Revenue Bonds, Series 2005 and to fund the construction of several capital projects within the County.

The County also issued the Flagler County, Florida, Taxable Airport Revenue Note, Series 2015 in the amount of \$2,850,000 to finance the purchase of real property located on the Flagler County Airport premises.

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 49,597,046	\$ 49,597,046	\$ 47,952,758	\$ (1,644,288)
Licenses and permits	34,000	34,000	32,531	(1,469)
Intergovernmental	4,437,742	5,939,735	4,998,535	(941,200)
Charges for services	8,519,727	8,611,202	8,371,209	(239,993)
Fines and forfeitures	72,500	177,500	193,913	16,413
Miscellaneous revenue	362,694	481,381	529,899	48,518
Investment income	38,000	43,000	79,256	36,256
TOTAL REVENUES	<u>63,061,709</u>	<u>64,883,864</u>	<u>62,158,101</u>	<u>(2,725,763)</u>
EXPENDITURES				
Current				
County commission	462,796	493,651	491,939	1,712
County administration	11,998,444	12,160,581	10,158,432	2,002,149
County attorney	600,088	614,555	478,056	136,499
County engineering	582,431	599,490	554,320	45,170
Recreation, Fleet and Facilities	4,598,787	4,727,359	4,640,311	87,048
Emergency services	30,528,400	31,192,750	30,499,490	693,260
Transportation	1,452,253	1,508,592	1,504,328	4,264
Agriculture agent	251,844	253,149	244,098	9,051
Community services	3,595,245	3,602,238	3,115,200	487,038
Public library	1,090,503	1,103,709	976,999	126,710
Veteran services	118,799	124,889	115,019	9,870
Medical examiner	276,153	276,153	260,657	15,496
Pre-trial services	60,613	60,613	26,283	34,330
Judiciary	741,049	723,479	679,415	44,064
Pooled expenditures	4,308,375	4,466,428	3,824,804	641,624
Federal and State grants	765,858	1,881,893	763,503	1,118,390
Capital projects	1,290,225	1,675,661	1,105,990	569,671
Debt service				
Principal retirement	1,193,700	1,188,943	1,186,868	2,075
Interest and fiscal charges	357,734	360,491	325,907	34,584
TOTAL EXPENDITURES	<u>64,273,297</u>	<u>67,014,624</u>	<u>60,951,619</u>	<u>6,063,005</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,211,588)</u>	<u>(2,130,760)</u>	<u>1,206,482</u>	<u>3,337,242</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	316,045	274,392	29,052	(245,340)
Transfers out	(142,472)	(238,507)	(187,491)	51,016
Longterm debt issued		240,000	240,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>173,573</u>	<u>275,885</u>	<u>81,561</u>	<u>(194,324)</u>
NET CHANGE IN FUND BALANCE	(1,038,015)	(1,854,875)	1,288,043	3,142,918
FUND BALANCES, BEGINNING OF YEAR	<u>1,038,015</u>	<u>1,854,875</u>	<u>10,859,673</u>	<u>9,004,798</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>12,147,716</u>	<u>\$ 12,147,716</u>
Perspective Difference - Funds not budgeted as part of General Fund:				
		Municipal services	400,686	
FUND BALANCE, END OF YEAR - GAAP BASIS			<u>\$ 12,548,402</u>	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 16,128,931	\$ 15,926,258	\$ 4,884,708	\$ (11,041,550)
Miscellaneous revenue	-	50,000	-	\$ (50,000)
Investment income	5,000	5,000	4,221	(779)
Total revenues	<u>16,133,931</u>	<u>15,981,258</u>	<u>4,888,929</u>	<u>(11,092,329)</u>
EXPENDITURES				
Current				
Transportation	8,451,548	928,548	10,437	918,111
Capital Outlay	<u>10,064,067</u>	<u>17,474,185</u>	<u>4,937,953</u>	<u>12,536,232</u>
Total expenditures	<u>18,515,615</u>	<u>18,402,733</u>	<u>4,948,390</u>	<u>13,454,343</u>
Excess (deficiency) of revenues over expenditures	(2,381,684)	(2,421,475)	(59,461)	2,362,014
Fund balances-beginning	<u>2,381,684</u>	<u>2,421,475</u>	<u>2,652,866</u>	<u>231,391</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,593,405</u>	<u>\$ 2,593,405</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ROAD IMPACT FEES- PALM COAST
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	\$ 14,204,262	\$ 15,778,320	\$ 5,267,600	\$ (10,510,720)
Investment income	10,000	10,000	5,762	(4,238)
Total revenues	14,214,262	15,788,320	5,273,362	(10,514,958)
EXPENDITURES				
Current				
Transportation	12,751,225	14,325,283	4,129,591	10,195,692
Capital outlay	3,585,000	3,585,000	1,288,220	2,296,780
Total expenditures	16,336,225	17,910,283	5,417,811	12,492,472
Excess (deficiency) of revenues over expenditures	(2,121,963)	(2,121,963)	(144,449)	1,977,514
Fund balances-beginning	2,121,963	2,121,963	2,146,828	24,865
Fund balances-ending	\$ -	\$ -	\$ 2,002,379	\$ 2,002,379

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2009	\$ -	\$ 2,468,400	\$ 2,468,400	0%	\$ 30,503,600	8.1%
10/1/2010	-	3,205,323	3,205,323	0%	30,300,796	11.0%
10/1/2012	-	4,272,162	4,272,162	0%	27,262,112	15.7%

Schedule of Employer Contribution

Year End September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2012	432,514	96,422	22%	1,204,874
2013	448,061	170,392	38%	1,482,543
2014	472,163	301,577	64%	1,653,129

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS:

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

County Transportation Trust Fund

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

Legal Aid Fund

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

Law Enforcement Trust Fund

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

Law Library

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

Court Facilities

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

Tourist Development Tax – Capital

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

Tourist Development Tax – Promotion

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

Tourist Development Tax – Beach Restoration

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

Environmentally Sensitive Lands

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

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS: (continued)

Environmentally Sensitive Lands – 2008 Referendum

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

Utility Regulatory Authority

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

800 MGHZ Expansion

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

Transportation Impact Fees – 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. Collections within this impact fee fund were changed in 2003 to New Transportation Impact Fees East.

Transportation Impact Fees – West

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

New Transportation Impact Fees – East

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

Daytona North Service District

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

Park Impact Fees

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

Economic Development

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

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS: (continued)

State Housing Initiative

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

Community Redevelopment Block Grant (CDBG) Neighborhood Stabilization

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

Bimini Gardens Municipal Service

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

Espanola Mosquito Control

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

Rima Ridge Mosquito Control

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

Building Department

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

Domestic Violence

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

Alcohol and Other Drug Trust Fund

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

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.

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS: (continued)

Juvenile Diversion

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

Crime Prevention

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

Court Innovations

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

Teen Court

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

E911

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

Court Operations

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

Clerk Court Technology

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

Records Modernization

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

Law Enforcement Automation

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

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS: (continued)
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.

Five Point Star

This fund is a 501(c)(3) organization used to account for donations from employees and others used for donor-specified purposes.

Inmate Welfare

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

DEBT SERVICE FUNDS:

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

Colbert Lane

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

ESL Bond Sinking

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

Capital Construction

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

Capital Construction GO Issue

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

ESL 2008 Referendum

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

**FLAGLER COUNTY, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

CAPITAL PROJECTS FUNDS:

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

Beach Front Parks

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

Park Maintenance Trust

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

Capital Projects

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

2008 ESL Referendum

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

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Special Revenue Funds

	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
ASSETS					
Cash and cash equivalents	\$ 379,223	\$ 12,438	\$ 71,285	\$ 11,189	\$ 76,060
Cash with fiscal agent	-	-	-	-	-
Investments	116,160	-	-	-	1,093,354
Accounts receivable	8,088	7	-	7	2,069
Due from other funds	95,307	1,302	-	1,286	24,429
Due from other governments	251,279	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 850,057</u>	<u>\$ 13,747</u>	<u>\$ 71,285</u>	<u>\$ 12,482</u>	<u>\$ 1,195,912</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 176,372	\$ 11,327	\$ 89	\$ 864	\$ 32,361
Deposits	47,959	-	-	-	-
Due to other funds	5,827	-	17,431	-	692
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>230,158</u>	<u>11,327</u>	<u>17,520</u>	<u>864</u>	<u>33,053</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	619,899	2,420	53,765	11,618	1,162,859
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	<u>619,899</u>	<u>2,420</u>	<u>53,765</u>	<u>11,618</u>	<u>1,162,859</u>
Total liabilities and fund balances (deficits)	<u>\$ 850,057</u>	<u>\$ 13,747</u>	<u>\$ 71,285</u>	<u>\$ 12,482</u>	<u>\$ 1,195,912</u>

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
\$ 285,680	\$ 601,805	\$ 429,229	\$ 4,356	\$ 20,208	\$ 21,619
-	-	-	-	-	-
1,720,604	825,849	595,596	626,919	997,793	-
3,311	1,876	1,348	1,154	1,841	14
-	-	-	-	1,461	-
96,673	290,018	51,535	-	34,864	-
-	-	-	-	-	-
<u>\$ 2,106,268</u>	<u>\$ 1,719,548</u>	<u>\$ 1,077,708</u>	<u>\$ 632,429</u>	<u>\$ 1,056,167</u>	<u>\$ 21,633</u>
\$ 1,335	\$ 18,765	\$ 138	\$ 138	\$ 319	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
310,000	16,500	-	-	-	-
-	-	-	-	-	-
<u>311,335</u>	<u>35,265</u>	<u>138</u>	<u>138</u>	<u>319</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,794,933	1,684,283	1,077,570	-	-	-
-	-	-	-	-	-
-	-	-	632,291	1,055,848	-
-	-	-	-	-	-
-	-	-	-	-	21,633
<u>1,794,933</u>	<u>1,684,283</u>	<u>1,077,570</u>	<u>632,291</u>	<u>1,055,848</u>	<u>21,633</u>
<u>\$ 2,106,268</u>	<u>\$ 1,719,548</u>	<u>\$ 1,077,708</u>	<u>\$ 632,429</u>	<u>\$ 1,056,167</u>	<u>\$ 21,633</u>

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	800 MGHZ Expansion	Transportation Impact Fees East	Transportation Impact Fees West	New Transportation Impact Fees- East	Daytona North Service District
ASSETS					
Cash and cash equivalents	\$ 4,227	\$ 41,240	\$ 44,998	\$ 55,974	\$ -
Cash with fiscal agent	-	-	-	-	-
Investments	897,708	2,643,247	85,613	735,390	635,889
Accounts receivable	1,648	4,878	185	1,384	1,216
Due from other funds	-	-	-	-	9,697
Due from other governments	-	-	-	-	14,618
Other assets	-	-	-	-	-
Total assets	<u>\$ 903,583</u>	<u>\$ 2,689,365</u>	<u>\$ 130,796</u>	<u>\$ 792,748</u>	<u>\$ 661,420</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 115	\$ 400	\$ 75	\$ 156	\$ 79,786
Deposits	900,000	-	-	-	-
Due to other funds	-	-	-	-	162
Due to other governments	-	-	-	-	2,706
Unearned revenue	-	-	-	-	-
Total liabilities	<u>900,115</u>	<u>400</u>	<u>75</u>	<u>156</u>	<u>82,654</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	3,468	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	2,688,965	130,721	792,592	-
Other purposes	-	-	-	-	578,766
Total fund balances (deficits)	<u>3,468</u>	<u>2,688,965</u>	<u>130,721</u>	<u>792,592</u>	<u>578,766</u>
Total liabilities and fund balances (deficits)	<u>\$ 903,583</u>	<u>\$ 2,689,365</u>	<u>\$ 130,796</u>	<u>\$ 792,748</u>	<u>\$ 661,420</u>

Special Revenue Funds (Continued)

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
\$ 89,002	\$ 232,766	\$ 552,220	\$ 26,175	\$ 13,570
-	-	-	-	-
60	-	-	-	11
-	-	-	-	36
11,795	-	10	-	-
-	-	-	-	-
<u>\$ 100,857</u>	<u>\$ 232,766</u>	<u>\$ 552,230</u>	<u>\$ 26,175</u>	<u>\$ 13,617</u>
\$ 4,849	\$ 240	\$ 9,858	\$ 2,677	\$ 47
-	-	-	-	-
-	-	2	779	-
-	-	-	-	-
-	-	476,075	22,719	-
<u>4,849</u>	<u>240</u>	<u>485,935</u>	<u>26,175</u>	<u>47</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	232,526	66,295	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
96,008	-	-	-	-
-	-	-	-	13,570
<u>96,008</u>	<u>232,526</u>	<u>66,295</u>	<u>-</u>	<u>13,570</u>
<u>\$ 100,857</u>	<u>\$ 232,766</u>	<u>\$ 552,230</u>	<u>\$ 26,175</u>	<u>\$ 13,617</u>

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
ASSETS					
Cash and cash equivalents	\$ 30,457	\$ 63,609	\$ 210,149	\$ 2,541	\$ 14,569
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	642,529	-	-
Accounts receivable	9	17	4,724	5	9
Due from other funds	40	21	-	414	257
Due from other governments	-	-	1,375	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 30,506</u>	<u>\$ 63,647</u>	<u>\$ 858,777</u>	<u>\$ 2,960</u>	<u>\$ 14,835</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 48	\$ 47	\$ 25,493	\$ -	\$ -
Deposits	-	-	-	-	-
Due to other funds	1	-	835	-	-
Due to other governments	222	-	8,804	-	-
Unearned revenue	15,802	36,761	-	-	-
Total liabilities	<u>16,073</u>	<u>36,808</u>	<u>35,132</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	823,645	2,960	14,835
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	14,433	26,839	-	-	-
Total fund balances (deficits)	<u>14,433</u>	<u>26,839</u>	<u>823,645</u>	<u>2,960</u>	<u>14,835</u>
Total liabilities and fund balances (deficits)	<u>\$ 30,506</u>	<u>\$ 63,647</u>	<u>\$ 858,777</u>	<u>\$ 2,960</u>	<u>\$ 14,835</u>

Special Revenue Funds (Continued)

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
\$ 94,133	\$ 6,700	\$ 40,084	\$ 2,204	\$ 14,142	\$ 44,385
-	-	-	-	-	-
674,727	-	44,667	4	-	531,182
1,308	10	106	4	11	1,007
16,794	1,281	1,860	1,281	2,467	-
-	-	-	-	-	53,928
-	-	-	-	-	-
<u>\$ 786,962</u>	<u>\$ 7,991</u>	<u>\$ 86,717</u>	<u>\$ 3,493</u>	<u>\$ 16,620</u>	<u>\$ 630,502</u>
\$ 12,346	\$ -	\$ 56	\$ 9,220	\$ 1,030	\$ 11,663
-	-	-	-	-	-
-	-	21,600	202	9	107
-	-	2,004	-	-	-
-	-	-	-	-	-
<u>12,346</u>	<u>-</u>	<u>23,660</u>	<u>9,422</u>	<u>1,039</u>	<u>11,770</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
774,616	7,991	63,057	(5,929)	15,581	618,732
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>774,616</u>	<u>7,991</u>	<u>63,057</u>	<u>(5,929)</u>	<u>15,581</u>	<u>618,732</u>
<u>\$ 786,962</u>	<u>\$ 7,991</u>	<u>\$ 86,717</u>	<u>\$ 3,493</u>	<u>\$ 16,620</u>	<u>\$ 630,502</u>

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	Court Operations	Clerk Court Technology	Records Modernization	Law Enforcement Automation	Federal Equitable Sharing Fund
ASSETS					
Cash and cash equivalents	\$ 230,613	\$ 230,814	\$ 104,593	\$ -	\$ 14,577
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	313	-	-	-	-
Due from other funds	1,471	-	-	-	-
Due from other governments	17,905	-	-	-	-
Other assets	-	42,344	2,951	-	-
Total assets	<u>\$ 250,302</u>	<u>\$ 273,158</u>	<u>\$ 107,544</u>	<u>\$ -</u>	<u>\$ 14,577</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 19,170	\$ 5,681	\$ 1,955	\$ -	\$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	231,132	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>250,302</u>	<u>5,681</u>	<u>1,955</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	42,344	2,951	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	225,133	102,638	-	14,577
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>267,477</u>	<u>105,589</u>	<u>-</u>	<u>14,577</u>
Total liabilities and fund balances (deficits)	<u>\$ 250,302</u>	<u>\$ 273,158</u>	<u>\$ 107,544</u>	<u>\$ -</u>	<u>\$ 14,577</u>

Special Revenue Funds (Continued)				Debt Service Funds
Law Enforcement Education	Five Point Star Fund	Inmate Welfare	Total	Colbert Lane
\$ 427	\$ -	\$ 45,600	\$ 4,122,861	\$ 2,810
-	-	-	-	-
-	-	-	12,867,231	9,731
-	-	21,394	58,014	20
-	-	200	159,604	-
-	-	-	824,000	-
-	-	-	45,295	-
<u>\$ 427</u>	<u>\$ -</u>	<u>\$ 67,194</u>	<u>\$ 18,077,005</u>	<u>\$ 12,561</u>
\$ -	\$ -	\$ -	\$ 426,620	\$ 94
-	-	-	947,959	-
-	-	-	47,647	-
-	-	-	571,368	-
-	-	10,848	562,205	-
-	-	10,848	2,555,799	94
-	-	-	-	-
-	-	-	45,295	-
-	-	-	-	12,467
-	-	-	298,821	-
427	-	56,346	9,121,956	-
-	-	-	3,468	-
-	-	-	1,688,139	-
-	-	-	3,708,286	-
-	-	-	655,241	-
427	-	56,346	15,521,206	12,467
<u>\$ 427</u>	<u>\$ -</u>	<u>\$ 67,194</u>	<u>\$ 18,077,005</u>	<u>\$ 12,561</u>

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Debt Service Funds (Continued)

	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
ASSETS					
Cash and cash equivalents	\$ 36,728	\$ 1,275,973	\$ 3,406	\$ 4,028	\$ 1,322,945
Cash with fiscal agent	-	-	-	452,258	452,258
Investments	69,969	1,845,484	66,836	10,990	2,003,010
Accounts receivable	137	778	136	28	1,099
Due from other funds	4,398	-	1,686	2,507	8,591
Due from other governments	-	363,608	-	-	363,608
Other assets	-	-	-	-	-
Total assets	<u>\$ 111,232</u>	<u>\$ 3,485,843</u>	<u>\$ 72,064</u>	<u>\$ 469,811</u>	<u>\$ 4,151,511</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 77	\$ 398	\$ 54	\$ 33	\$ 656
Deposits	-	-	-	-	-
Due to other funds	-	236,000	-	-	236,000
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>77</u>	<u>236,398</u>	<u>54</u>	<u>33</u>	<u>236,656</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	111,155	3,249,445	72,010	469,778	3,914,855
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
Total fund balances (deficits)	<u>111,155</u>	<u>3,249,445</u>	<u>72,010</u>	<u>469,778</u>	<u>3,914,855</u>
Total liabilities and fund balances (deficits)	<u>\$ 111,232</u>	<u>\$ 3,485,843</u>	<u>\$ 72,064</u>	<u>\$ 469,811</u>	<u>\$ 4,151,511</u>

