

Preserving Heritage Embracing the Future



FLAGLER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017



Preserving Heritage / Embracing the Future

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

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

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

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

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

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

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

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







FLAGLER COUNTY, FLORIDA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2017

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, 2017 TABLE OF CONTENTS

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FLAGLER COUNTY, FLORIDA PRINCIPAL OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Nate McLaughlin - Chair - District 4

Charles Ericksen, Jr. - Vice Chair - District 1

Gregory L. Hansen – District 2

David Sullivan - District 3

Donald T. O'Brien, Jr. - District 5

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

Tom Bexley

TAX COLLECTOR SHERIFF

Suzanne Johnston Rick Staly

PROPERTY APPRAISER

SUPERVISOR OF ELECTIONS

James Gardner Kaitlyn Lenhart



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

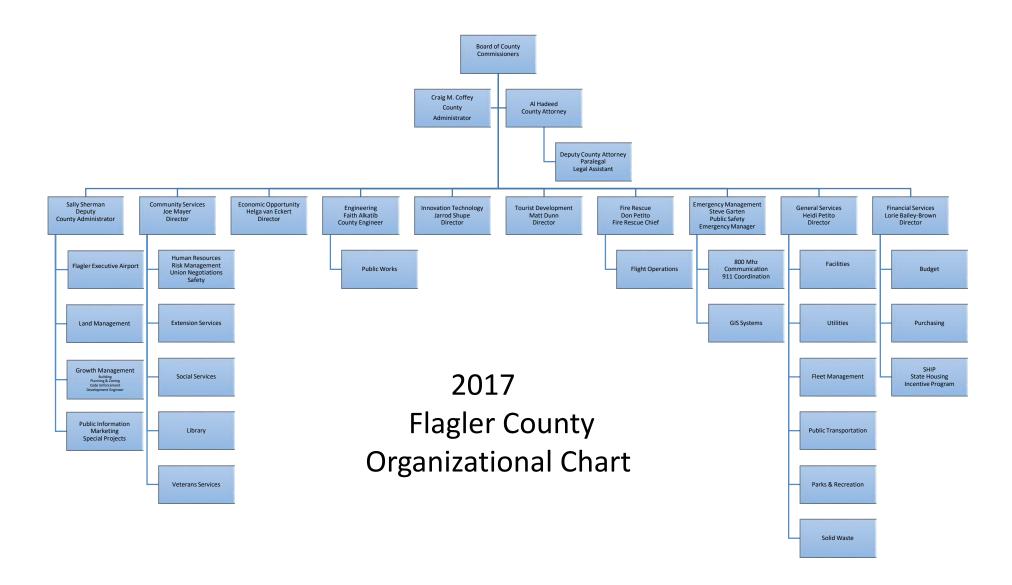
Flagler County Florida

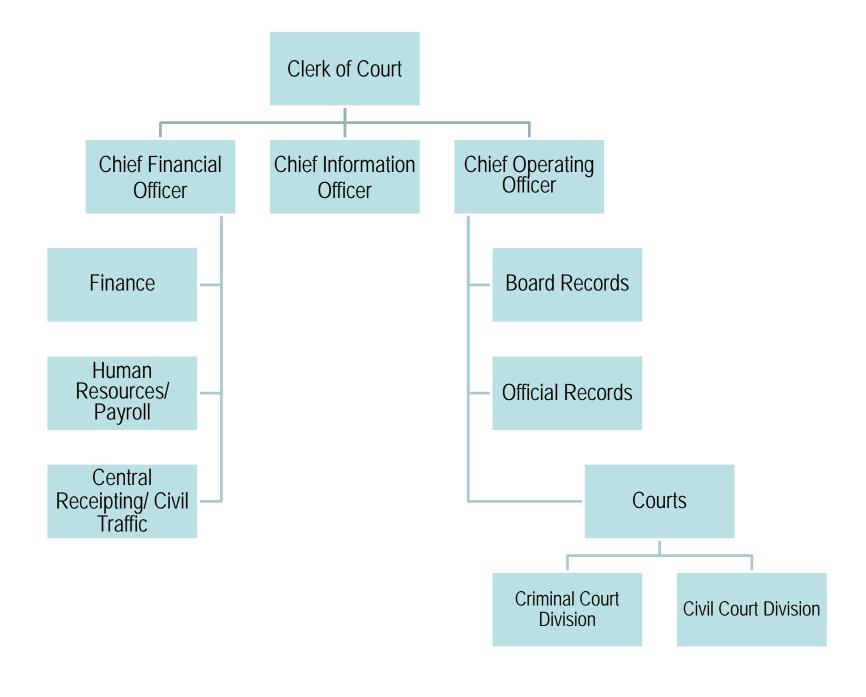
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO



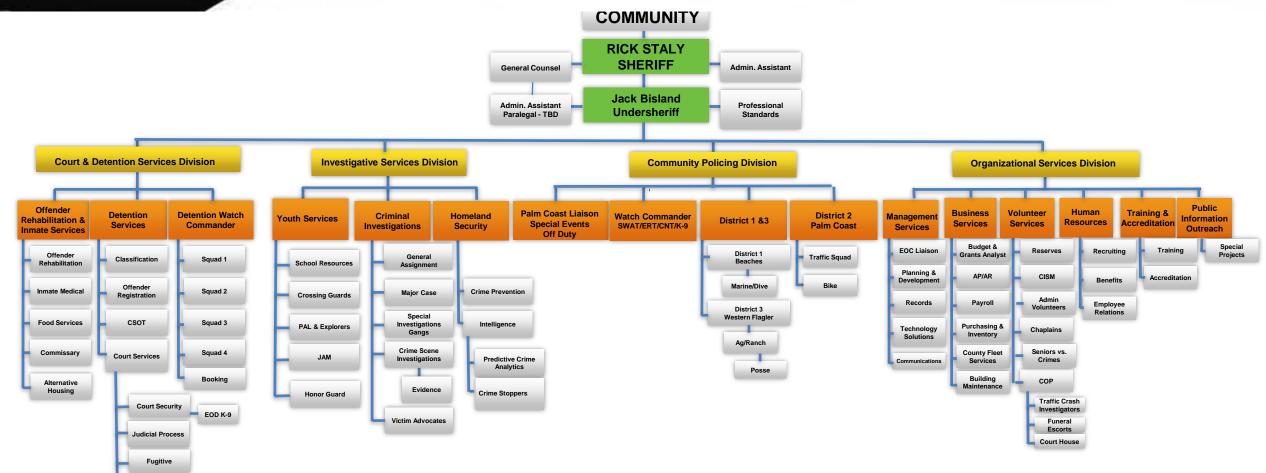


SHERIFF FLAGLER COUNTY

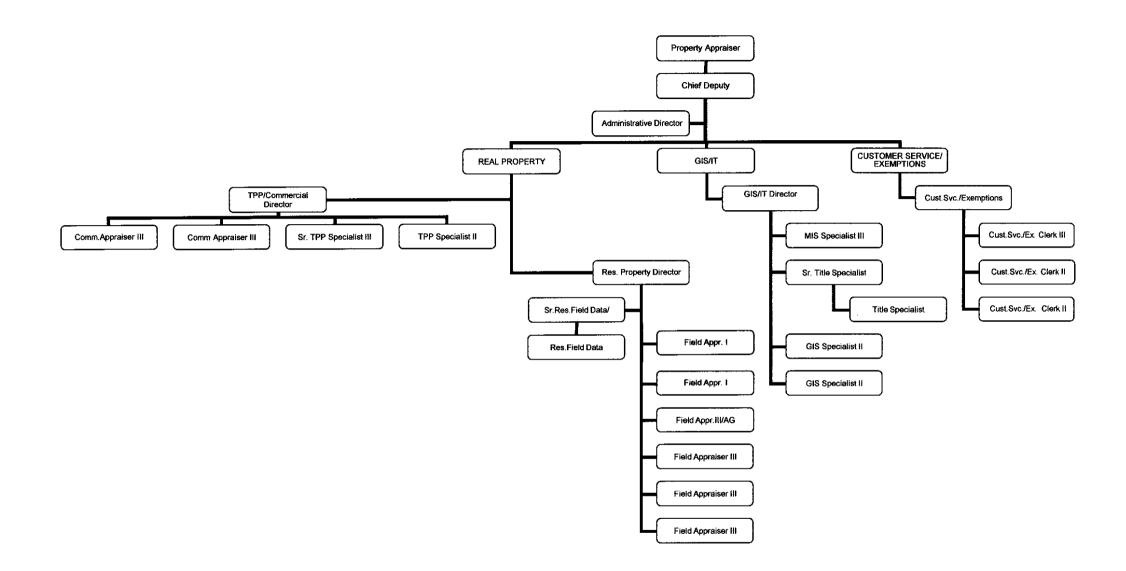
Transportation

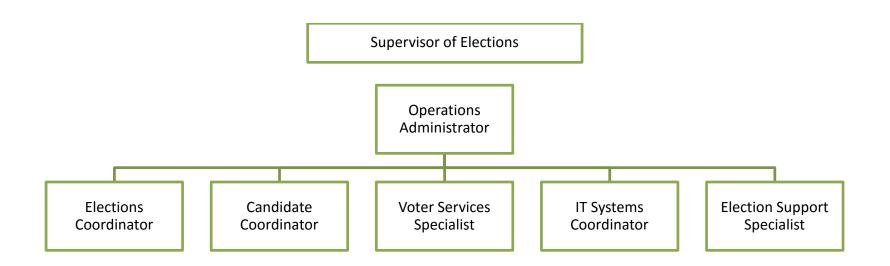
RICK STALY, SHERIFF

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



DOR		TAX COLLECTOR ELECTED OFFICIAL				
	1994	#1 STANT TAX COLLECTOR				
	A331	#2				
	DIRECTOR OF MOTORIST #17	SERVICES		TAX DIRECTOR #15	AMBULANCE SUPERVISOR #31	
MOTORIST SERV ADMINISTRATION	PHONE ROOM	MAIN OFFICE	BRANCH OFFICE	TAX DEPARTMENT	AMBULANCE BILLING/COLLECT	FINANCE
TAG DIRECTOR #4	COMMUNICATION SUPERVISOR #11	DEALER SERVICES OPER/INVENT #10	TAX/TAG/DL AGENT II ACTING MANAGER #16	BANKRUPTCY SPECIALIST #19	AMBULANCE SPECIALIST #32	FINANCE TAX/TAG/DL #34
DRIVER LICENSE MANAGER #21	COMMUNICATION SPECIALIST #13	TAX/TAG/DL AGENT II #3	TAX/TAG/DL AGENT II #27	DELINQUENT SPECIALIST #8	AMBULANCE BILLER #33	FINANCE SPECIALIST PT #1