Capital Projects Funds

Beach Front Parks	Park Maintenance Trust	Capital Projects	2008 ESL Referendum	Total	Total Non-Major Governmental Funds
\$ 34,130	\$ 2,115	\$ 1,308,524	\$ 17,362	\$ 1,362,131	\$ 6,807,937
-	-	-	78,208	78,208	530,466
1,040,708	831,125	2,643,469	522,749	5,038,051	19,908,292
1,916	1,527	5,798	973	10,214	69,327
-	-	-	-	-	168,195
-	-	301,792	-	301,792	1,489,400
-	-	-	-	-	45,295
<u>\$ 1,076,754</u>	<u>\$ 834,767</u>	<u>\$ 4,259,583</u>	<u>\$ 619,292</u>	<u>\$ 6,790,396</u>	<u>\$ 29,018,912</u>
\$ 12,071	\$ 188	\$ 722,834	\$ 134	\$ 735,227	\$ 1,162,503
-	-	-	-	-	947,959
98,533	-	14,997	-	113,530	397,177
-	-	-	-	-	571,368
-	-	-	-	-	562,205
<u>110,604</u>	<u>188</u>	<u>737,831</u>	<u>134</u>	<u>848,757</u>	<u>3,641,212</u>
-	540,000	-	-	540,000	540,000
-	-	-	-	-	45,295
-	-	-	-	-	3,914,855
-	-	-	-	-	298,821
-	-	-	-	-	9,121,956
966,150	-	3,521,752	-	4,487,902	4,491,370
-	-	-	619,158	619,158	2,307,297
-	-	-	-	-	3,708,286
-	294,579	-	-	294,579	949,820
<u>966,150</u>	<u>834,579</u>	<u>3,521,752</u>	<u>619,158</u>	<u>5,941,639</u>	<u>25,377,700</u>
<u>\$ 1,076,754</u>	<u>\$ 834,767</u>	<u>\$ 4,259,583</u>	<u>\$ 619,292</u>	<u>\$ 6,790,396</u>	<u>\$ 29,018,912</u>

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
REVENUES					
Taxes	\$ 781,142	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	752,275	-	-	-	-
Charges for services	373,301	-	-	-	-
Fines and forfeitures	-	13,802	-	13,749	284,154
Miscellaneous revenue	21,510	-	-	-	-
Investment income	795	34	180	35	1,074
Total revenues	1,929,023	13,836	180	13,784	285,228
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	56,763	-	-
Physical environment	-	-	-	-	-
Transportation	1,767,936	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,297	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	18,993	246,894
Capital Outlay	182,137	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	1,950,073	45,297	56,763	18,993	246,894
Excess (deficiency) of revenues over expenditures	(21,050)	(31,461)	(56,583)	(5,209)	38,334
OTHER FINANCING SOURCES (USES)					
Transfers in	-	36,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	36,000	-	-	-
Net change in fund balances	(21,050)	4,539	(56,583)	(5,209)	38,334
Fund balances-beginning	640,949	(2,119)	110,348	16,827	1,124,525
Fund balances-ending	\$ 619,899	\$ 2,420	\$ 53,765	\$ 11,618	\$ 1,162,859

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
\$ 410,179	\$ 1,230,536	\$ 218,663	\$ -	\$ 1,461	\$ -
-	-	-	-	-	-
-	-	250,000	-	34,864	-
-	-	-	-	-	-
-	-	-	-	-	-
1,057	1,844	741	530	928	55
411,236	1,232,380	469,404	530	37,253	55
-	-	-	-	-	-
-	-	635	6,162	6,449	-
-	-	-	-	-	-
-	911,833	-	-	-	-
-	-	-	-	-	-
360,693	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,790	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,693	911,833	635	6,162	12,239	-
50,543	320,547	468,769	(5,632)	25,014	55
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,543	320,547	468,769	(5,632)	25,014	55
1,744,390	1,363,736	608,801	637,923	1,030,834	21,578
<u>\$ 1,794,933</u>	<u>\$ 1,684,283</u>	<u>\$ 1,077,570</u>	<u>\$ 632,291</u>	<u>\$ 1,055,848</u>	<u>\$ 21,633</u>

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	800 MGHZ Expansion	Transportation Impact Fees East	Transportation Impact Fees West	New Transportation Impact Fees- East	Daytona North Service District
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 63,671
Special assessments/Impact fees	-	-	-	18,740	260,969
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	722	2,232	181	699	450
Total revenues	722	2,232	181	19,439	325,090
EXPENDITURES					
Current					
General government	-	-	-	-	21,325
Public safety	624	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	2,080	302	754	271,150
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	624	2,080	302	754	292,475
Excess (deficiency) of revenues over expenditures	98	152	(121)	18,685	32,615
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	1,576
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,576
Net change in fund balances	98	152	(121)	18,685	34,191
Fund balances-beginning	3,370	2,688,813	130,842	773,907	544,575
Fund balances-ending	\$ 3,468	\$ 2,688,965	\$ 130,721	\$ 792,592	\$ 578,766

Special Revenue Funds (Continued)

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service
\$ -	\$ -	\$ -	\$ -	\$ -
34	-	-	-	5,808
-	-	-	-	-
39,732	-	351,046	69,623	-
-	-	112	-	-
-	-	-	-	-
-	-	71,659	-	-
233	466	750	-	43
<u>39,999</u>	<u>466</u>	<u>423,567</u>	<u>69,623</u>	<u>5,851</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	6,192
-	961	406,934	68,341	-
-	-	-	-	-
154	-	-	-	-
-	-	-	-	-
48,486	-	-	1,282	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>48,640</u>	<u>961</u>	<u>406,934</u>	<u>69,623</u>	<u>6,192</u>
<u>(8,641)</u>	<u>(495)</u>	<u>16,633</u>	<u>-</u>	<u>(341)</u>
-	-	-	-	35
-	-	-	-	-
-	-	-	-	35
(8,641)	(495)	16,633	-	(306)
<u>104,649</u>	<u>233,021</u>	<u>49,662</u>	<u>-</u>	<u>13,876</u>
<u>\$ 96,008</u>	<u>\$ 232,526</u>	<u>\$ 66,295</u>	<u>\$ -</u>	<u>\$ 13,570</u>

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	1,341	2,449	-	-	-
Licenses and permits	-	-	592,215	-	-
Intergovernmental	993	738	-	-	-
Charges for services	-	-	2,895	-	-
Fines and forfeitures	-	-	4,222	5,440	2,929
Miscellaneous revenue	-	-	843	-	-
Investment income	35	67	904	15	33
Total revenues	2,369	3,254	601,079	5,455	2,962
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	473,506	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	1,418	1,197	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	2,990	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	1,418	1,197	476,496	-	-
Excess (deficiency) of revenues over expenditures	951	2,057	124,583	5,455	2,962
OTHER FINANCING SOURCES (USES)					
Transfers in	8	15	-	-	-
Transfers out	-	-	-	(6,892)	-
Total other financing sources (uses)	8	15	-	(6,892)	-
Net change in fund balances	959	2,072	124,583	(1,437)	2,962
Fund balances-beginning	13,474	24,767	699,062	4,397	11,873
Fund balances-ending	\$ 14,433	\$ 26,839	\$ 823,645	\$ 2,960	\$ 14,835

Special Revenue Funds (Continued)

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	527,928
-	-	-	-	-	55
201,510	13,714	21,361	13,824	28,518	-
-	-	-	-	-	-
729	26	130	73	54	637
<u>202,239</u>	<u>13,740</u>	<u>21,491</u>	<u>13,897</u>	<u>28,572</u>	<u>528,620</u>
-	-	-	-	-	-
-	-	11,256	-	-	514,680
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
77,955	-	-	114,188	63,263	-
33,192	-	-	-	-	134,239
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>111,147</u>	<u>-</u>	<u>11,256</u>	<u>114,188</u>	<u>63,263</u>	<u>648,919</u>
<u>91,092</u>	<u>13,740</u>	<u>10,235</u>	<u>(100,291)</u>	<u>(34,691)</u>	<u>(120,299)</u>
-	-	-	85,904	44,120	-
-	(10,000)	(22,160)	-	-	-
-	(10,000)	(22,160)	85,904	44,120	-
91,092	3,740	(11,925)	(14,387)	9,429	(120,299)
<u>683,524</u>	<u>4,251</u>	<u>74,982</u>	<u>8,458</u>	<u>6,152</u>	<u>739,031</u>
<u>\$ 774,616</u>	<u>\$ 7,991</u>	<u>\$ 63,057</u>	<u>\$ (5,929)</u>	<u>\$ 15,581</u>	<u>\$ 618,732</u>

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Special Revenue Funds (Continued)

	Court Operations	Clerk Court Technology	Records Modernization	Law Enforcement Automation	Federal Equitable Sharing Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	92,879	-	-	-	-
Charges for services	1,416,544	191,434	66,598	-	-
Fines and forfeitures	151,498	67,691	-	-	2,832
Miscellaneous revenue	-	-	-	-	-
Investment income	5,069	889	493	-	-
Total revenues	1,665,990	260,014	67,091	-	2,832
EXPENDITURES					
Current					
General government	-	-	56,552	-	-
Public safety	-	-	-	90,400	2,832
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	1,738,130	203,823	-	-	-
Capital Outlay	1,019	28,667	9,971	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Other debt service costs	-	-	-	-	-
Total expenditures	1,739,149	232,490	66,523	90,400	2,832
Excess (deficiency) of revenues over expenditures	(73,159)	27,524	568	(90,400)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	21,982	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	21,982	-	-	-	-
Net change in fund balances	(51,177)	27,524	568	(90,400)	-
Fund balances-beginning	51,177	239,953	105,021	90,400	14,577
Fund balances-ending	\$ -	\$ 267,477	\$ 105,589	\$ -	\$ 14,577

Special Revenue Funds (Continued)				Debt Service Funds
Law Enforcement Education	Five Point Star Fund	Inmate Welfare	Total	Colbert Lane
\$ -	\$ -	\$ -	\$ 2,705,652	\$ -
-	-	-	289,341	-
-	-	-	592,215	-
-	-	-	2,120,078	-
10,000	-	60,520	2,121,459	-
-	-	-	825,244	-
-	4,862	-	98,874	-
-	-	-	22,203	1,556
10,000	4,862	60,520	8,775,066	1,556
-	-	-	77,877	-
10,000	16,194	63,218	1,239,473	-
-	-	-	13,246	-
-	-	-	2,048,414	-
-	-	-	1,388,069	-
-	-	-	47,912	-
-	-	-	360,847	-
-	-	-	2,463,246	-
-	-	-	447,773	-
-	-	-	-	310,000
-	-	-	-	11,873
-	-	-	-	507
10,000	16,194	63,218	8,086,857	322,380
-	(11,332)	(2,698)	688,209	(320,824)
-	-	-	189,640	-
-	-	-	(39,052)	-
-	-	-	150,588	-
-	(11,332)	(2,698)	838,797	(320,824)
427	11,332	59,044	14,682,409	333,291
\$ 427	\$ -	\$ 56,346	\$ 15,521,206	\$ 12,467

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Debt Service Funds (Continued)

	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
REVENUES					
Taxes	\$ 464,024	\$ 210,534	\$ 2,004,770	\$ 1,039,060	\$ 3,718,388
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,443,424	-	-	1,443,424
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	2,366	7,534	3,041	2,151	16,648
Total revenues	466,390	1,661,492	2,007,811	1,041,211	5,178,460
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	585,000	665,000	785,000	390,000	2,735,000
Interest and fiscal charges	87,731	1,142,006	1,195,778	645,974	3,083,362
Other debt service costs	504	4,179	464	250	5,904
Total expenditures	673,235	1,811,185	1,981,242	1,036,224	5,824,266
Excess (deficiency) of revenues over expenditures	(206,845)	(149,693)	26,569	4,987	(645,806)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	35,000	35,000
Transfers out	(35,000)	-	-	-	(35,000)
Total other financing sources (uses)	(35,000)	-	-	35,000	-
Net change in fund balances	(241,845)	(149,693)	26,569	39,987	(645,806)
Fund balances-beginning	353,000	3,399,138	45,441	429,791	4,560,661
Fund balances-ending	\$ 111,155	\$ 3,249,445	\$ 72,010	\$ 469,778	\$ 3,914,855

Capital Projects Funds

Beach Front Parks	Park Maintenance Trust	Capital Projects	2008 ESL Referendum	Total	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 2,147,641	\$ -	\$ 2,147,641	\$ 8,571,681
-	-	-	-	-	289,341
-	-	-	-	-	592,215
-	-	-	-	-	3,563,502
-	-	-	-	-	2,121,459
-	-	-	-	-	825,244
-	-	-	-	-	98,874
1,268	678	2,891	672	5,509	44,360
1,268	678	2,150,532	672	2,153,150	16,106,676
-	-	-	-	-	77,877
-	-	-	-	-	1,239,473
-	-	-	432	432	13,678
-	-	-	-	-	2,048,414
-	-	-	-	-	1,388,069
-	-	-	-	-	47,912
7,676	2,212	72,000	619	82,507	443,354
-	-	-	-	-	2,463,246
147,947	-	1,044,511	-	1,192,458	1,640,231
-	-	-	-	-	2,735,000
-	-	-	-	-	3,083,362
-	-	-	-	-	5,904
155,623	2,212	1,116,511	1,051	1,275,397	15,186,520
(154,355)	(1,534)	1,034,021	(379)	877,753	920,156
-	-	-	-	-	224,640
-	-	-	-	-	(74,052)
-	-	-	-	-	150,588
(154,355)	(1,534)	1,034,021	(379)	877,753	1,070,744
1,120,505	836,113	2,487,731	619,537	5,063,886	24,306,956
\$ 966,150	\$ 834,579	\$ 3,521,752	\$ 619,158	\$ 5,941,639	\$ 25,377,700

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 791,232	\$ 791,232	\$ 781,142	\$ (10,090)
Intergovernmental	733,218	733,218	752,275	19,057
Charges for services	213,600	213,600	373,301	159,701
Miscellaneous revenue	8,000	8,000	21,510	13,510
Investment income	696	696	795	99
Total revenues	1,746,746	1,746,746	1,929,023	182,277
EXPENDITURES				
Current				
Public works	2,002,490	1,937,352	1,767,936	169,416
Capital outlay	117,000	182,138	182,137	
Total expenditures	2,119,490	2,119,490	1,950,073	169,416
Excess (deficiency) of revenues over expenditures	(372,744)	(372,744)	(21,050)	351,693
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,500)	(10,500)	-	10,500
Net change in fund balances	(383,244)	(383,244)	(21,050)	362,193
Fund balances-beginning	383,244	383,244	640,949	257,705
Fund balances-ending	\$ -	\$ -	\$ 619,899	\$ 619,898

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 16,150	\$ 11,400	\$ 13,802	\$ 2,402
Investment income	30	-	34	34
Total revenues	16,180	11,400	13,836	2,436
EXPENDITURES				
Current				
Legal aid	45,204	47,400	45,297	2,103
Excess (deficiency) of revenues over expenditures	(29,024)	(36,000)	(31,461)	4,539
OTHER FINANCING SOURCES (USES)				
Transfers in	28,192	36,000	36,000	-
Net change in fund balances	(832)	-	4,539	4,539
Fund balances-beginning	832	-	(2,119)	(2,119)
Fund balances-ending	\$ -	\$ -	\$ 2,420	\$ 2,420

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Investment income	<u>250</u>	<u>250</u>	<u>180</u>	<u>(70)</u>
Total revenues	35,250	35,250	180	(35,070)
EXPENDITURES				
Current				
Public safety	<u>149,051</u>	<u>143,848</u>	<u>56,763</u>	<u>87,085</u>
Excess (deficiency) of revenues over expenditures	(113,801)	(108,598)	(56,583)	52,015
Fund balances-beginning	<u>113,801</u>	<u>108,598</u>	<u>110,348</u>	<u>1,750</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,765</u>	<u>\$ 53,765</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 15,408	\$ 15,408	\$ 13,749	\$ (1,659)
Investment income	40	40	35	(5)
Total revenues	15,448	15,448	13,784	(1,664)
EXPENDITURES				
Current				
Public library	29,890	29,890	18,993	10,897
Excess (deficiency) of revenues over expenditures	(14,442)	(14,442)	(5,209)	9,233
Fund balances-beginning	14,442	14,442	16,827	2,385
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,618</u>	<u>\$ 11,618</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 220,000	\$ 220,000	\$ 284,154	\$ 64,154
Investment income	1,000	1,000	1,074	74
Total revenues	221,000	221,000	285,228	64,228
EXPENDITURES				
Current				
Judiciary	1,059,470	1,059,470	246,894	812,576
Capital Outlay	219,800	219,800	-	219,800
Total expenditures	1,279,270	1,279,270	246,894	1,032,376
Excess (deficiency) of revenues over expenditures	(1,058,270)	(1,058,270)	38,334	1,096,604
Fund balances-beginning	1,058,270	1,058,270	1,124,525	66,255
Fund balances-ending	\$ -	\$ -	\$ 1,162,859	\$ 1,162,859

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 315,000	\$ 315,000	\$ 410,179	\$ 95,179
Investment income	3,000	3,000	1,057	(1,943)
Total revenues	318,000	318,000	411,236	93,236
EXPENDITURES				
Current				
Tourist development	1,794,971	1,794,971	360,693	1,434,278
Excess (deficiency) of revenues over expenditures	(1,476,971)	(1,476,971)	50,543	1,527,514
OTHER FINANCING SOURCES (USES)				
Transfers out	(178,370)	(178,370)	-	178,370
Net change in fund balances	(1,655,341)	(1,655,341)	50,543	1,705,884
Fund balances-beginning	1,655,341	1,655,341	1,744,390	89,049
Fund balances-ending	\$ -	\$ -	\$ 1,794,933	\$ 1,794,933

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- PROMOTION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Taxes	\$ 945,000	\$ 945,000	\$ 1,230,536	\$ 285,536
Investment income	2,000	2,000	1,844	(156)
Total revenues	947,000	947,000	1,232,380	285,380
EXPENDITURES				
Current				
Tourist development	1,537,461	1,537,461	911,833	625,628
Excess (deficiency) of revenues over expenditures	(590,461)	(590,461)	320,547	911,008
Fund balances-beginning	590,461	590,461	1,363,736	773,275
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,684,283</u>	<u>\$ 1,684,283</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- BEACH RESTORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 168,000	\$ 168,000	\$ 218,663	\$ 50,663
Intergovernmental	-	-	250,000	250,000
Investment income	1,200	1,200	741	(459)
Total revenues	169,200	169,200	469,404	300,204
EXPENDITURES				
Current				
Tourist development	1,417,455	1,417,455	635	1,416,820
Excess (deficiency) of revenues over expenditures	(1,248,255)	(1,248,255)	468,769	1,717,024
Fund balances-beginning	1,248,255	1,248,255	608,801	(639,454)
Fund balances-ending	\$ -	\$ -	\$ 1,077,570	\$ 1,077,570

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Investment income	\$ 1,800	\$ 1,800	\$ 530	\$ (1,270)
EXPENDITURES				
Current				
Land management	20,800	20,800	6,162	14,638
Capital outlay	113,360	618,922	-	618,922
Total expenditures	134,160	639,722	6,162	633,560
Excess (deficiency) of revenues over expenditures	(132,360)	(637,922)	(5,632)	632,290
Fund balances-beginning	132,360	637,922	637,923	1
Fund balances-ending	\$ -	\$ -	\$ 632,291	\$ 632,291

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 1,461	\$ 1,461
Intergovernmental	64,040	64,040	34,864	(29,176)
Investment income	-	-	928	928
Total revenues	64,040	64,040	37,253	(26,787)
EXPENDITURES				
Current				
Land management	467,500	477,500	6,449	471,051
Capital outlay	615,029	605,029	5,790	599,239
Total expenditures	1,082,529	1,082,529	12,239	1,070,290
Excess (deficiency) of revenues over expenditures	(1,018,489)	(1,018,489)	25,014	1,043,503
Fund balances-beginning	1,018,489	1,018,489	1,030,834	12,345
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,848</u>	<u>\$ 1,055,848</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Investment income	\$ 30	\$ 30	\$ 55	\$ 25
EXPENDITURES				
Current				
Physical environment	<u>21,536</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Excess (deficiency) of revenues over expenditures	(21,506)	(21,970)	55	22,025
Fund balances-beginning	<u>21,506</u>	<u>21,970</u>	<u>21,578</u>	<u>(392)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,633</u>	<u>\$ 21,633</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 722	\$ 722
EXPENDITURES				
Current:				
Public safety	<u>900,000</u>	<u>900,000</u>	<u>624</u>	<u>899,376</u>
Excess (deficiency) of revenues over expenditures	(900,000)	(900,000)	98	900,098
Fund balances-beginning	<u>900,000</u>	<u>900,000</u>	<u>3,370</u>	<u>(896,630)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,468</u>	<u>\$ 3,468</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Intergovernmental	\$ 7,500,000	\$ 7,500,000	\$ -	\$ (7,500,000)
Investment income	7,500	7,500	2,232	(5,268)
Total revenues	<u>7,507,500</u>	<u>7,507,500</u>	<u>2,232</u>	<u>(7,505,268)</u>
EXPENDITURES				
Current				
Transportation	2,598,994	2,598,994	2,080	2,596,914
Capital outlay	<u>7,600,000</u>	<u>7,600,000</u>	<u>-</u>	<u>7,600,000</u>
Total expenditures	10,198,994	10,198,994	2,080	10,196,914
Excess (deficiency) of revenues over expenditures	(2,691,494)	(2,691,494)	152	2,691,646
Fund balances-beginning	<u>2,691,494</u>	<u>2,691,494</u>	<u>2,688,813</u>	<u>(2,681)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,688,965</u>	<u>\$ 2,688,965</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Investment income	\$ 300	\$ 300	\$ 181	\$ (119)
EXPENDITURES				
Current				
Transportation	<u>131,205</u>	<u>131,205</u>	<u>302</u>	<u>130,903</u>
Excess (deficiency) of revenues over expenditures	(130,905)	(130,905)	(121)	130,784
Fund balances-beginning	<u>130,905</u>	<u>130,905</u>	<u>130,842</u>	<u>(63)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,721</u>	<u>\$ 130,721</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Special assessments	\$ -	\$ -	\$ 18,740	\$ 18,740
Investment income	2,000	2,000	699	(1,301)
Total revenues	2,000	2,000	19,439	17,439
EXPENDITURES				
Current				
Transportation	776,750	776,750	754	775,996
Excess (deficiency) of revenues over expenditures	(774,750)	(774,750)	18,685	793,435
Fund balances-beginning	774,750	774,750	773,907	(843)
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,592</u>	<u>\$ 792,592</u>

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, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 64,410	\$ 64,410	\$ 63,671	\$ (739)
Special assessments	265,080	265,080	260,969	(4,111)
Investment income	1,600	1,600	450	(1,150)
Total revenues	331,090	331,090	325,090	(6,000)
EXPENDITURES				
Current				
Public works	712,336	712,336	292,475	419,861
Excess (deficiency) of revenues over expenditures	(381,246)	(381,246)	32,615	413,861
OTHER FINANCING SOURCES (USES)				
Transfers in	1,900	1,900	1,576	(324)
Net change in fund balances	(379,346)	(379,346)	34,191	413,537
Fund balances-beginning	379,346	379,346	544,575	165,229
Fund balances-ending	\$ -	\$ -	\$ 578,766	\$ 578,766

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Special assessments	\$ -	\$ -	\$ 34	\$ 34
Intergovernmental	360,000	406,350	39,732	(366,618)
Investment income	320	320	233	(87)
Total revenues	360,320	406,670	39,999	(366,671)
EXPENDITURES				
Current				
Recreation	57,392	57,392	154	57,238
Capital outlay	450,000	511,350	48,486	462,864
Total expenditures	507,392	568,742	48,640	520,102
Excess (deficiency) of revenues over expenditures	(147,072)	(162,072)	(8,641)	153,431
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,500	-	(57,500)
Net change in fund balances	(147,072)	(104,572)	(8,641)	95,931
Fund balances-beginning	147,072	104,572	104,649	77
Fund balances-ending	\$ -	\$ -	\$ 96,008	\$ 96,008

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Investment income	\$ 400	\$ 400	\$ 466	\$ 66
EXPENDITURES				
Current				
CDBG grant	<u>232,445</u>	<u>232,445</u>	<u>961</u>	<u>231,484</u>
Excess (deficiency) of revenues over expenditures	(232,045)	(232,045)	(495)	231,550
Fund balances-beginning	<u>232,045</u>	<u>232,045</u>	<u>233,021</u>	<u>976</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,526</u>	<u>\$ 232,526</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Intergovernmental	\$ 350,000	\$ 600,000	\$ 351,046	\$ (248,954)
Charges for services	-	-	112	112
Miscellaneous revenue	-	88,240	71,659	(16,581)
Investment income	-	-	750	750
Total revenues	350,000	688,240	423,567	(264,673)
EXPENDITURES				
Current				
SHIP program	388,097	737,902	406,934	330,968
Excess (deficiency) of revenues over expenditures	(38,097)	(49,662)	16,633	66,295
Fund balances-beginning	38,097	49,662	49,662	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,295</u>	<u>\$ 66,295</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Intergovernmental	\$ 700,000	\$ 700,000	\$ 69,623	\$ (630,377)
EXPENDITURES				
Current				
CDBG grant	<u>700,000</u>	<u>700,000</u>	<u>69,623</u>	<u>630,377</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances-beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Special assessments	\$ 5,600	\$ 5,600	\$ 5,808	\$ 208
Investment income	33	33	43	10
Total revenues	5,633	5,633	5,851	218
EXPENDITURES				
Current				
Public works	12,440	12,440	6,192	6,248
Excess (deficiency) of revenues over expenditures	(6,807)	(6,807)	(341)	6,466
OTHER FINANCING SOURCES (USES)				
Transfers in	40	40	35	(5)
Net change in fund balances	(6,767)	(6,767)	(306)	6,461
Fund balances-beginning	6,767	6,767	13,876	7,109
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,570</u>	<u>\$ 13,570</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Special assessments	\$ 1,200	\$ 1,200	\$ 1,341	\$ 141
Intergovernmental	-	-	993	993
Investment income	-	-	35	35
Total revenues	1,200	1,200	2,369	1,169
EXPENDITURES				
Current				
Mosquito control	8,255	8,255	1,418	6,837
Excess (deficiency) of revenues over expenditures	(7,055)	(7,055)	951	8,006
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8	8
Net change in fund balances	(7,055)	(7,055)	959	8,014
Fund balances-beginning	7,055	7,055	13,474	6,419
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,433</u>	<u>\$ 14,433</u>

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, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Special assessments	\$ 2,400	\$ 2,400	\$ 2,449	\$ 49
Intergovernmental	-	-	738	738
Investment income	-	-	67	67
Total revenues	2,400	2,400	3,254	854
EXPENDITURES				
Current				
Mosquito control	12,246	12,246	1,197	11,049
Excess (deficiency) of revenues over expenditures	(9,846)	(9,846)	2,057	11,903
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15	15
Net change in fund balances	(9,846)	(9,846)	2,072	11,918
Fund balances-beginning	9,846	9,846	24,767	14,921
Fund balances-ending	\$ -	\$ -	\$ 26,839	\$ 26,839

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Licenses and permits	\$ 366,000	\$ 366,000	\$ 592,215	\$ 226,215
Charges for services	700	700	2,895	2,195
Fines and forfeitures	1,000	1,000	4,222	3,222
Miscellaneous revenue	800	800	843	43
Investment income	3,000	3,000	904	(2,096)
Total revenues	371,500	371,500	601,079	229,579
EXPENDITURES				
Current				
Building	925,471	921,356	473,506	447,850
Capital outlay	0	4,115	2,990	1,125
Total expenditures	925,471	925,471	476,496	448,975
Excess (deficiency) of revenues over expenditures	(553,971)	(553,971)	124,583	678,554
Fund balances-beginning	553,971	553,971	699,062	145,091
Fund balances-ending	\$ -	\$ -	\$ 823,645	\$ 823,645

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 5,440	\$ 2,440
Investment income	-	-	15	15
Total revenues	3,000	3,000	5,455	2,455
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,892)	(6,892)	(6,892)	-
Net change in fund balances	(3,892)	(3,892)	(1,437)	2,455
Fund balances-beginning	3,892	3,892	4,397	505
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,960</u>	<u>\$ 2,960</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 2,929	\$ 929
Investment income	-	-	33	33
Total revenues	2,000	2,000	2,962	962
EXPENDITURES				
Current				
Judiciary	13,375	13,375	-	13,375
Excess (deficiency) of revenues over expenditures	(11,375)	(11,375)	2,962	14,337
Fund balances-beginning	11,375	11,375	11,873	498
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,835</u>	<u>\$ 14,835</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 162,000	\$ 162,000	\$ 201,510	\$ 39,510
Investment income	1,800	1,800	729	(1,071)
Total revenues	163,800	163,800	202,239	38,439
EXPENDITURES				
Current				
Judiciary	829,812	823,227	77,955	745,272
Capital outlay	31,115	37,700	33,192	4,508
Total expenditures	860,927	860,927	111,147	749,780
Excess (deficiency) of revenues over expenditures	(697,127)	(697,127)	91,092	788,219
Fund balances-beginning	697,127	697,127	683,524	(13,603)
Fund balances-ending	\$ -	\$ -	\$ 774,616	\$ 774,616

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Budget	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 13,714	\$ (1,286)
Investment income	-	-	26	26
Total revenues	15,000	15,000	13,740	(1,260)
EXPENDITURES				
Current				
Judiciary	4,250	4,250	-	4,250
Excess (deficiency) of revenues over expenditures	10,750	10,750	13,740	2,990
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(10,000)	(10,000)	-
Net change in fund balances	750	750	3,740	2,990
Fund balances-beginning	(750)	(750)	4,251	5,001
Fund balances-ending	\$ -	\$ -	\$ 7,991	\$ 7,991

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 21,361	\$ (3,639)
Investment income	300	300	130	(170)
Total revenues	25,300	25,300	21,491	(3,809)
EXPENDITURES				
Current				
Public safety	80,286	76,908	11,256	65,652
Excess (deficiency) of revenues over expenditures	(54,986)	(51,608)	10,235	61,843
OTHER FINANCING SOURCES (USES)				
Transfers out	(14,000)	(22,161)	(22,160)	1
Net change in fund balances	(68,986)	(73,769)	(11,925)	61,844
Fund balances-beginning	68,986	73,769	74,982	1,213
Fund balances-ending	\$ -	\$ -	\$ 63,057	\$ 63,057

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 13,824	\$ (6,176)
Investment income	250	250	73	(177)
Total revenues	20,250	20,250	13,897	(6,353)
EXPENDITURES				
Current				
Judiciary	114,188	116,612	114,188	2,424
Excess (deficiency) of revenues over expenditures	(93,938)	(96,362)	(100,291)	(3,929)
OTHER FINANCING SOURCES (USES)				
Transfers in	85,904	88,904	85,904	(3,000)
Net change in fund balances	(8,034)	(7,458)	(14,387)	(6,929)
Fund balances-beginning	8,034	7,458	8,458	1,000
Fund balances-ending	\$ -	\$ -	\$ (5,929)	\$ (5,929)

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Fines and forfeitures	\$ 23,000	\$ 23,000	\$ 28,518	\$ 5,518
Investment income	-	-	54	54
Total revenues	23,000	23,000	28,572	5,572
EXPENDITURES				
Current				
Judiciary	66,525	66,525	63,263	3,262
Excess (deficiency) of revenues over expenditures	(43,525)	(43,525)	(34,691)	8,834
OTHER FINANCING SOURCES (USES)				
Transfers in	44,120	44,120	44,120	-
Net change in fund balances	595	595	9,429	8,834
Fund balances-beginning	(595)	(595)	6,152	6,747
Fund balances-ending	\$ -	\$ -	\$ 15,581	\$ 15,581

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Intergovernmental	\$ 496,074	\$ 496,074	\$ 527,928	\$ 31,854
Charges for services	-	-	55	55
Investment income	2,500	2,500	637	(1,863)
Total revenues	498,574	498,574	528,620	30,046
EXPENDITURES				
Current				
Public safety	1,094,355	954,355	514,680	439,675
Capital outlay	-	140,000	134,239	5,761
Total expenditures	1,094,355	1,094,355	648,919	445,436
Excess (deficiency) of revenues over expenditures	(595,781)	(595,781)	(120,299)	475,482
Fund balances-beginning	595,781	595,781	739,031	143,250
Fund balances-ending	\$ -	\$ -	\$ 618,732	\$ 618,732

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Intergovernmental	\$ 103,580	\$ 93,266	\$ 92,879	\$ (387)
Charges for services	1,315,739	1,416,339	1,416,544	205
Fines and forfeitures	104,378	151,578	151,498	(80)
Investment income	1,483	5,083	5,069	(14)
Total revenues	1,525,180	1,666,266	1,665,990	(276)
EXPENDITURES				
Current				
Judiciary	1,525,180	1,739,425	1,739,149	276
Excess (deficiency) of revenues over expenditures	-	(73,159)	(73,159)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	21,982	21,982	-
Net change in fund balances	-	(51,177)	(51,177)	-
Fund balances-beginning	-	51,177	51,177	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CLERK COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Charges for services	\$ 240,000	\$ 190,000	\$ 191,434	\$ 1,434
Fines and forfeitures	60,000	67,500	67,691	191
Investment income	-	-	889	889
Total revenues	<u>300,000</u>	<u>257,500</u>	<u>260,014</u>	<u>2,514</u>
EXPENDITURES				
Current				
Judiciary	557,000	485,500	203,823	281,677
Capital outlay	-	29,000	28,667	333
Total expenditures	<u>557,000</u>	<u>514,500</u>	<u>232,490</u>	<u>282,010</u>
Excess (deficiency) of revenues over expenditures	(257,000)	(257,000)	27,524	284,524
Fund balances-beginning	<u>257,000</u>	<u>257,000</u>	<u>239,953</u>	<u>(17,047)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,477</u>	<u>\$ 267,477</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Charges for services	\$ 80,000	\$ 66,500	\$ 66,598	\$ 98
Investment revenue	-	500	493	(7)
Total revenues	<u>80,000</u>	<u>67,000</u>	<u>67,091</u>	<u>91</u>
EXPENDITURES				
Current				
General government	185,000	162,000	56,552	105,448
Capital outlay	-	10,000	9,971	29
Total expenditures	<u>185,000</u>	<u>172,000</u>	<u>66,523</u>	<u>105,477</u>
Excess (deficiency) of revenues over expenditures	(105,000)	(105,000)	568	105,568
Fund balances-beginning	<u>105,000</u>	<u>105,000</u>	<u>105,021</u>	<u>21</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,589</u>	<u>\$ 105,589</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT AUTOMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
EXPENDITURES				
Current				
Public safety	\$ 90,400	\$ 90,400	\$ 90,400	\$ -
Excess (deficiency) of revenues over expenditures	(90,400)	(90,400)	(90,400)	-
Fund balances-beginning	90,400	90,400	90,400	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Fines and forfeitures	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ 2,832</u>	<u>\$ (11,168)</u>
EXPENDITURES				
Current				
Public safety	<u>-</u>	<u>14,000</u>	<u>2,832</u>	<u>11,168</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-beginning	<u>-</u>	<u>-</u>	<u>14,577</u>	<u>14,577</u>
Fund balances-ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,577</u></u>	<u><u>\$ 14,577</u></u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COLBERT LANE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 1,556	\$ 1,556
EXPENDITURES				
Debt service				
Principal retirement	310,000	310,000	310,000	-
Interest and fiscal charges	11,873	11,873	11,873	-
Other debt service costs	6,885	6,885	507	6,378
Total expenditures	328,758	328,758	322,380	6,378
Excess (deficiency) of revenues over expenditures	(328,758)	(328,758)	(320,824)	7,934
Fund balance-beginning	328,758	328,758	333,291	4,533
Fund balance-ending	\$ -	\$ -	\$ 12,467	\$ 12,467

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 476,692	\$ 476,692	\$ 464,024	\$ (12,668)
Investment income	1,500	1,500	2,366	866
Total revenues	478,192	478,192	466,390	(11,802)
EXPENDITURES				
Debt service				
Principal retirement	647,925	612,925	585,000	27,925
Interest and fiscal charges	87,656	87,756	87,731	25
Other debt service costs	900	800	504	296
Total expenditures	736,481	701,481	673,235	28,246
Excess (deficiency) of revenues over expenditures	(258,289)	(223,289)	(206,845)	16,444
OTHER FINANCING SOURCES (USES)				
Transfers in	-	(35,000)	(35,000)	-
Net change in fund balance	(258,289)	(258,289)	(241,845)	16,444
Fund balance-beginning	258,289	258,289	353,000	94,711
Fund balance-ending	\$ -	\$ -	\$ 111,155	\$ 111,155

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Taxes	\$ 197,493	\$ 197,493	\$ 210,534	\$ 13,041
Intergovernmental	1,378,991	1,378,991	1,443,424	64,433
Investment income	8,000	8,000	7,534	(466)
Total revenues	<u>1,584,484</u>	<u>1,584,484</u>	<u>1,661,492</u>	<u>77,008</u>
EXPENDITURES				
Debt service				
Principal retirement	3,732,657	3,732,057	665,000	3,067,057
Interest and fiscal charges	1,142,257	1,142,257	1,142,006	251
Other debt service costs	3,500	4,100	4,179	(79)
Total expenditures	<u>4,878,414</u>	<u>4,878,414</u>	<u>1,811,185</u>	<u>3,067,229</u>
Excess (deficiency) of revenues over expenditures	(3,293,930)	(3,293,930)	(149,693)	3,144,237
Fund balance-beginning	<u>3,293,930</u>	<u>3,293,930</u>	<u>3,399,138</u>	<u>105,208</u>
Fund balance-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,249,445</u>	<u>\$ 3,249,445</u>

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION GO ISSUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Taxes	\$ 2,077,457	\$ 2,077,457	\$ 2,004,770	\$ (72,687)
Investment income	500	500	3,041	2,541
Total revenues	<u>2,077,957</u>	<u>2,077,957</u>	<u>2,007,811</u>	<u>(70,146)</u>
EXPENDITURES				
Debt service				
Principal retirement	785,000	785,000	785,000	-
Interest and fiscal charges	1,195,971	1,196,603	1,195,778	825
Other debt service costs	1,000	1,000	464	536
Total expenditures	<u>1,981,971</u>	<u>1,982,603</u>	<u>1,981,242</u>	<u>1,361</u>
Excess (deficiency) of revenues over expenditures	95,986	95,354	26,569	(68,785)
Fund balance-beginning	<u>(95,986)</u>	<u>(95,354)</u>	<u>45,441</u>	<u>140,795</u>
Fund balance-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,010</u>	<u>\$ 72,010</u>