DRIVER LICENSE MANAGER #22		TAX/TAG/DL AGENT II #6	TAX/TAG/DL AGENT II #30		AMBULANCE CODER Tax/Tag/DL #36	
		TAX/TAG/DL AGENT II #5	TAX/TAG/DL AGENT I #24			
		TAX/TAG/DL AGENT I #29	TAX/TAG/DL AGENT I #20			
		TAX/TAG/DL AGENT I #26	TAX/TAG/DL AGENT I #28			
		TAX/TAG/DL AGENT II #23	TAX/TAG/DL AGENT I # 37			
		TAX/TAG/DL/CW AGENT I # 35	TAX/TAG/DL AGENT I #12			
		TAX/TAG/DL/ AGENT I #38				
		TAX/TAG/DL AGENT I #39				
		TAX/TAG/DL/CW AGENT I #40				
		TAX/TAG/DL/ AGENT I #41				
		TAX/TAG/DL/CW AGENT II DIGITAL MEDIA/PROJ #18				
		TAX/TAG/DL AGENT I H/S PROCESSOR #7				







TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

October 17, 2018

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

In accordance with Section 218.39 of the Florida Statutes, we are pleased to submit to you, the Board of County Commissioners and the citizens of Flagler County, the Comprehensive Annual Financial Report of Flagler County, Florida, for the year ended September 30, 2017.