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,075,040	\$ 1,075,040	\$ 1,039,060	\$ (35,980)
Investment income	1,200	1,200	2,151	951
Total revenues	1,076,240	1,076,240	1,041,211	(35,029)
EXPENDITURES				
Debt service				
Principal retirement	840,000	840,000	390,000	450,000
Interest and fiscal charges	645,974	645,974	645,974	-
Other debt service costs	600	600	250	350
Total expenditures	1,486,574	1,486,574	1,036,224	450,350
Excess (deficiency) of revenues over expenditures	(410,334)	(410,334)	4,987	415,321
OTHER FINANCING SOURCES (USES)				
Transfers in	-	35,000	35,000	-
Net change in fund balance	(410,334)	(375,334)	39,987	415,321
Fund balance-beginning	410,334	375,334	429,791	54,457
Fund balance-ending	\$ -	\$ -	\$ 469,778	\$ 469,778

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Investment income	\$ 1,000	\$ 1,000	\$ 1,268	\$ 268
EXPENDITURES				
Current				
Recreation	668,128	145,788	7,676	138,112
Capital outlay	453,223	975,563	147,947	827,616
Total expenditures	1,121,351	1,121,351	155,623	965,728
Excess (deficiency) of revenues over expenditures	(1,120,351)	(1,120,351)	(154,355)	965,996
Fund balances-beginning	1,120,351	1,120,351	1,120,505	154
Fund balances-ending	\$ -	\$ -	\$ 966,150	\$ 966,150

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Investment income	\$ 1,000	\$ 1,000	\$ 678	\$ (322)
EXPENDITURES				
Current				
Recreation	<u>841,144</u>	<u>841,144</u>	<u>2,212</u>	<u>838,932</u>
Excess (deficiency) of revenues over expenditures	(840,144)	(840,144)	(1,534)	838,610
Fund balances-beginning	<u>840,144</u>	<u>840,144</u>	<u>836,113</u>	<u>(4,031)</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,579</u>	<u>\$ 834,579</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Taxes	\$ 1,726,675	\$ 1,726,675	\$ 2,147,641	\$ 420,966
Investment income	-	-	2,891	2,891
Total revenues	1,726,675	1,726,675	2,150,532	423,857
EXPENDITURES				
Current				
Capital outlay	3,635,091	3,635,091	1,116,511	2,518,580
Excess (deficiency) of revenues over expenditures	(1,908,416)	(1,908,416)	1,034,021	2,942,437
Fund balances-beginning	1,908,416	1,908,416	2,487,731	579,315
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,521,752</u>	<u>\$ 3,521,752</u>

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS - ESL 2009 SERIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 672	\$ 672
EXPENDITURES				
Land management	540,903	540,903	1,051	539,852
Excess (deficiency) of revenues over expenditures	(540,903)	(540,903)	(379)	540,524
Fund balances-beginning	540,903	540,903	619,537	78,634
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619,158</u>	<u>\$ 619,158</u>

**FLAGLER COUNTY, FLORIDA
FIDUCIARY FUNDS DESCRIPTIONS**

FIDUCIARY AGENCY FUNDS:

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

Clerk of the Circuit Court and Comptroller Agency

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

Sheriff Agency

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

Tax Collector Agency

These funds are used 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, 2014

	Clerk Agency	Sheriff Agency	Tax Collector Agency	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ 3,365,869	\$ 3,629	\$ 1,939,752	\$ 5,309,250
Accounts receivable	-	-	46,885	46,885
Due from other governments	875	-		875
 Total assets	 <u>3,366,744</u>	 <u>3,629</u>	 <u>1,986,637</u>	 <u>5,357,010</u>
 LIABILITIES				
Due to other governments	169,347	-	-	169,347
Deposits	3,184,036	3,629	1,986,637	5,174,302
Other liabilities	13,361			13,361
 Total liabilities	 <u>3,366,744</u>	 <u>3,629</u>	 <u>1,986,637</u>	 <u>5,357,010</u>
 Net position	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

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

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
CLERK OF COURT:				
ASSETS				
Cash and cash equivalents	5,053,180	15,718,109	17,405,420	3,365,869
Due from other governments	129	2,588	1,842	875
	<u>5,053,309</u>	<u>15,720,697</u>	<u>17,407,262</u>	<u>3,366,744</u>
Total assets	<u>\$ 5,053,309</u>	<u>\$ 15,720,697</u>	<u>\$ 17,407,262</u>	<u>\$ 3,366,744</u>
LIABILITIES				
Due to other governments	159,986	2,491,460	2,482,099	169,347
Deposits	4,878,223	13,161,269	14,855,456	3,184,036
Other liabilities	15,100	67,968	69,707	13,361
	<u>5,053,309</u>	<u>15,720,697</u>	<u>17,407,262</u>	<u>3,366,744</u>
Total liabilities	<u>\$ 5,053,309</u>	<u>\$ 15,720,697</u>	<u>\$ 17,407,262</u>	<u>\$ 3,366,744</u>
	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
SHERIFF:				
ASSETS				
Cash and cash equivalents	<u>\$ 7,739</u>	<u>\$ 417,119</u>	<u>\$ 421,229</u>	<u>\$ 3,629</u>
LIABILITIES				
Deposits	<u>\$ 7,739</u>	<u>\$ 417,119</u>	<u>\$ 421,229</u>	<u>\$ 3,629</u>

(Continued)

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2014

(Continued)
Balance
September 30,
2014

	Balance October 1, 2013	Additions	Deductions	
TAX COLLECTOR:				
ASSETS				
Cash and cash equivalents	1,716,574	154,571,157	154,347,979	1,939,752
Accounts receivable	52,026	7,542,606	7,547,747	46,885
Total assets	<u>\$ 1,768,600</u>	<u>\$ 162,113,763</u>	<u>\$ 161,895,726</u>	<u>\$ 1,986,637</u>

LIABILITIES				
Deposits	<u>\$ 1,768,600</u>	<u>\$ 18,500,938</u>	<u>\$ 18,282,901</u>	<u>\$ 1,986,637</u>

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
TOTAL ALL AGENCY:				
ASSETS				
Cash and cash equivalents	6,777,493	170,706,385	172,174,628	5,309,250
Accounts receivable	52,026	7,542,606	7,547,747	46,885
Due from other governments	129	2,588	1,842	875
	<u>\$ 6,829,648</u>	<u>\$ 178,251,579</u>	<u>\$ 179,724,217</u>	<u>\$ 5,357,010</u>

LIABILITIES				
Due to other governments	159,986	2,491,460	2,482,099	169,347
Deposits	6,654,562	32,079,326	33,559,586	5,174,302
Other liabilities	15,100	67,968	69,707	13,361
Total liabilities	<u>\$ 6,829,648</u>	<u>\$ 34,638,754</u>	<u>\$ 36,111,392</u>	<u>\$ 5,357,010</u>

Schedule 1
FLAGLER COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 221,697,440	\$ 216,372,923	\$ 213,605,993	\$ 213,691,965	\$ 196,914,786	\$ 194,512,681	\$ 191,390,020	\$ 191,162,668	\$ 99,707,441	\$ 67,524,202
Restricted	33,747,894	32,671,605	33,400,791	33,635,981	29,646,675	29,472,617	30,977,964	29,871,462	26,386,449	36,656,221
Unrestricted	5,557,315	5,724,481	5,045,355	9,467,544	15,322,370	17,335,254	14,723,913	12,729,343	8,646,548	8,551,188
Total governmental activities net position	<u>\$ 261,002,649</u>	<u>\$ 254,769,009</u>	<u>\$ 252,052,139</u>	<u>\$ 256,795,490</u>	<u>\$ 241,883,831</u>	<u>\$ 241,320,552</u>	<u>\$ 237,091,897</u>	<u>\$ 233,763,473</u>	<u>\$ 134,740,438</u>	<u>\$ 112,731,611</u>
Business-type activities										
Net investment in capital assets	\$ 17,390,035	\$ 14,817,197	\$ 11,134,385	\$ 10,610,540	\$ 11,789,339	\$ 12,343,562	\$ 10,575,049	\$ 10,630,062	\$ 12,842,167	\$ 9,858,170
Restricted	1,225,758	2,752,617	2,684,645	3,136,296	3,414,533	2,886,910	2,966,720	2,865,876	2,519,430	2,356,486
Unrestricted	3,033,190	3,091,607	3,846,637	2,030,517	758,909	29,485	869,822	(82,599)	(2,311,082)	(272,915)
Total business-type activities net position	<u>\$ 21,648,983</u>	<u>\$ 20,661,421</u>	<u>\$ 17,665,667</u>	<u>\$ 15,777,353</u>	<u>\$ 15,962,781</u>	<u>\$ 15,259,957</u>	<u>\$ 14,411,591</u>	<u>\$ 13,413,339</u>	<u>\$ 13,050,515</u>	<u>\$ 11,941,741</u>
Primary government:										
Net investment in capital assets	\$ 239,087,475	\$ 231,190,120	\$ 224,740,378	\$ 224,302,505	\$ 208,704,125	\$ 206,856,243	\$ 201,965,069	\$ 201,792,730	\$ 112,549,608	\$ 77,382,372
Restricted	34,973,652	35,424,222	36,085,436	36,772,277	33,061,208	32,359,527	33,944,684	32,737,338	28,905,879	39,012,707
Unrestricted	8,590,505	8,816,088	8,891,992	11,498,061	16,081,279	17,364,739	15,593,735	12,646,744	6,335,466	8,278,273
Total primary government net position	<u>\$ 282,651,632</u>	<u>\$ 275,430,430</u>	<u>\$ 269,717,806</u>	<u>\$ 272,572,843</u>	<u>\$ 257,846,612</u>	<u>\$ 256,580,509</u>	<u>\$ 251,503,488</u>	<u>\$ 247,176,812</u>	<u>\$ 147,790,953</u>	<u>\$ 124,673,352</u>

Schedule 2

FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities										
General government	\$ 19,061,399	\$ 18,856,737	\$ 17,990,618	\$ 18,105,429	\$ 18,578,279	\$ 18,807,803	\$ 20,122,637	\$ 16,460,958	\$ 9,951,304	\$ 13,236,237
Public safety	34,583,622	34,381,551	34,781,700	35,871,670	35,250,421	33,835,370	33,674,664	32,693,617	28,153,910	22,989,420
Physical environment	303,418	648,364	1,003,943	346,520	649,192	1,892,271	1,949,824	1,521,490	359,813	1,483,012
Transportation	13,445,435	10,476,921	7,439,036	8,831,545	7,656,643	6,667,065	6,221,288	5,940,787	4,661,009	5,367,371
Economic environment	1,913,323	2,401,918	1,537,127	1,189,775	1,150,551	1,702,816	2,705,033	1,773,907	1,659,131	1,403,371
Human services	4,073,002	3,705,985	4,267,718	3,675,585	3,540,641	3,588,317	3,701,214	4,121,870	3,886,789	2,917,359
Culture and recreation	3,981,558	3,426,442	4,008,612	3,757,755	3,519,266	3,411,038	3,637,872	3,537,779	6,768,999	2,807,249
Court related	3,521,907	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,520,582	6,333,174	3,565,579	2,092,613
Interest on long-term debt	3,335,340	3,487,841	3,724,866	3,713,901	3,478,079	4,220,394	4,198,924	4,004,325	3,472,139	857,076
Total governmental activities expenses	84,219,004	80,556,726	77,807,344	78,651,755	77,054,319	77,686,383	80,732,038	76,387,907	62,478,673	53,153,708
Business-type expenses										
Airport	2,718,394	2,567,228	2,404,906	2,465,923	2,073,284	2,214,368	3,187,031	3,086,839	2,528,475	1,521,976
Landfill	121,762	169,182	99,637	128,813	163,604	325,308	348,303	286,841	1,062,473	840,013
Transportation	-	-	-	-	-	-	1,506,139	1,585,720	1,350,100	1,061,632
Utilities	675,084	579,164	373,945	364,742	388,864	497,798	484,163	626,751	522,593	636,700
Waste management	1,354,836	1,354,381	1,459,886	1,486,230	1,393,540	1,391,493	1,349,298	979,644	-	-
Total business-type activities expenses	4,870,076	4,669,955	4,338,374	4,445,708	4,019,292	4,428,967	6,874,934	6,565,795	5,463,641	4,060,321
Total primary government expenses	<u>\$ 89,089,080</u>	<u>\$ 85,226,681</u>	<u>\$ 82,145,718</u>	<u>\$ 83,097,463</u>	<u>\$ 81,073,611</u>	<u>\$ 82,115,350</u>	<u>\$ 87,606,972</u>	<u>\$ 82,953,702</u>	<u>\$ 67,942,314</u>	<u>\$ 57,214,029</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 4,986,693	\$ 4,137,828	\$ 3,370,077	\$ 3,251,896	\$ 3,152,491	\$ 4,604,628	\$ 5,708,953	\$ 7,401,733	\$ 8,766,229	\$ 7,580,869
Public safety	6,044,959	6,437,972	5,952,540	6,947,645	6,458,469	6,508,766	5,603,971	7,040,215	6,714,711	6,519,266
Physical environment	400	1,709	-	-	-	-	173	702	346	356
Transportation	738,142	633,123	758,879	564,018	727,150	810,898	1,306,985	-	-	-
Economic environment	937	2,991	3,868	5,059	8,846	-	-	-	-	-
Human services	134,013	98,245	129,147	145,142	187,208	248,130	134,549	199,094	132,774	59,400
Culture and recreation	257,028	260,942	219,078	221,838	198,594	198,075	118,310	58,130	78,572	70,066
Court related	578,464	587,258	523,567	506,937	508,639	445,278	521,458	761,870	930,983	918,488
Operating grants and contributions	4,146,497	5,443,849	5,868,779	4,739,002	5,353,623	3,671,556	2,871,147	1,661,281	1,811,281	2,141,762
Capital grants and contributions	12,233,926	4,671,396	3,474,297	5,510,130	4,732,716	5,375,671	5,966,307	3,589,612	13,367,302	7,904,008
Total governmental activities program revenues	29,121,059	22,275,313	20,300,232	21,891,667	21,327,736	21,863,002	22,231,853	20,712,637	31,802,198	25,194,215
Business-type activities										
Charges for services										
Airport	1,524,369	1,617,467	1,385,312	1,413,536	1,105,953	1,616,801	2,730,277	2,963,690	2,410,450	1,434,381
Landfill	1,802	2,721	708	2,557	1,737	464	378	182	160,286	898,771
Transportation	-	-	-	-	-	-	601,488	798,688	731,994	433,750
Utilities	845,327	532,878	357,586	486,326	464,158	470,463	455,524	477,731	456,412	379,340
Waste management	1,325,745	1,458,893	1,447,290	1,436,211	1,420,202	1,420,415	1,493,527	969,535	-	-
Operating grants and contributions	83,200	70,588	70,588	70,588	77,207	211,960	681,428	575,060	792,806	472,319
Capital grants and contributions	1,758,995	3,943,563	2,784,811	524,882	154,965	2,343,298	479,531	472,292	1,083,246	1,453,763
Total business-type activities program revenues	5,539,438	7,626,110	6,046,295	3,934,100	3,224,222	6,063,401	6,442,153	6,257,178	5,635,194	5,072,324
Total primary government program revenues	<u>\$ 34,660,497</u>	<u>\$ 29,901,423</u>	<u>\$ 26,346,527</u>	<u>\$ 25,825,767</u>	<u>\$ 24,551,958</u>	<u>\$ 27,926,403</u>	<u>\$ 28,674,006</u>	<u>\$ 26,969,815</u>	<u>\$ 37,437,392</u>	<u>\$ 30,266,539</u>

(Continued)

Schedule 2 (Continued)

FLAGLER COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (Expense)/Revenue										
Governmental activities	\$ (55,097,945)	\$ (58,281,413)	\$ (57,507,112)	\$ (56,760,088)	\$ (55,726,583)	\$ (55,823,381)	\$ (58,500,185)	\$ (55,675,270)	\$ (30,676,475)	\$ (27,959,493)
Business-type activities	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434	(432,781)	(308,617)	171,553	1,012,003
Total primary government net expense	<u>\$ (54,428,583)</u>	<u>\$ (55,325,258)</u>	<u>\$ (55,799,191)</u>	<u>\$ (57,271,696)</u>	<u>\$ (56,521,653)</u>	<u>\$ (54,188,947)</u>	<u>\$ (58,932,966)</u>	<u>\$ (55,983,887)</u>	<u>\$ (30,504,922)</u>	<u>\$ (26,947,490)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 51,456,258	\$ 45,785,795	\$ 43,172,111	\$ 44,628,028	\$ 47,562,219	\$ 49,187,744	\$ 51,244,622	\$ 50,450,153	\$ 37,705,838	\$ 29,290,559
Tourist and franchise taxes	2,293,162	2,096,962	1,994,230	1,684,069	1,328,338	1,223,580	1,411,239	1,375,159	1,242,292	1,308,255
Sales and fuel taxes	6,740,672	6,224,280	5,487,079	5,192,255	5,090,787	5,166,863	5,354,821	5,424,451	5,803,563	6,943,018
Intergovernmental	1,206,660	1,125,939	1,061,327	1,007,655	1,556,921	1,430,225	1,890,713	1,517,433	1,435,387	933,629
Miscellaneous	479,136	2,478,766	1,058,991	19,272,714	1,161,642	2,035,834	2,930,641	5,432,983	6,734,950	2,562,820
Transfers	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790	(1,003,427)	(141,862)	(236,728)	(369,902)
Total governmental activities	<u>62,168,037</u>	<u>57,862,603</u>	<u>52,763,761</u>	<u>71,671,747</u>	<u>\$ 56,289,862</u>	<u>\$ 60,052,036</u>	<u>\$ 61,828,609</u>	<u>\$ 64,058,317</u>	<u>\$ 52,685,302</u>	<u>\$ 40,668,379</u>
Business-type activities										
Tourist and franchise taxes	131,475	132,843	141,113	145,047	\$ 139,656	\$ 138,915	\$ 126,198	\$ 101,372	\$ 38,013	\$ 39,109
Miscellaneous	210,761	57,617	29,303	68,159	36,695	82,807	301,408	428,207	662,480	678,718
Settlement proceeds	-	-	-	-	911,498	-	-	-	-	-
Transfers	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)	1,003,427	141,862	236,728	369,902
Total business-type activities	<u>350,087</u>	<u>39,599</u>	<u>180,393</u>	<u>326,180</u>	<u>\$ 1,497,894</u>	<u>\$ (786,068)</u>	<u>\$ 1,431,033</u>	<u>\$ 671,441</u>	<u>\$ 937,221</u>	<u>\$ 1,087,729</u>
Total primary government	<u>\$ 62,518,124</u>	<u>\$ 57,902,202</u>	<u>\$ 52,944,154</u>	<u>\$ 71,997,927</u>	<u>\$ 57,787,756</u>	<u>\$ 59,265,968</u>	<u>\$ 63,259,642</u>	<u>\$ 64,729,758</u>	<u>\$ 53,622,523</u>	<u>\$ 41,756,108</u>
Changes in Net Position										
Governmental activities	\$ 7,070,092	\$ (418,810)	\$ (4,743,351)	\$ 14,911,659	\$ 563,279	\$ 4,228,655	\$ 3,328,424	\$ 8,383,047	\$ 22,008,827	\$ 12,708,886
Business-type activities	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366	998,252	362,824	1,108,774	2,099,732
Total primary government	<u>\$ 8,089,541</u>	<u>\$ 2,576,944</u>	<u>\$ (2,855,037)</u>	<u>\$ 14,726,231</u>	<u>\$ 1,266,103</u>	<u>\$ 5,077,021</u>	<u>\$ 4,326,676</u>	<u>\$ 8,745,871</u>	<u>\$ 23,117,601</u>	<u>\$ 14,808,618</u>

Schedule 3
FLAGLER COUNTY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Nonspendable	\$ 2,228,600	\$ 2,136,457	\$ 2,103,642	\$ 2,186,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,400,364	2,277,224	2,706,337	2,315,329	-	-	-	-	-	-
Committed	-	-	134,865	-	-	-	-	-	-	-
Assigned	2,184,591	3,545,789	3,710,120	8,830,592	-	-	-	-	-	-
Unassigned	5,734,847	3,266,220	1,706,182	709,007	-	-	-	-	-	-
Reserved	-	-	-	-	2,863,096	2,807,040	3,298,004	3,163,471	4,285,209	12,655,816
Unreserved	-	-	-	-	503,179	-	680,537	401,585	1,594,120	1,629,850
Designated for future use	-	-	-	-	14,166,178	15,520,379	10,600,667	9,109,708	3,580,500	4,278,961
Undesignated	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 12,548,402</u>	<u>\$ 11,225,690</u>	<u>\$ 10,361,146</u>	<u>\$ 14,041,687</u>	<u>\$ 17,532,453</u>	<u>\$ 18,327,419</u>	<u>\$ 14,579,208</u>	<u>\$ 12,674,764</u>	<u>\$ 9,459,829</u>	<u>\$ 18,564,627</u>
All other governmental funds										
Nonspendable	\$ 585,295	\$ 643,485	\$ 673,638	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	29,388,189	28,463,165	29,099,483	30,079,190	-	-	-	-	-	-
Committed	-	-	-	57,190	-	-	-	-	-	-
Reserved	-	-	-	-	6,440,808	6,510,851	6,825,065	6,933,469	6,567,176	4,630,779
Unreserved	-	-	-	-	18,713,003	18,970,258	21,191,931	26,036,191	27,790,994	37,337,025
Special revenue funds	-	-	-	-	2,321,454	4,913,837	2,426,814	4,713,309	28,356,708	62,550,531
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 29,973,484</u>	<u>\$ 29,106,650</u>	<u>\$ 29,773,121</u>	<u>\$ 30,736,380</u>	<u>\$ 27,475,265</u>	<u>\$ 30,394,946</u>	<u>\$ 30,443,810</u>	<u>\$ 37,682,969</u>	<u>\$ 62,714,878</u>	<u>\$ 104,518,335</u>

Fiscal years 2005 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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 56,813,780	\$ 50,575,169	\$ 47,800,451	\$ 49,285,251	\$ 51,411,403	\$ 53,043,253	\$ 55,539,097	\$ 54,712,668	\$ 42,804,966	\$ 35,590,044
Licenses and permits	643,420	607,419	426,238	1,444,784	406,499	444,458	569,025	720,696	1,302,314	1,756,399
Intergovernmental	19,003,823	14,920,746	13,265,388	12,613,588	14,761,945	12,871,920	17,043,138	10,534,206	12,850,621	10,702,695
Charges for services	10,717,792	10,214,986	9,291,170	9,903,511	9,692,585	11,551,549	12,116,436	13,772,304	14,124,247	12,210,178
Fines and forfeitures	1,015,635	917,761	805,024	986,177	939,516	813,887	700,985	968,744	1,197,054	1,181,865
Miscellaneous revenue	637,999	2,109,741	1,296,411	1,353,404	847,086	2,177,910	2,355,450	2,764,583	3,138,171	1,693,330
Investment income	134,085	121,705	106,378	109,267	163,704	(234,367)	1,015,979	3,291,748	4,657,589	1,167,873
Total revenues	88,966,534	79,467,527	72,991,060	75,695,982	78,222,738	80,668,610	89,340,110	86,764,949	80,074,962	64,302,384
Expenditures										
General government	16,854,655	15,725,105	15,276,384	15,795,997	15,991,259	16,730,009	17,865,886	17,818,663	15,547,531	12,339,679
Public safety	31,783,043	31,148,783	31,594,668	32,731,844	31,854,497	31,182,618	30,803,611	31,103,361	25,982,701	21,631,747
Physical environment	321,073	404,571	955,307	283,302	566,661	1,407,037	1,920,368	1,589,356	385,208	1,511,299
Transportation	8,216,321	5,962,034	4,115,598	4,592,657	4,662,055	3,580,104	3,397,583	3,807,161	4,360,796	4,978,734
Economic environment	1,914,978	2,376,560	1,516,411	1,189,153	1,137,271	1,573,588	2,197,253	1,985,868	1,725,957	1,401,382
Human services	3,973,728	3,625,748	4,191,561	3,583,382	3,456,174	3,450,346	3,639,652	4,086,916	3,857,896	2,823,265
Culture and recreation	3,234,780	2,689,107	2,972,073	2,929,935	2,691,785	2,967,346	3,917,456	3,517,749	3,096,170	2,365,899
Court related	3,409,564	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,316,066	3,704,970	2,901,546	2,027,354
Capital Outlay	9,963,954	9,127,279	5,777,879	9,472,482	10,984,683	15,679,605	11,434,297	34,976,779	67,178,864	14,544,382
Debt service										
Principal	3,921,868	4,390,810	5,483,814	4,184,872	4,249,670	4,649,766	11,128,073	4,875,145	3,580,911	1,935,521
Interest and fiscal charges	3,415,173	3,538,010	3,752,775	3,801,138	3,727,783	3,503,985	4,114,750	4,365,334	2,957,260	561,585
Bond issuance costs	-	-	-	-	-	50,326	-	-	1,212	1,130,739
Total expenditures	87,009,137	82,158,974	78,690,194	81,724,337	82,553,085	88,336,039	94,734,995	111,831,302	131,576,052	67,251,586
Excess of revenues over (under) expenditures	\$ 1,957,397	\$ (2,691,447)	\$ (5,699,134)	\$ (6,028,355)	\$ (4,330,347)	\$ (7,667,429)	\$ (5,394,885)	\$ (25,066,353)	\$ (51,501,090)	\$ (2,949,202)
Other Financing Sources (Uses)										
Transfers in	\$ 253,692	\$ 1,178,791	\$ 257,780	\$ 857,401	\$ 1,796,393	\$ 1,604,980	\$ 2,877,726	\$ 7,486,550	\$ 6,129,449	\$ 4,276,321
Transfers out	(261,543)	(589,271)	(270,257)	(970,375)	(1,606,438)	(254,184)	(3,647,585)	(5,019,709)	(6,726,372)	(6,004,285)
Insurance recovery	-	-	-	-	13,745	15,980	80,029	-	-	-
Long term debt issued	-	2,300,000	567,811	5,500,000	-	10,000,000	-	-	-	85,106,000
Premium from long term debt issued	-	-	-	-	-	-	-	-	-	1,036,627
Capital lease	240,000	-	500,000	411,678	412,000	-	750,000	782,538	1,189,758	364,924
Total other financing sources (uses)	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776	60,170	3,249,379	592,835	84,779,587
Net change in fund balances	\$ 2,189,546	\$ 198,073	\$ (4,643,800)	\$ (229,651)	\$ (3,714,647)	\$ 3,699,347	\$ (5,334,715)	\$ (21,816,974)	\$ (50,908,255)	\$ 81,830,385
Debt service as a percentage of noncapital expenditures	9.35%	10.60%	12.70%	10.94%	11.18%	11.16%	18.58%	12.10%	10.38%	4.96%

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
2014	9,845,628,311	831,140,903	510,570,486	1,965,410,798	3,307,122,187	6,244,441,461	276,777,081	17,288,286	6,538,506,828	8.5753	66.4%
2013	9,063,324,273	790,176,725	139,646,192	1,929,051,092	2,858,874,009	5,905,080,330	284,677,625	14,692,309	6,204,450,264	7.6620	68.5%
2012	8,967,256,546	809,537,659	88,037,723	1,914,733,524	2,812,308,906	5,850,747,157	289,403,554	14,796,929	6,154,947,640	6.7814	68.6%
2011	9,491,634,943	803,802,045	130,052,142	1,996,422,009	2,930,276,196	6,240,360,413	304,054,485	16,943,849	6,561,358,747	6.0550	69.1%
2010	10,784,264,640	822,981,655	240,011,388	2,063,506,136	3,126,499,179	7,304,829,176	336,625,866	16,310,419	7,657,765,461	5.2479	71.0%
2009	13,276,936,467	1,129,596,741	645,098,557	2,166,142,487	3,940,837,785	8,966,544,251	353,116,104	16,438,327	9,336,098,682	4.5445	70.3%
2008	15,816,035,892	1,162,193,077	1,237,240,752	2,269,445,399	4,668,879,228	10,795,694,787	329,608,884	21,852,993	11,147,156,664	4.3346	70.5%
2007	17,329,405,998	1,654,055,086	1,847,523,684	1,642,909,904	5,144,488,674	11,825,830,139	337,622,917	21,464,268	12,184,917,324	4.7716	70.3%
2006	14,821,292,314	911,134,786	1,717,916,865	1,288,879,455	3,917,931,106	10,566,257,509	318,757,556	18,346,143	10,903,361,208	4.9838	73.6%
2005	10,574,905,938	697,024,492	1,092,445,576	903,294,804	2,692,764,872	7,631,455,482	235,828,532	14,857,052	7,882,141,066	5.3938	74.5%

(1) The Flagler County Property Appraiser shall assess all property at market or just value. In arriving at just valuation as required under s. 4 Article VII of the State Constitution, the Property Appraiser takes into consideration the factors listed in Section 193.011, Florida Statutes.

(2) Governmental and Institutional Exemptions.

(3) "Save Our Homes" (FS 193.155), limits annual increases in property value assessments on real property qualifying for and receiving Homestead Exemption.

(4) Other exemptions includes \$25,000 homestead exemption, Disability, Widows/Widowers, Agricultural, land taxes, and Age 65 & older.

(5) Information on estimated actual value is not provided because it cannot be reasonably estimated based on assessed values.

Source: Flagler County Property Appraiser

Schedule 6

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

County Direct Rates				Overlapping Rates								
Fiscal Year	General Purposes	Debt Service	Total	School District	City of Palm Coast	City of Flagler Beach	City of Bunnell	East Flagler Mosquito Control District	SJWMD	FL Inland Navigation District	Town of Marineland	Town of Beverly Beach
2014	7.9906	0.5847	8.5753	7.4420	4.2705	5.3350	6.9506	0.2533	0.3283	0.0345	10.0000	2.3000
2013	7.0800	0.5820	7.6620	7.9430	4.2958	5.1244	6.9506	0.2540	0.3313	0.0345	9.3912	2.3000
2012	6.2232	0.5582	6.7814	8.0310	3.9900	4.8500	6.9506	0.2390	0.3313	0.0345	7.3823	2.3000
2011	5.5905	0.4645	6.0550	8.0130	3.5000	4.2023	6.0544	0.2038	0.4158	0.0345	3.0896	2.3000
2010	4.8894	0.3585	5.2479	7.7680	3.5000	3.4643	6.0544	0.2038	0.4158	0.0345	1.7931	2.0456
2009	4.2962	0.2483	4.5445	7.3100	2.9623	3.0199	6.0544	0.1730	0.4158	0.0345	1.5797	2.0456
2008	4.0762	0.2584	4.3346	7.6180	2.9623	2.6790	5.8216	0.1550	0.4158	0.0345	1.5996	2.0456
2007	4.6655	0.1061	4.7716	7.7110	3.2500	3.0000	5.9000	0.1680	0.4620	0.0385	1.7660	2.3198
2006	4.8361	0.1477	4.9838	8.3360	3.4000	3.0000	5.9000	0.1860	0.4620	0.0385	4.3551	2.3198
2005	5.1830	0.2108	5.3938	8.6120	3.4000	3.0000	5.9000	0.2350	0.4620	0.0385	(2)	2.3198

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

(2) There were no tax rates assessed for Town of Marineland for 2005

Source: Flagler County Tax Collector, Flagler County Property Appraiser

Schedule 7

FLAGLER COUNTY, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

2014				2005			
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank
Florida Power & Light Company	\$ 2,564,980	1.86%	1	Florida Power & Light Company	\$ 1,249,652	0.97%	1
KRG Palm Coast Landing LLC	491,332	0.36%	2	Bell South Telecommunications	479,402	0.37%	2
Bell South Telecommunications	427,459	0.31%	3	Harbor Club Owners Assn, Inc	288,585	0.22%	3
Florida Landmark Communities	373,108	0.27%	4	Palm Coast Holdings Inc	274,961	0.21%	4
Bright House Networks	324,171	0.24%	5	Centex Homes	263,324	0.21%	5
Integra Woods LLC	318,488	0.23%	6	Seagate Homes Inc	263,140	0.20%	6
Palm Coast Holdings Inc	264,065	0.19%	7	Lowe Ocean Hammock LTD	246,615	0.19%	7
Palm Coast Medical Specialists	263,798	0.19%	8	Crescent Resources Inc.	193,285	0.15%	8
Target Corporation	261,361	0.19%	9	The Grand Club LLC	185,725	0.14%	9
Celebrity Resorts of Pam Coast	215,445	0.16%	10	MCW-RC-FL-Palm Harbor LLC	183,762	0.14%	10
Total	<u>\$ 5,504,207</u>	<u>4.00%</u>		Total	<u>\$ 3,628,451</u>	<u>2.82%</u>	
Total Taxes Levied	<u>\$ 137,584,994</u>			Total Taxes Levied	<u>\$ 128,445,304</u>		

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
2014	\$ 137,584,994	\$ 118,554,639	86.17%	N/A	\$ 118,554,639	86.17%
2013	130,450,977	114,959,269	88.12%	1,584,914	116,544,183	89.34%
2012	126,473,783	116,590,891	92.19%	2,103,838	118,694,729	93.85%
2011	128,442,873	117,033,392	91.12%	2,893,685	119,927,077	93.37%
2010	140,050,887	127,261,198	90.87%	3,255,665	130,516,863	93.19%
2009	157,540,003	140,967,345	89.48%	4,368,325	145,335,670	92.25%
2008	168,742,630	148,004,450	87.71%	2,584,694	150,589,144	89.24%
2007	180,414,992	162,511,553	90.08%	5,778,208	168,289,761	93.28%
2006	167,299,238	152,610,204	91.22%	3,867,279	156,477,483	93.53%
2005	128,445,304	119,516,476	93.05%	1,936,573	121,453,049	94.56%

(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**

Fiscal Year	Governmental Activities				Business-type Activities		Total	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Revenue Bonds (2)	Notes (2)	Capital Leases (2)	Revenue Bonds	Notes (2)			
2014	\$ 41,665,000	\$ 24,485,000	\$ 7,646,347	\$ 158,973	\$ 3,254,000	\$ 3,369,054	\$ 80,578,374	2.10%	806
2013	43,425,000	25,150,000	8,895,541	166,647	3,254,000	3,603,394	84,494,582	2.30%	845
2012	45,105,000	26,570,000	7,722,811	330,187	-	3,829,638	83,557,636	2.38%	850
2011	46,715,000	27,935,000	9,080,000	414,001	-	4,047,800	88,191,801	2.73%	906
2010	43,770,000	29,255,000	9,116,000	276,195	-	3,181,160	85,598,355	2.82%	894
2009	45,215,000	30,530,000	10,260,000	249,865	-	3,355,858	89,610,723	3.13%	946
2008	36,930,000	31,765,000	11,461,459	750,558	-	3,536,913	84,443,930	2.81%	903
2007	38,590,000	32,965,000	18,750,676	971,413	-	3,283,401	94,560,490	3.38%	1,045
2006	40,195,000	34,105,000	20,121,590	948,106	-	1,491,439	96,861,135	3.81%	1,166
2005	41,650,000	34,105,000	21,344,780	661,068	-	1,650,935	99,411,783	4.79%	1,301

(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 Statutes do not provide a legal debt margin for Florida counties

Schedule 10

FLAGLER COUNTY, FLORIDA**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt (1)	Ratio of Net General Bonded Debt To Estimated Actual Taxable Value (2)	Net Bonded Debt per Capita (3)
2014	\$ 41,665,000	\$ 644,215	\$ 41,020,785	0.52%	403.83
2013	43,425,000	872,679	42,552,321	0.39%	425.71
2012	45,105,000	1,020,914	44,084,086	0.36%	448.20
2011	46,715,000	1,174,704	45,540,296	0.41%	467.67
2010	43,770,000	728,449	43,041,551	0.46%	449.77
2009	45,215,000	832,594	44,382,406	0.58%	468.66
2008	36,930,000	1,381,722	35,548,278	0.54%	380.01
2007	38,590,000	1,500,622	37,089,378	0.60%	409.75
2006	40,195,000	1,521,282	38,673,718	0.62%	465.48
2005	41,650,000	1,556,280	40,093,720	0.61%	524.72

(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, 2014

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
School District	\$ 69,320,000	100%	\$ 69,320,000
City of Palm Coast	10,289,000	59.54%	6,126,071
Subtotal, overlapping debt			75,446,071
Flagler County direct debt			73,955,320
Total direct and overlapping debt			\$ 149,401,391

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

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

Schedule 12

FLAGLER COUNTY, FLORIDA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

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

Schedule 13

FLAGLER COUNTY, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Capital Improvement Revenue Bonds, Series 2005						
Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 3,535,516	\$ -	\$ 3,535,516	\$ 665,000	\$ 1,141,256	1.96
2013	3,702,853	-	3,702,853	1,420,000	1,183,788	1.42
2012	4,372,403	-	4,372,403	1,365,000	1,239,488	1.68
2011	4,127,364	-	4,127,364	1,320,000	1,287,247	1.58
2010	4,002,203	-	4,002,203	1,275,000	1,330,020	1.54
2009	4,066,967	-	4,066,967	1,235,000	1,372,401	1.56
2008	4,354,392	-	4,354,392	1,200,000	1,411,970	1.67
2007	4,410,703	-	4,410,703	1,140,000	1,454,270	1.70
2006	4,635,612	-	4,635,612	-	750,844	6.17
2005	4,417,643	-	4,417,643	-	-	N/A

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.

Special Assessment Revenue Note, Series 2002						
Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ -	\$ -	\$ -	\$ 310,000	\$ 11,873	0.00
2013	379	-	379	310,000	23,746	0.00
2012	365,136	-	365,136	310,000	35,684	1.06
2011	384,061	-	384,061	310,000	47,525	1.07
2010	377,043	-	377,043	310,000	59,365	1.02
2009	385,938	-	385,938	310,000	71,076	1.01
2008	401,529	-	401,529	310,000	83,241	1.02
2007	414,138	-	414,138	310,000	94,919	1.02
2006	427,493	-	427,493	310,000	106,857	1.03
2005	395,107	-	395,107	310,000	118,730	0.92

(1) The pledged revenues are the proceeds of special assessment levied against all benefited property.

(2) In 2013 and 2014 debt service was accomplished with pledged revenues reserve balance. Debt was paid off as 9/30/14.

Water and Sewer System Revenue Bond, Series 2013						
Fiscal Year	Pledged-Revenues (1)	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 821,894	\$ 675,084	\$ 146,810	\$ -	\$ 113,890	1.29
2013	529,333	426,709	102,624	-	44,308	2.32

Note: Bonds were issued in April 2013

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)
2014	101,579	3,837,679	37,781	12,508	7.5%
2013	99,956	3,673,655	36,753	12,687	10.2%
2012	98,359	3,516,641	35,753	12,758	11.6%
2011	97,376	3,229,939	33,170	12,829	13.5%
2010	95,696	3,033,691	31,595	12,975	15.1%
2009	94,700	2,864,943	30,253	12,770	14.5%
2008	93,546	3,009,888	32,175	12,580	9.6%
2007	90,516	2,801,197	31,800	12,015	6.3%
2006	83,084	2,541,927	30,892	11,049	4.2%
2005	76,410	2,075,802	27,297	9,694	4.4%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2014 based on 2013 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**

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Flagler County Schools	1,750	1	4.39%	1,500	1	5.32%
Palm Coast Data Ltd.	721	2	1.81%	900	2	3.19%
Florida Hospital-Flagler	950	3	2.38%	532	4	1.89%
Publix Supermarket	690	4	1.73%	175	8	0.62%
Sea Ray Boats	525	5	1.32%	-	-	-
Hammock Beach Resort	467	6	1.17%	-	-	-
Wal-Mart	461	7	1.16%	600	3	2.13%
City of Palm Coast	393	8	0.99%	283	6	1.00%
Flagler County	334	9	0.84%	327	5	1.16%
Flagler County Sheriffs Office	285	10	0.71%	201	7	0.71%
Albertson's	-	-	-	165	9	0.58%
Winn-Dixie Stores	-	-	-	160	10	0.57%
Total	<u>6,576</u>			<u>4,843</u>		

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

Schedule 16

FLAGLER COUNTY, FLORIDA**FULL TIME EQUIVALENT EMPLOYEES BY PROGRAM/FUNCTION****LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Program/Function:</u>										
General Government										
Legislative and Executive	11.0	11.2	11.2	12	12	11	11	9	9	8
Financial and Administrative	17	17	18	18	18	18	21	24.65	11.65	13.7
Other General Government	42.5	35.5	35.5	34	36	42	46.5	36	34	36
Legal Counsel	4	4	4	4	4	4	4	4	4	4
Comprehensive Planning	6.5	6.5	7.5	6	7	11	14	29	23	22
Court-Related	4.25	2.75	2.75	2.5	2.5	2.5	2.5	1.5	1.5	1.5
Public Safety										
Fire/Rescue & Fire Inspection	83	83	83	84	79	79	80	80	75	71
Emergency Management	9.5	10.3	10.3	10	11	12	17	16	14	10
Building Inspections	6.5	5.5	5.5	6	6	9	11	9.5	8.0	8
Code Enforcement	2	2	2	2	2	2	2	2	2	2
Physical Environment	10.8	11	11	11	10	10	12	13.5	16.5	8.5
Transportation	60.3	59.8	57.38	54.5	46.5	48.5	64	58	64.5	61.5
Economic Environment	4.5	4	4	2	2	2	2	2.35	2.35	2.30
Human Services	15.35	15.35	16.75	15.75	15.75	17.5	18.5	20.5	20.0	18
Culture/Recreation										
Libraries	16.3	15.5	16.5	18	18.5	19	19	19.5	19.5	18.5
Parks and Recreation	17.5	17.5	17.5	18.5	18	17.5	24.5	25.5	23.5	23.5
Total	<u>310.95</u>	<u>300.9</u>	<u>302.88</u>	<u>298.25</u>	<u>288.25</u>	<u>305</u>	<u>349</u>	<u>351</u>	<u>328.5</u>	<u>308.5</u>
<u>Constitutional Officers:</u>										
Clerk of Court	52.0	50.5	50.5	51.5	47.5	57	69	60	44	42
Sheriff	278	285	285	279	279	279	279	277	244	204
Tax Collector	30	30	30	30	30	30	30	23	22	16
Property Appraiser	28	28	28	31	31	31	31	32	27	24
Supervisor of Elections	6	6	6	6	6	6	6	6	5.75	5.5
Total	<u>394.0</u>	<u>399.5</u>	<u>399.5</u>	<u>397.5</u>	<u>393.5</u>	<u>403</u>	<u>415</u>	<u>398</u>	<u>342.75</u>	<u>291.5</u>

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17

FLAGLER COUNTY, FLORIDA**OPERATING INDICATORS****LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government:										
Number of Building Permits Reviewed and Issued	1,914	1,931	1,560	1,940	1,555	1,313	1,830	1,521	1,827	2,103
Number of Registered Voters	69,290	70,337	66,515	65,814	62,869	61,826	55,197	50,571	49,961	47,584
Public Safety										
Physical Arrests by Sheriff's Department	2,845	2,759	3,350	3,616	3,202	3,143	3,100	2,978	3,248	3,499
Total Fire	1,258	962	793	1,010	950	1,447	(1)	(1)	1,807	1,954
Total EMS Runs	14,143	11,887	11,005	10,411	10,154	8,366	(1)	(1)	11,544	10,487
Flight Operations-Air Ambulance Transports	21	41	41	25	20	30	38	46	75	60
Human Services										
Number of acres sprayed by Mosquito Control	2,345	1,418	6,073	3,200	655	7,088	(1)	3,384	1,735	3,036
Meals on Wheels	25,245	27,775	30,630	27,590	36,499	21,792	20,253	34,924	29,027	22,882
Number of applicants for assistance	804	808	1,011	916	1,011	813	803	732	556	483
Culture Recreation										
Collection items circulated in County Libraries	428,284	443,261	447,450	451,741	479,294	514,124	552,648	502,560	527,610	522,134
Number of persons who visited County Libraries	318,039	318,039	337,659	360,561	407,444	487,707	487,541	383,149	383,149	377,310
Transportation										
Number of Trips	97,995	93,906	91,518	83,430	79,666	72,669	92,757	98,082	87,320	82,231
Physical Environment										
Wastewater flow, in millions of gallons	15.677	17.114	15.969	14.986	14.640	12.223	6.798	15.212	15.190	(2)
Drinking water flow, in millions of gallons	22.467	22.842	21.890	20.669	19.618	19.136	13.501	23.787	23.739	(2)
Number of water customers serviced	482	497	465	458	462	466	467	432	431	(2)

(1) Information is unavailable

(2) Flagler County purchased Ocean City Utilities in fiscal year 2005. We buy water in bulk from City of Palm Coast and sell the water to the residents of Beverly Beach. The wastewater flow is from Beverly Beach wastewater plant and the drinking water flow is from the 8" meter at Interconnect with City of Palm Coast.

Source: Various Departments

Schedule 18
FLAGLER COUNTY, FLORIDA
CAPITAL ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Program/Function:</u>										
Public Safety										
Fire/Rescue Vehicles	48	45	44	44	40	40	44	44	42	31
Fire Stations	7	7	7	7	7	7	7	7	7	7
Flight Operations Vehicles	2	2	2	2	2	2	2	2	2	2
Physical Environment										
Sanitary Landfill Site Acres	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92
Transportation										
Miles of road maintained:										
Paved (2)	95.52	95.52	95.52	95.52	92.98	92.62	91.87	91.47	88.92	84.51
Unpaved (3)	133.70	133.70	131.70	131.70	131.70	131.70	132.20	132.60	132.98	137.39
Public Works Vehicles	28	27	27	30	28	28	27	35	35	34
Public Works Heavy Machinery	52	50	54	47	49	49	48	54	55	51
Transit Vehicles	38	40	39	34	31	32	28	30	28	22
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	6,400	6,400	6,400	6,400	6,400	6,400	5,299	5,299	5,299
Number of Parks	21	20	20	20	20	20	20	17	17	17
Number of Playgrounds	12	12	12	12	12	12	12	12	12	12
Number of Community Centers	7	7	7	7	7	7	7	7	7	7
Libraries	2	2	2	2	2	2	2	2	2	2

Source: Various departments

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
<u>FEDERAL AWARDS</u>			
<u>U.S. Department of Agriculture</u>			
Water or Waste System Grant	10.760		\$ 225,815
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Florida Department of Economic Opportunity:			
Neighborhood Stabilization Program	14.228	12DB-Q5-04-28-01-F03	69,623
Passed through Department of Children & Families:			
Emergency Solutions Grant	14.231	NPZ07	95,421
<u>U.S. Department of Justice</u>			
Direct Assistance:			
COPS Hiring	16.710	210UMW0071	260,840
Federal Equitable Sharing	16.922		2,832
Passed through Florida Department of Law Enforcement:			
Bulletproof Vest Partnership Program	16.607		16,490
Street Level Narcotics	16.738	2014-JAGC-FLAG-1-E5-021	49,494
Violence Against Women's Office			
Safe Havens: Supervised Visitation and Safe Exchange	16.527	2011-CW-AX-K014	10,733
Passed through Florida Office of the Attorney General:			
Victims of Crime Act - VOCA	16.575	V13034	50,979
<u>U.S. Department of Transportation</u>			
Direct Assistance:			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-12-0009-013-2011	10,941
Airport Improvement Program	20.106	3-12-0009-014-2012	2,745
Airport Improvement Program	20.106	3-12-0009-015-2013	98,100
			<u>111,786</u>
Federal Transit Administration			
Rural Areas - Section 5311 Operating Assistance	20.509	APD37; 422633-1-84-31	177,342
Rural Areas - Section 5311 Operating Assistance	20.509	ARA98; 422633-2-84-32	116,984
			<u>294,326</u>
New Freedom Grant - Section 5317	20.521	AQA76; 430347-1-84-xx	188,379
Passed through the Florida Department of Transportation			
Highway Planning and Construction	20.205	AQK20; 418207-1-58-01	12,047
Highway Planning and Construction	20.205	AQN69; 417467-1-58-01	78,486
Highway Planning and Construction	20.205	AQP08; 430626-2-58-01	39,732
Highway Planning and Construction	20.205	AQO65; 407463-3-58-01	263,632
Highway Planning and Construction	20.205	AQX86; 428042-1-38-01	248,982
Highway Planning and Construction	20.205	AR310; 415963-1-58-01/68-01	1,559,026
Highway Planning and Construction	20.205	ARC32; 407463-5-58-01/68-01	1,322,702
Highway Planning and Construction	20.205	ARD53; 430276-1-58-01/38-01	148,603
			<u>3,673,210</u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
<u>FEDERAL AWARDS</u>			
Passed through the Florida Department of Transportation			
National Priority Safety Programs	20.616	M5HVE-14-06-28	47,612
National Priority Safety Programs	20.616	M3DA-14-18-16	23,776
			<u>71,388</u>
<u>Environmental Protection Agency</u>			
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	00D13013	62,403
<u>Department of Health and Human Services</u>			
Passed through the Northeast Florida Agency on Aging			
Older Americans Act Title III B	93.044	A013FCBCC	40,174
Older Americans Act Title III B	93.044	A014FCBCC	65,515
Older Americans Act Title III C1	93.045	A013FCBCC	20,005
Older Americans Act Title III C1	93.045	A014FCBCC	46,548
Older Americans Act Title III C2	93.045	A013FCBCC	33,909
Older Americans Act Title III C2	93.045	A014FCBCC	98,541
Nutrition Services Incentives	93.053	U013FCBCC	3,232
Nutrition Services Incentives	93.053	U014FCBCC	22,503
			<u>330,427</u>
Older Americans Act Title III E	93.052	A013FCBCC	1,029
Older Americans Act Title III E	93.052	A014FCBCC	19,985
			<u>21,014</u>
Emergency Home Energy Assistance	93.568	P013FCBCC	9,977
Emergency Home Energy Assistance	93.568	P014FCBCC	10,242
			<u>20,219</u>
Passed through the Florida Department of Revenue			
Title IV-D	93.563	CE318	89,612
Passed through the Florida Commission for the Transportation Disadvantaged			
Medical Assistance Program	93.778	BDM65; 41604318201	89,922
Medical Assistance Program	93.778	BDM65; 41604318201	19,630
			<u>109,552</u>
<u>Executive Office of The President</u>			
Office of National Drug Control and Policy			
Passed through St. Johns County			
High Intensity Drug Trafficking	95.001		7,536
<u>Department of Homeland Security</u>			
Passed through Florida Division of Emergency Management			
EMPG Base Grant	97.042	14-FG-1M-04-28-01-085	45,762
EMPG Base Grant	97.042	15-FG-4D-04-28-01-085	14,651
			<u>60,413</u>
State Homeland Security Grant Program	97.067	11-DS-9Z-04-28-01-333	37,204
State Homeland Security Grant Program	97.067	13-DS-20-04-28-01-520	18,500
State Homeland Security Grant Program	97.067	13-DS-97-04-28-01-356	10,923
Urban Area Security Initiative	97.067		109,996
			<u>176,623</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,999,115</u></u>

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures
<u>STATE FINANCIAL ASSISTANCE</u>			
<u>Executive Office of the Governor</u>			
Emergency Management Program	31.063	14-BG-83-04-28-01-018	\$ 85,713
Emergency Management Program	31.063	15-BG-83-04-28-01-018	34,432
			<u>120,145</u>
<u>Department of Environmental Protection</u>			
Small County Consolidated Grant	37.012	407SC	83,200
<u>Department of Agriculture and Consumer Services</u>			
Mosquito Control	42.003	16082	1,731
<u>Department of State and Secretary of State</u>			
State Aid to Libraries	45.030	14-ST-10	28,523
<u>Florida Housing Finance Corporation</u>			
State Housing Initiative Partnership	52.901	2013-2014	351,046
<u>Florida Department of Transportation</u>			
Trip and Equipment Grant Program	55.001	ARF24; 43202718401/ 43202818401	69,500
Trip and Equipment Grant Program	55.001	AR166; 43202718408/ 43202818401	207,522
Shirley Conroy Rural Area Capital Assistance Grant	55.001	AR771; 41065618401	75,533
			<u>352,555</u>
Aviation Development Grant	55.004	AQ549; 40496819401	1,100,009
Aviation Development Grant	55.004	AQO67; 40496929401	26,895
Aviation Development Grant	55.004	AQY44; 41851629401	43,800
Aviation Development Grant	55.004	AR907; 435082-1-94-01	130,000
Aviation Development Grant	55.004	ARF63; 404965-1-94-01	4,750
			<u>1,305,454</u>
County Incentive Grant Program	55.008	AR310; 41596315801 &68-01	1,946,762
County Incentive Grant Program	55.008	AR105; 415962-1-38-01	517,212
County Incentive Grant Program	55.008	AR106; 415964-1-38-01	480,573
			<u>2,944,547</u>
Small County Outreach Program	55.009	AQN99; 42435413801/ 42435415801	22,836
Small County Road Assistance Program	55.016	AQW86; 42844415801	53,415

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures
<u>STATE FINANCIAL ASSISTANCE</u>			
County and School District Infrastructure Program	55.029	APW44; 428224138 & 5801/ 48224238 & 5801	987,150
County and School District Infrastructure Program	55.029	AQ948; 43026138 & 5801	550,000
County and School District Infrastructure Program	55.029	AQ945; 430263138 & 5801	15,021
County and School District Infrastructure Program	55.029	AQ947; 430265138 & 5801	127,375
County and School District Infrastructure Program	55.029	AQ946; 430264138 & 5801	23,586
			1,703,132
Transportation Regional Incentive Program	55.026	AR157; 411959-2-C8-01	764,027
<u>Department of Children and Families</u>			
Public Safety, Mental Health, & Substance Abuse	60.115	LHZ34	48,082
Public Safety, Mental Health, & Substance Abuse	60.115	LHZ38	187,950
			236,032
<u>Florida Department of Health</u>			
County Grant Award	64.005	C7018	107
County Grant Award	64.005	C8018	67
County Grant Award	64.005	C1018	9
County Grant Award	64.005	C2018	8,508
			8,691
<u>Department of Elder Affairs</u>			
Passed through the Northeast Florida Agency on Aging			
Home Care for the Elderly	65.001	H012FCBCC	1,440
Home Care for the Elderly	65.001	H014FCBCC	522
			1,962
Alzheimer's Respite Services	65.004	Z012FCBCC	33,475
Alzheimer's Respite Services	66.004	Z014FCBCC	6,889
			40,364
Community Care for the Elderly	65.010	C012FCBCC	98,531
Community Care for the Elderly	65.010	C014FCBCC	44,495
			143,026
<u>Department of Management Services</u>			
E911 State Grant Program	72.002	S5-12-12-06	83,404
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 8,244,090

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

(1) Basis of Presentation:

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

(2) Transfers to Subrecipients:

During the year ended September 30, 2014, the following amounts were provided to subrecipients outside of Flagler County, Florida from each Federal and State Program:

Name of Federal Program:	CFDA	Amount
Criminal Justice, Mental Health and Substance Abuse Grant	60.115	\$236,032

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

The Honorable County Commissioners
Flagler County, Florida

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

We have audited Flagler County, Florida's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report

thereon dated May 27, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Gainesville, Florida
May 27, 2015

Schedule of Findings and Questioned Costs

PART I – SUMMARY OF AUDITOR'S RESULTS

- (i) The independent auditor's report on the financial statements expressed an unmodified opinion.
- (ii) The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal award programs or state projects.
- (v) The report on compliance for the major federal programs and state projects was unmodified.
- (vi) The audit disclosed no findings relative to the major federal programs or state projects.
- (vii) The County's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA Number</u>
Highway Planning and Construction	20.205
Aging Cluster	93.044/045/053
<u>State Projects</u>	<u>CSFA Number</u>
State Housing Initiatives Partnership	52.901
Commission for the Transportation Disadvantaged	
Trip and Equipment Grant	55.001
County Incentive Grant	55.008
Transportation Regional Incentive Program	55.026
County and School District Infrastructure	
Pilot Program	55.029

- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
- (ix) The County did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

Flagler County, Florida
Schedule of Findings and Questioned Costs

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to the major federal programs.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to the major state projects.

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

The Honorable County Commissioners
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Flagler County, Florida (the "County") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 27, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 27, 2015

MANAGEMENT LETTER

The Honorable County Commissioners
Flagler County, Florida

We have audited the financial statements of Flagler County, Florida (the "County") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 27, 2015. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Financial Condition

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

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

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2014.

Other Matters

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

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

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

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 27, 2015

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, 2014. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
May 27, 2015

CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
AUDIT REPORT
SEPTEMBER 30, 2014

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
March 11, 2015

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,538,420	\$ 230,613	\$ 230,814	\$ 104,593	\$ 2,104,440
Accounts receivable	2,872	313	-	-	3,185
Due from other funds	-	1,471	-	-	1,471
Due from Board of County Commissioners	2,199	-	-	-	2,199
Due from other governments	5,033	17,905	-	-	22,938
Prepays	-	-	42,344	2,951	45,295
Other assets	15,980	-	-	-	15,980
TOTAL ASSETS	<u>\$ 1,564,504</u>	<u>\$ 250,302</u>	<u>\$ 273,158</u>	<u>\$ 107,544</u>	<u>\$ 2,195,508</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 64,758	\$ 19,170	\$ 5,681	\$ 1,955	\$ 91,564
Due to Board of County Commissioners	88,845	-	-	-	88,845
Due to other governments	263,063	231,132	-	-	494,195
Deposits	1,147,818	-	-	-	1,147,818
Unearned revenue	20	-	-	-	20
TOTAL LIABILITIES	<u>1,564,504</u>	<u>250,302</u>	<u>5,681</u>	<u>1,955</u>	<u>1,822,442</u>
FUND BALANCES					
Nonspendable:					
Prepays	-	-	42,344	2,951	45,295
Restricted for					
Court related technology	-	-	225,133	-	225,133
Records modernization	-	-	-	102,638	102,638
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>267,477</u>	<u>105,589</u>	<u>373,066</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,564,504</u>	<u>\$ 250,302</u>	<u>\$ 273,158</u>	<u>\$ 107,544</u>	<u>\$ 2,195,508</u>

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, 2014**

	General Fund	Court Operations	Court Technology	Records Modernization	Governmental Funds
REVENUES					
Intergovernmental	\$ -	\$ 92,879	\$ -	\$ -	\$ 92,879
Charges for services	610,395	1,416,544	191,434	66,598	2,284,971
Fines and forfeitures	-	151,498	67,691	-	219,189
Miscellaneous revenue	24,386	-	-	-	24,386
Investment income	7,974	5,069	889	493	14,425
TOTAL REVENUES	642,755	1,665,990	260,014	67,091	2,635,850
EXPENDITURES					
Current					
General government					
Personal services	1,496,410	-	-	-	1,496,410
Operating expenses	162,874	-	-	56,552	219,426
Capital outlay	40,180	-	-	9,971	50,151
Court related					
Personal services	-	1,460,012	80,447	-	1,540,459
Operating expenses	12,568	99,606	123,376	-	235,550
Capital Outlay	-	1,019	28,667	-	29,686
TOTAL EXPENDITURES	1,712,032	1,560,637	232,490	66,523	3,571,682
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,069,277)	105,353	27,524	568	(935,832)
OTHER FINANCING SOURCES (USES)					
Transfers in- Board of County Commissioners	1,163,310	-	-	-	1,163,310
Transfers in- other Funds	-	21,982	-	-	21,982
Reversion to other governments	-	(178,512)	-	-	(178,512)
Reversion to Board of County Commissioners	(72,051)	-	-	-	(72,051)
Transfers out- other Funds	(21,982)	-	-	-	(21,982)
TOTAL OTHER FINANCING SOURCES (USES)	1,069,277	(156,530)	-	-	912,747
NET CHANGE IN FUND BALANCES	-	(51,177)	27,524	568	(23,085)
FUND BALANCES, BEGINNING OF YEAR	-	51,177	239,953	105,021	396,151
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 267,477	\$ 105,589	\$ 373,066

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, 2014**

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 3,415,527
Due from other governments	875
TOTAL ASSETS	\$ 3,416,402
LIABILITIES	
Accounts payable	\$ 13,361
Due to other funds	1,471
Due to Board of County Commissioners	45,229
Due to constitutional officers	2,958
Due to other governments	169,347
Deposits	3,184,036
TOTAL LIABILITIES	3,416,402
NET POSITION	\$ -

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

(1) Summary of Significant Accounting Policies:

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

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 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 reported as a part of the primary government of Flagler County, Florida. The Clerk’s special purpose financial statements do not intend to reflect the financial position or the results of operations of Flagler County, Florida, taken as a whole.

Measurement Focus, Basis of Accounting, and Basis of Presentation - The Clerk’s financial statements are issued separately to comply with Section 10.556(4) *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 218.39(2), *Florida Statutes*. These special purpose financial statements are the fund financial statements specified in GASB Statement No. 34. In conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement, rather than duplicate, the notes included in the County’s countywide financial statements.

Fund financial statements report detailed information about the Clerk. The focus of fund financial statements is on major funds. Each major fund is reported in a separate column. For the year ended September 30, 2014, the Clerk reported the General, Court Operations, Court Technology and Records Modernization as major funds.

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.

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of 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.

Fund Accounting

Governmental funds are accounted for using the flow of current financial resources measurement focus. Generally, only current assets and current liabilities are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Clerk reports the following governmental funds:

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

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

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

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Interest income and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

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, 2014 have been included in a fund liability, Due to Other Governments.

Capital outlays expended in governmental fund operations are capitalized in the basic financial statements of Flagler County, Florida.

Additionally, the Clerk reports the following fund:

Agency Funds – The Agency Funds of the Clerk are used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Cash and Cash Equivalents – The Clerk's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from acquisition date.

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

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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

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

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

(2) Operating Leases:

The Clerk has four operating leases for office equipment. The leases expire at varying dates from November 1, 2014 to August 23, 2017. Monthly payments range from \$93 to \$1,646. Lease payments for the year ended September 30, 2014 was \$37,260. The future minimum lease payments for the next three years are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2015	\$ 34,050
2016	31,907
2017	28,615
	<u>\$ 94,572</u>

(3) Changes in Long-Term Liabilities:

The Clerk estimates \$216,157 due within one year. A summary of changes in the Clerk's long-term liabilities as reported in the basic financial statements of Flagler County, Florida follows:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2014</u>
Compensated absences	<u>\$ 207,043</u>	<u>\$ 240,934</u>	<u>\$ 231,820</u>	<u>\$ 216,157</u>

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

(4) Pension Plans:

Defined Benefit Pension Plan – The Clerk participates in the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing multiple-employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, *Florida Statutes*, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, ten-year historical trend information, and other required supplementary information. That report may be obtained by writing to the:

State of Florida Department of Management Services
Division of Retirement
PO Box 9000
Tallahassee, Florida 32315-1560

Regular members hired before July 1, 2011 are eligible for normal retirement after six years of service and attaining age sixty-two, or thirty years of service regardless of age. Regular members hired after July 1, 2011 are eligible for normal retirement after eight years of service and attaining age sixty-five, or thirty three years of service regardless of age. Early retirement may be taken any time after completion of six or eight years of service; however, there is a five percent benefit reduction for each year prior to normal retirement. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3%. The employer contribution rates are as follows:

	October 1, 2013 - June 30, 2014	July 1, 2014 - September 30, 2014
Regular Employees	6.95%	7.37%
Elected County Officials	33.03%	43.24%
Senior Management	18.31%	21.14%
Deferred Retirement Option Programs Employees	12.84%	12.28%

The contribution rate of current year covered payroll is 6.19 percent. For the years ended September 30, 2014, 2013, and 2012, total contributions were \$225,887, \$124,854, and \$96,063, respectively. The Clerk made actual contributions equal to the actuarially determined required contributions each year.

Defined Contribution Pension Plan – As of June 1, 2002, the Florida Retirement System offers members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the State of Florida Department of Management Services, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, *Florida Statutes*, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

The Investment Plan provides for vesting of benefits after one year of credible service. Employees may make an election to participate in the Investment Plan instead of the Pension Plan.

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

(4) Pension Plans: (Continued)

New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3%. The employer contribution rates for the Investment Plan are the same as the Pension Plan.

For the year ended September 30, 2014, 11 employees of the Clerk were participating in the Investment Plan and the remaining employees were participating in the Pension Plan. The total contribution to the Investment Plan for the year ended September 30, 2014 was \$34,034.

(5) Deposits:

At fiscal year end, the carrying amount of the Clerk's deposits and bank balances were \$5,519,967 and \$5,874,238, respectively. Bank balances are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). Any balance in excess of FDIC insurance is covered by collateral held by the Clerk's custodial bank which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, of the *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 Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

(6) Interfund Balances:

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. At September 30, 2014, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental funds:		
Court Operations	\$ 1,471	\$ -
Agency funds:		
Child Support	-	1,471
Totals	<u>\$ 1,471</u>	<u>\$ 1,471</u>

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

(7) Due From/To Entities of Flagler County:

At September 30, 2014, the amounts due from/to entities of Flagler County consist of the following:

<u>General Fund</u>	
Board of County Commissioners	2,199
Due from entities of Flagler County	<u>\$ 2,199</u>

<u>General Fund</u>	
Board of County Commissioners	88,845
<u>Agency Funds</u>	
Sheriff	2,958
Board of County Commissioners	45,229
Due to entities of Flagler County	<u>\$ 137,032</u>

There were \$72,051 of excess revenues reverted to the Board of County Commissioners.

(8) 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 \$487,696 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, 2014.

(9) Other Postemployment Benefits:

The Clerk participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Charges for services	\$ 595,800	\$ 610,200	\$ 610,395	\$ 195
Miscellaneous revenue	3,100	24,300	24,386	86
Investment income	3,000	8,000	7,974	(26)
TOTAL REVENUES	<u>601,900</u>	<u>642,500</u>	<u>642,755</u>	<u>255</u>
EXPENDITURES				
Current				
General government				
Personal services	1,519,483	1,496,773	1,496,410	363
Operating expenses	178,745	166,049	162,874	3,175
Capital outlay	20,000	36,710	40,180	(3,470)
Court related				
Operating expenses	25,000	12,500	12,568	(68)
TOTAL EXPENDITURES	<u>1,743,228</u>	<u>1,712,032</u>	<u>1,712,032</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,141,328)</u>	<u>(1,069,532)</u>	<u>(1,069,277)</u>	<u>255</u>
OTHER FINANCING SOURCES (USES)				
Transfers in- Board of County Commissioners	1,163,310	1,163,310	1,163,310	-
Reversion to Board of County Commissioners	-	(71,796)	(72,051)	(255)
Transfer out- other funds	(21,982)	(21,982)	(21,982)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,141,328</u>	<u>1,069,532</u>	<u>1,069,277</u>	<u>(255)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	\$ 103,580	\$ 93,266	\$ 92,879	\$ (387)
Charges for services	1,315,739	1,416,339	1,416,544	205
Fines and forfeitures	104,378	151,578	151,498	(80)
Investment income	1,483	5,083	5,069	(14)
TOTAL REVENUES	<u>1,525,180</u>	<u>1,666,266</u>	<u>1,665,990</u>	<u>(276)</u>
EXPENDITURES				
Court related				
Personal services	1,365,691	1,453,246	1,460,012	(6,766)
Operating expenses	159,489	106,679	99,606	7,073
Capital Outlay	-	1,000	1,019	(19)
TOTAL EXPENDITURES	<u>1,525,180</u>	<u>1,560,925</u>	<u>1,560,637</u>	<u>288</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>105,341</u>	<u>105,353</u>	<u>12</u>
OTHER FINANCING SOURCES (USES)				
Transfers in- other funds	-	21,982	21,982	-
Reversion to other governments	-	(178,500)	(178,512)	(12)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(156,518)</u>	<u>(156,530)</u>	<u>(12)</u>
NET CHANGE IN FUND BALANCES	-	(51,177)	(51,177)	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>51,177</u>	<u>51,177</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to schedule:

The schedule is prepared on a basis that does not differ materially from generally accepted accounting principles. Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level on control

**CLERK OF THE CIRCUIT COURT & COMPTROLLER
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Charges for services	\$ 240,000	\$ 190,000	\$ 191,434	\$ 1,434
Fines and forfeitures	60,000	67,500	67,691	191
Investment income	-	-	889	889
TOTAL REVENUES	<u>300,000</u>	<u>257,500</u>	<u>260,014</u>	<u>2,514</u>
EXPENDITURES				
Court related				
Personal services	401,074	342,975	80,447	262,528
Operating expenses	155,926	142,525	123,376	19,149
Capital outlay	-	29,000	28,667	333
TOTAL EXPENDITURES	<u>557,000</u>	<u>514,500</u>	<u>232,490</u>	<u>282,010</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(257,000)</u>	<u>(257,000)</u>	<u>27,524</u>	<u>284,524</u>
NET CHANGE IN FUND BALANCES	(257,000)	(257,000)	27,524	284,524
FUND BALANCES, BEGINNING OF YEAR	<u>257,000</u>	<u>257,000</u>	<u>239,953</u>	<u>(17,047)</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,477</u>	<u>\$ 267,477</u>

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, 2014**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
REVENUES				
Charges for services	\$ 80,000	\$ 66,500	\$ 66,598	\$ 98
Investment income	-	500	493	(7)
TOTAL REVENUES	<u>80,000</u>	<u>67,000</u>	<u>67,091</u>	<u>91</u>
EXPENDITURES				
Current				
General government				
Operating expenses	185,000	162,000	56,552	105,448
Capital Outlay	-	10,000	9,971	29
TOTAL EXPENDITURES	<u>185,000</u>	<u>172,000</u>	<u>66,523</u>	<u>105,477</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(105,000)</u>	<u>(105,000)</u>	<u>568</u>	<u>105,568</u>
NET CHANGE IN FUND BALANCES	(105,000)	(105,000)	568	105,568
FUND BALANCES, BEGINNING OF YEAR	<u>105,000</u>	<u>105,000</u>	<u>105,021</u>	<u>21</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,589</u>	<u>\$ 105,589</u>

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.

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 11, 2015. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
March 11, 2015

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated March 11, 2015.

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.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
March 11, 2015

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

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

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
March 11, 2015

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

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

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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, LLC

Gainesville, Florida
March 11, 2015

Flagler County Sheriff

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Sheriff (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 08, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
April 08, 2015

Flagler County Sheriff

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	\$ 866,073	\$ 60,604	\$ 926,677
Due from other funds	-	200	200
Due from other county agencies	46,852	-	46,852
Due from other governments	81,203	-	81,203
Accounts receivable	21,152	21,394	42,546
Total assets	\$ 1,015,280	\$ 82,198	\$ 1,097,478
Liabilities			
Accounts payable and accrued liabilities	\$ 354,726	\$ -	\$ 354,726
Accrued wages	578,601	-	578,601
Due to other county agencies	74,559	-	74,559
Due to other governments	7,394	-	7,394
Total liabilities	1,015,280	-	1,015,280
Deferred inflows			
Unavailable revenue	-	10,848	10,848
Fund balances			
Restricted:			
Law enforcement education	-	427	427
Federal equitable sharing	-	14,577	14,577
Committed:			
Inmate benefits	-	56,346	56,346
Total fund balances	-	71,350	71,350
Total liabilities, deferred inflows and fund balances	\$ 1,015,280	\$ 82,198	\$ 1,097,478

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
Year ended September 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	\$ 464,328	\$ -	\$ 464,328
Charges for services	3,042,997	70,520	3,113,517
Fines and forfeitures	56,950	2,832	59,782
Miscellaneous	48,228	4,862	53,090
Total revenues	3,612,503	78,214	3,690,717
Expenditures			
Current:			
Public safety:			
Personal services	17,533,899	-	17,533,899
Operating expenditures	3,478,611	182,644	3,661,255
Capital outlay	624,923	-	624,923
Court related:			
Personal services	587,546	-	587,546
Operating expenditures	13,626	-	13,626
Debt service:			
Principal	247,674	-	247,674
Interest	2,756	-	2,756
Total expenditures	22,489,035	182,644	22,671,679
Excess of revenues over (under) expenditures	(18,876,532)	(104,430)	(18,980,962)
Other financing sources (uses)			
Appropriation from board of county commissioners	18,640,565	-	18,640,565
Reversion to board of county commissioners	(21,285)	-	(21,285)
Capital lease	240,000	-	240,000
Sale of capital assets	17,252	-	17,252
Total other financing sources (uses)	18,876,532	-	18,876,532
Net change in fund balances	-	(104,430)	(104,430)
Fund balances - beginning of year	-	175,780	175,780
Fund balances - end of year	\$ -	\$ 71,350	\$ 71,350

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

Flagler County Sheriff

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
Assets	
Cash and equivalents	\$ 21,496
Liabilities	
Due to other funds	200
Due to other county agencies	17,667
Assets held for others	3,629
Total liabilities	21,496
Net position	\$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following nonmajor governmental funds:

Inmate Welfare Fund – This fund is used to account for revenues and expenditures related to the commissary operations of the detention facility.

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.

Five Point Star Association, Inc. (Five Point Star Fund) – This fund is a 501(c)(3) organization used to account for donations from employees and others used for donor-specified purposes.

Federal Equitable Sharing Fund – This fund is used to account for and report resources received under the U.S. Department of Justice's Equitable Sharing program.

Law Enforcement Automation Fund – This fund is used to account for and report resources from the City of Palm Coast restricted for the acquisition of public safety equipment.

The Office also reports the following fiduciary funds:

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

Deferred Inflows of Resources

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

Fund Balance

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

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

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

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

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities of the governmental funds. Such amounts are instead reported in the government-wide financial statements of the County.

The Office defines capital assets as assets with an initial individual cost of \$1,000 or more, except for guns which are considered capital assets regardless of cost, and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Furniture & Equipment	5-10 years
Vehicles	5 years

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

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

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Capital assets				
Equipment	\$4,865,270	\$ 295,556	\$61,801	\$5,099,025
Vehicles	4,886,096	421,783	102,711	5,205,168
Total capital assets	9,751,366	717,339	164,512	10,304,193
Less accumulated depreciation				
Equipment	3,937,141	416,451	58,751	4,294,841
Vehicles	3,762,613	535,940	102,711	4,195,842
Total accumulated depreciation	7,699,754	952,391	161,462	8,490,683
Total capital assets, net	\$2,051,612	\$(235,052)	\$ 3,050	\$1,813,510

Depreciation expense of \$952,391 applies to the public safety function.

Notes to Financial Statements

NOTE 3 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$730,600	\$ 1,215,000	\$ 1,156,000	\$ 789,600	\$ 789,600
Capital lease obligations	166,647	240,000	247,674	158,973	78,977
Total	\$897,247	\$1,455,000	\$1,403,674	\$ 948,573	\$868,577

The Office has lease agreements with a financial institution for vehicles and equipment with interest rates ranging from 1.29% to 1.9%. The aggregate historical cost of the vehicles and equipment is \$740,000.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, are as follows:

Year ending September 30,	Amount
2015	\$ 81,027
2016	81,027
Total	162,054
Less interest	(3,081)
	\$ 158,973

NOTE 4 – OPERATING LEASES

The Sheriff has multiple operating leases for both facilities and equipment with maturity dates ranging from monthly to March 31, 2018. Monthly rent expense ranges from \$3,478 to \$8,597. Rent expenditures under these leases for the year ended September 30, 2014, was \$235,875. The future minimum lease payments for the remaining terms are as follows:

Year ending September 30,	Amount
2015	\$ 75,591
2016	65,019
2017	47,399
2018	20,867
	\$ 208,876

Notes to Financial Statements

NOTE 5 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides 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 System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (877) 377-1737.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP Employees 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$2,078,000, \$1,598,000, and \$1,510,000, respectively, equal to the required contributions for each year.

NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 7 – 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 8 – CONTINGENCIES AND COMMITMENTS

The Office is the defendant in lawsuits filed by former employees seeking compensation for unpaid hourly wages and overtime, and for wrongful termination. Subsequent to year-end, a settlement was reached and it is estimated that these claims may, net of insurance, be settled for up to approximately \$188,000.

The Office is, during the course of normal operations, involved in various claims. It is the opinion of management that any uninsured claims other than as described above would not be material in relation to the Office's financial condition.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 487,233	\$ 464,328	\$ (22,905)
Charges for services	3,004,605	3,077,173	3,042,997	(34,176)
Fines and forfeitures	-	75,000	56,950	(18,050)
Miscellaneous	-	65,000	48,228	(16,772)
Total revenues	3,004,605	3,704,406	3,612,503	(91,903)
Expenditures				
Public safety:				
Personal services	17,608,703	17,911,827	17,533,899	377,928
Operating expenditures	3,263,085	3,408,186	3,478,611	(70,425)
Capital outlay	57,000	435,472	624,923	(189,451)
Court related:				
Personal services	587,079	588,548	587,546	1,002
Operating expenditures	20,477	13,938	13,626	312
Debt service:				
Principal	270,000	249,243	247,674	1,569
Interest	-	2,757	2,756	1
Total expenditures	21,806,344	22,609,971	22,489,035	120,936
Excess of revenues over (under) expenditures	(18,801,739)	(18,905,565)	(18,876,532)	29,033
Other financing sources (uses)				
Appropriation from board of county commissioners	18,801,739	18,640,565	18,640,565	-
Reversion to board of county commissioners	-	-	(21,285)	(21,285)
Capital lease	-	240,000	240,000	-
Sale of capital assets	-	25,000	17,252	(7,748)
Total other financing sources (uses)	18,801,739	18,905,565	18,876,532	(29,033)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to schedule:

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

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2014

	Inmate Welfare Fund	Police Education Fund	Five Point Star Fund	Federal Equitable Sharing Fund	Law Enforcement Automation Fund	Total Nonmajor Governmental Funds
Assets						
Cash and equivalents	\$ 45,600	\$ 427	\$ -	\$ 14,577	\$ -	\$ 60,604
Due from other funds	200	-	-	-	-	200
Accounts receivable	21,394	-	-	-	-	21,394
Total assets	\$ 67,194	\$ 427	\$ -	\$ 14,577	\$ -	\$ 82,198
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows						
Unavailable revenue	10,848	-	-	-	-	10,848
Fund balances						
Restricted	-	427	-	14,577	-	15,004
Committed	56,346	-	-	-	-	56,346
Total fund balances	56,346	427	-	14,577	-	71,350
Total liabilities, deferred inflows and fund balances	\$ 67,194	\$ 427	\$ -	\$ 14,577	\$ -	\$ 82,198

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2014

	Inmate Welfare Fund	Police Education Fund	Five Point Star Fund	Federal Equitable Sharing Fund	Law Enforcement Automation Fund	Total Nonmajor Governmental Funds
Revenues						
Charges for services	\$ 60,520	\$ 10,000	\$ -	\$ -	\$ -	\$ 70,520
Fines and forfeitures	-	-	-	2,832	-	2,832
Miscellaneous	-	-	4,862	-	-	4,862
Total revenues	60,520	10,000	4,862	2,832	-	78,214
Expenditures						
Current:						
Public safety:						
Operating expenditures	63,218	10,000	16,194	2,832	90,400	182,644
Excess of revenues over (under) expenditures	(2,698)	-	(11,332)	-	(90,400)	(104,430)
Fund balances - beginning of year	59,044	427	11,332	14,577	90,400	175,780
Fund balances - end of year	\$ 56,346	\$ 427	\$ -	\$ 14,577	\$ -	\$ 71,350

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2014

	Inmate Fund	Suspense Fund	Civil Processing Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 9,415	\$ -	\$ 12,081	\$ 21,496
Liabilities				
Due to other funds	200	-	-	200
Due to other county agencies	5,586	-	12,081	17,667
Assets held for others	3,629	-	-	3,629
Total liabilities	9,415	-	12,081	21,496
Net position	\$ -	\$ -	\$ -	\$ -

Additional Elements Required by the Rules of the Auditor General



MANAGEMENT LETTER

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Sheriff (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated April 08, 2015. 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, other than item 2014-002 as described in the accompanying Schedule of Findings.

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

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

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

Gainesville, Florida
April 08, 2015

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

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Sheriff (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated April 08, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2014-001 to be a material weakness.

Compliance and Other Matters

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

We noted a certain matter that we reported to management described in the accompanying Schedule of Findings as item 2014-002.

The Office's Response to Findings

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

Purpose of this Report

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

Cam, Riggs & Ingram, L.L.C.

Gainesville, Florida
April 08, 2015

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

The Honorable James L. Manfre
Sheriff
Flagler County, Florida

We have examined the office of the Flagler County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
April 08, 2015

Schedule of Findings

2014-001 Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices.

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

2014-002 Condition: Subsequent to the end of the 2014 fiscal year, the Office settled a class action lawsuit and, as a result, agreed to provide compensation to the plaintiff in the 2015 fiscal year. Because of the timing of the settlement agreement, the costs associated with the settlement should have been charged to the Office's 2015 budget year. However, we noted that some of the settlement costs were accrued and charged to the 2014 budget year. As a result, the Office's current year expenditures were overstated and the reversion to the Board of County Commissioners was understated by approximately \$100,000.

Recommendation: The Office should ensure that costs associated with claims and judgments are charged to the correct budget year. Under the modified accrual basis of accounting, expenditures should only be recorded when they are expected to be liquidated with expendable available financial resources.



Flagler County Sheriff's Office

James L. Manfre
SHERIFF

Accountability • Integrity • Respect

April 8, 2015

Mr. David W. Martin, CPA
Auditor General, State of Florida
Post Office Box 1735
Tallahassee, FL 32302

Dear Mr. Martin,

Thank you for the opportunity to respond to the recommendations made by our independent auditors, Carr, Riggs and Ingram, CPAs and Advisors, LLC, in connection with their audit of the Flagler County Sheriff's Department for the fiscal year ending September 30, 2014. This response is offered pursuant to the provision 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".

2014-001 – Condition: As part of the audit process, we proposed material adjustments to the Office's financial statement. Our proposed adjustments were accepted by management, enabling the financial statement to be fairly presented in conformity with generally accepted accounting practices.

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

Response: The Office will establish ongoing monitoring systems for both individuals and the office's internal control system. Management will communicate methods for employees to report deficiencies in or breaches of established controls. Management will correct any issue that may occur as soon as possible, so that further damage can be prevented or contained and the issue rectified.

2014-002 – Condition: Subsequent to the end of the 2014 fiscal year, the Office settled a class action lawsuit and, as a result, agreed to provide compensation to the plaintiff in the 2015 fiscal year. Because of the timing of the settlement agreement, the costs associated with the settlement should have been charged to the Office's 2015 budget year. However, we noted that some of the settlement costs were accrued and charged to the 2014 budget year. As a result, the Office's current year expenditures were overstated and the reversion to the Board of county Commissioners was understated by approximately \$100,000.

Recommendation: The Office should ensure that costs associated with claims and judgments are charged to the correct budget year. Under the modified accrual basis of accounting, expenditures



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Flagler County Sheriff's Office

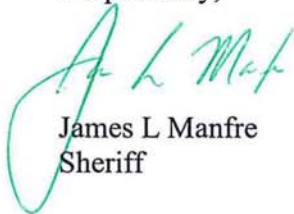
James L. Manfre
SHERIFF

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should only be recorded when they are expected to be liquidated with expendable available financial resources.

Response: Discussions with the field auditor regarding this contingent liability for fiscal year 2014 determined that the accrual was proper accounting practice, therefore, based on those discussions and recommendations the Office accrued the contingent liability in the 2014 budget year. GASB 62, paragraph 102 allows for the accrual of contingent liabilities if they are reasonably estimable and relate to the current or prior period. The agency began discussions of a settlement with the plaintiff subsequent to the end of September 2014, therefore, the liability was highly probable and an estimated loss was necessary to calculate as of September 2014.

Respectfully,



James L Manfre
Sheriff



A State Accredited Law Enforcement Agency

Flagler County Tax Collector

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Gainesville, Florida
February 5, 2015

Flagler County Tax Collector

Balance Sheet – Governmental Funds
As of September 30, 2014

	General Fund
Assets	
Cash	\$ 1,224,699
Due from other funds	22,205
Due from other county agencies	11,472
Due from other governments	305
Total assets	\$ 1,258,681
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 17,796
Due to other county agencies	1,178,658
Due to other governments	62,227
Total liabilities	1,258,681
Fund balance	-
Total liabilities and fund balance	\$ 1,258,681

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

Flagler County Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2014

	General Fund
Revenues	
Charges for services	\$ 3,203,478
Miscellaneous revenue	3,567
Total revenues	3,207,045
Expenditures	
General government services:	
Personal services	1,864,127
Operating expenditures	412,186
Capital outlay	7,790
Total expenditures	2,284,103
Excess of revenues over expenditures	922,942
Other financing uses	
Reversion to board of county commissioners	(922,942)
Net change in fund balance	-
Fund balance - October 1, 2013	-
Fund balance - September 30, 2014	\$ -

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

Flagler County Tax Collector

Statement of Fiduciary Net Position
As of September 30, 2014

	Agency Funds
Assets	
Cash	\$ 2,115,504
Receivables	46,885
Total assets	2,162,389
Liabilities	
Assets held for others	1,986,637
Due to other funds	22,205
Due to other county agencies	153,547
Total liabilities	2,162,389
Net position	\$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Tax Collector (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held in a custodial capacity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Use of Estimates

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

Notes to Financial Statements

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	\$ 22,205	\$ -
Agency funds:		
Tax fund	-	22,205
Total	\$ 22,205	\$ 22,205

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 47,000	\$ 70,000	\$ 66,000	\$ 51,000	\$ 30,000

NOTE 4 – PENSION PLAN

Plan Description

The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides 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 System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy

The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution

NOTE 4 – PENSION PLAN (CONTINUED)

requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$156,900, \$90,700 and \$72,800 respectively, equal to the required contributions for each year.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled \$2,926.

NOTE 5 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 6 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 7 – CONTINGENCIES

The Office is, during the course of normal operations, involved in various claims. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Required Supplementary Information

Flagler County Tax Collector

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$3,220,167	\$3,220,167	3,203,478	\$ (16,689)
Miscellaneous revenues	6,190	6,190	3,567	(2,623)
Total revenues	3,226,357	3,226,357	3,207,045	(19,312)
Expenditures				
General government services:				
Personal services	1,898,441	1,897,441	1,864,127	33,314
Operating expenditures	456,181	449,391	412,186	37,205
Capital outlay	-	7,790	7,790	-
Total expenditures	2,354,622	2,354,622	2,284,103	70,519
Excess of revenues over expenditures	871,735	871,735	922,942	51,207
Other financing uses				
Reversion to board of county commissioners	(871,735)	(871,735)	(922,942)	(51,207)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Supplementary Information

Fiduciary Funds

Tax Fund – To account for the collection and disbursement of real and tangible property taxes.

Tag Fund – To account for the collection and disbursement of collections such as vehicle tag, title, sales tax and marine title fees; hunting and fishing licenses and marine title fees; and for driver license fees on behalf of various State agencies.

Flagler County Tax Collector

Combining Statement of Fiduciary Net Position – Agency Funds
As of September 30, 2014

	Tax Fund	Tag Fund	Totals
Assets			
Cash	\$ 1,919,693	\$ 195,811	\$ 2,115,504
Receivables	46,101	784	46,885
Total assets	1,965,794	196,595	2,162,389
Liabilities			
Assets held for others	1,793,660	192,977	1,986,637
Due to other funds	22,205	-	22,205
Due to other county agencies	149,929	3,618	153,547
Total liabilities	1,965,794	196,595	2,162,389
Net position	\$ -	\$ -	\$ -

Additional Elements Required by the Rules of the Auditor General

MANAGEMENT LETTER

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated February 5, 2015. 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, LLC

Gainesville, Florida
February 5, 2015

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

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated February 5, 2015.

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.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
February 5, 2015

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

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have examined the office of the Flagler County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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, LLC

Gainesville, Florida
February 5, 2015

SUZANNE JOHNSTON
FLAGLER COUNTY TAX COLLECTOR

**P. O. Box 846
Bunnell, FL 32110
Phone: 386-313-4160**

February 5, 2015

The Honorable David W. Martin, CPA
Florida Auditor General
P. O Box 1735
Tallahassee, FL 32302

Dear Honorable Martin:

I have received the Flagler County Tax Collector's financial statements and audit report for the year ending September 30, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzanne Johnston', with a stylized flourish at the end.

Suzanne Johnston
Flagler County Tax Collector

Flagler County Property Appraiser

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2014, and the changes in its financial

position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Palatka, Florida
February 4, 2015

Flagler County Property Appraiser

Balance Sheet – Governmental Funds
As of September 30, 2014

	General Fund
Assets	
Cash	\$ 100,874
Due from other governments	62,657
Accounts receivable	350
Total assets	\$ 163,881
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 76,133
Due to other governments	5,262
Due to board of county commissioners	82,486
Total liabilities	163,881
Fund balance	-
Total liabilities and fund balance	\$ 163,881

See accompanying notes.

Flagler County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2014

	General Fund
Revenues	
Charges for services	\$ 66,403
Miscellaneous revenue	23,543
Total revenues	89,946
Expenditures	
General government:	
Personal services	1,798,575
Operating expenditures	217,964
Capital outlay	38,375
Total expenditures	2,054,914
Excess of revenues under expenditures	(1,964,968)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,044,519
Reversion to board of county commissioners	(79,551)
Total other financing sources (uses)	1,964,968
Net change in fund balance	-
Fund balance - October 1, 2013	-
Fund balance - September 30, 2014	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Capital Assets and Long-Term Liabilities***

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

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

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 63,000	\$89,000	\$ 84,000	\$ 68,000	\$31,000

NOTE 3 – PENSION PLAN***Defined Benefit Plan***

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides 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

NOTE 3 – PENSION PLAN (CONTINUED)

Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$137,800, \$82,500, and \$65,500, respectively, equal to the required contributions for each year.

Defined Contribution Plan. Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled approximately \$14,700.

NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 5 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 6 – LEASE COMMITMENTS

The Office has six vehicle operating leases. During the year ended September 30, 2014, the lease payments on all vehicle operating leases were \$18,535.

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

Year	Amount
2015	\$ 12,490
2016	7,319
2017	6,628
2018	2,908
Total	<u>\$ 29,345</u>

NOTE 7 – CONTINGENCIES AND COMMITMENTS

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Required Supplementary Information

Flagler County Property Appraiser

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 64,829	\$ 63,835	\$ 66,403	\$ 2,568
Miscellaneous revenue	-	-	23,543	23,543
Total revenues	64,829	63,835	89,946	26,111
Expenditures				
General government:				
Personal services	1,889,251	1,888,257	1,798,575	89,682
Operating expenditures	220,097	220,097	217,964	2,133
Capital outlay	-	-	38,375	(38,375)
Total expenditures	2,109,348	2,108,354	2,054,914	53,440
Excess of revenues under expenditures	(2,044,519)	(2,044,519)	(1,964,968)	79,551
Other financing sources (uses)				
Appropriation from board of county commissioners	2,044,519	2,044,519	2,044,519	-
Reversion to board of county commissioners	-	-	(79,551)	(79,551)
Total other financing sources (uses)	2,044,519	2,044,519	1,964,968	(79,551)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated February 4, 2015. 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, LLC

Palatka, Florida
February 4, 2015

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated February 4, 2015.

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.

Car, Riggs & Ingram, L.L.C.

Palatka, Florida
February 4, 2015

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

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

We have examined the Flagler County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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, LLC

Palatka, Florida
February 4, 2015

Flagler County
Supervisor of Elections

Audit Report

September 30, 2014

Flagler County Supervisor of Elections

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
February 13, 2015

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds
As of September 30, 2014

	General Fund
Assets	
Cash	\$ 18,517
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 497
Due to other county agencies	9,460
Unearned revenue	8,560
Total liabilities	18,517
Fund balance	-
Total liabilities and fund balance	\$ 18,517

See accompanying notes.

Flagler County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds Year ended September 30, 2014

	General Fund
Revenues	
Charges for services	\$ 9,678
Miscellaneous income	2,154
Total revenues	11,832
Expenditures	
General government:	
Personal services	447,465
Operating expenditures	201,694
Capital outlay	50,904
Total expenditures	700,063
Excess of revenues under expenditures	(688,231)
Other financing sources (uses)	
Appropriation from board of county commissioners	697,073
Reversion to board of county commissioners	(8,842)
Total other financing sources (uses)	688,231
Net change in fund balance	-
Fund balance - October 1, 2013	-
Fund balance - September 30, 2014	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Flagler County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Flagler County, which is the primary government for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

Accounts are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor 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 – 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 government-wide financial statements of the County.

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Use of Estimates

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

NOTE 2 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 5,400	\$11,800	\$ 6,700	\$ 10,500	\$ 10,500

NOTE 3 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides 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 System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$48,100, \$24,400, and \$17,500, respectively, equal to the required contributions for each year.

NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Office participates in the plan established by the Board of County Commissioners to provide other post employment benefits to retirees of the Board and Constitutional Officers. The County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. A detailed plan description and any liability for employees of the Office is included in the financial statements of the County.

NOTE 5 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

Flagler County Supervisor of Elections

Notes to Financial Statements

NOTE 6 – LEASE COMMITMENTS

The Office leases equipment through operating leases with maturity dates ranging from July 2015 to July 2017. The lease cost for the year ended September 30, 2014 was \$3,081.

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

Year Ending September 30:	
2015	\$ 1,728
2016	1,728
2017	1,296
Total	\$ 4,752

NOTE 7 – SUBSEQUENT EVENTS

In January 2015, then Supervisor of Elections, Kimberle Weeks, left office, and Kaiti Lenhart was appointed by the governor to complete Ms. Weeks' remaining term.

Required Supplementary Information

Flagler County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	<u>Budgeted Amounts</u>			Variance
	Original	Final	Actual	With final Budget
Revenues				
Charges for services	\$ -	\$ 5,501	\$ 9,678	\$ 4,177
Miscellaneous income	-	2,154	2,154	-
Total revenues	-	7,655	11,832	4,177
Expenditures				
General government:				
Personal services	492,595	451,760	447,465	4,295
Operating expenditures	199,478	202,064	201,694	370
Capital outlay	-	50,904	50,904	-
Reserve for contingencies	5,000	-	-	-
Total expenditures	697,073	704,728	700,063	4,665
Excess of revenues under expenditures	(697,073)	(697,073)	(688,231)	8,842
Other financing sources (uses)				
Appropriation from board of county commissioners	697,073	697,073	697,073	-
Reversion to board of county commissioners	-	-	(8,842)	(8,842)
Total other financing sources (uses)	697,073	697,073	688,231	(8,842)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2013	-	-	-	-
Fund balances – September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. Budgeted expenditures shown above include \$2,586 resulting from the Office's agreements with municipalities and the school board for elections services, which are fully reimbursed.

Additional Elements Required by the Rules of the Auditor General

MANAGEMENT LETTER

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated February 13, 2015. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
February 13, 2015

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

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated February 13, 2015.

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.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
February 13, 2015

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

The Honorable Kaiti Lenhart
Supervisor of Elections
Flagler County, Florida

We have examined the office of the Flagler County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
February 13, 2015