State law requires that every general purpose local government publish, within nine months of the close of the fiscal year, a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2017.

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

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

Flagler County's financial statements for the year ended September 30, 2017 have been audited by the independent accounting firm of Carr, Riggs & Ingram, LLC, licensed in the state of Florida. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unmodified opinion, based on their audit the County's fiscal year ended September 30, 2017 financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In accordance with the requirements of Section 215.97 of the Florida Statutes, the independent audit of the County financial statements was part of a mandated "Single Audit" designed to reset the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the section entitled Compliance. Governmental accounting and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement

the MD&A and should be read in conjunction with it. The MD&A follows the independent auditor's report.

County Services and Reporting Entity

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

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

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

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

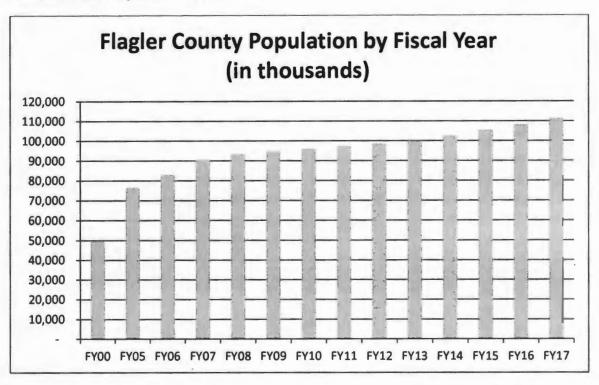
In developing and evaluating the accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designated to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records in order to prepare accurate financial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

Economic Condition and Outlook

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

Local Economy

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



The principal commerce during this population explosion was a continued agricultural presence with the lion share of expansion resulting from the residential home building industry. The County issued 2,596 building permits in the 2017 fiscal year representing a slight increase of 28% from the previous year. The international economic crisis of the late 2000's hit Flagler County particularly hard. Unemployment numbers reached a high in 2010 of 15.1%. Flagler County now enjoys a much lower 4.7% rate, slightly higher than the state and national averages. The median household income is hovering at about \$48,898, comparably equal to the State of Florida per household median of \$48,900. A stagnant school enrollment of around 13,000 students at the two local high schools, two middle schools, five elementary schools and two charter schools over the previous 5 years reflects the County's population stability and lack of noticeable growth.

Planning and Projects

Significant population growth in the last 15 plus years demands infrastructure improvements. The previous population graphic, showing a more than doubling of population in the last 15 plus years from 50,000 to 111,000 residents, clearly establishes the necessity for capital growth and expansion as well as maintenance and upgrades to current infrastructure. Flagler County Government has responded to these demands both proactively and reactively. The following examples of ongoing projects reflect a healthy response to growth and a plan focusing on long term stability.

Major capital projects and improvements

- The County issued Tourist Development Tax Revenue Bond, Series 2017 with an original face value of \$6,536,000, to provide funds for beach restoration as a result of damage by Hurricane Matthew.
- The County issued \$1,021,000 to lease/purchase a voting tabulation and new phone system.
- Improvements are ongoing at the former Bunnell Flagler County Utility (BFCU) throughout FY 2015-2016. The utility began as a joint venture between Flagler County and the City of Bunnell and was merged into the County's Utility Fund in October 2015. All rights and obligations concerning the operations, maintenance, financing, expansion and control are now under the County.
- The County is currently engaged in the construction of Eco-Cottages at two of the County's parks. Three environmentally-friendly cottages at Princess Place Preserve and ten ecofriendly cottages at the River to Sea Preserve, which will be available to the general public for rental.
- Planning development and construction continues for the Malacompra drainage project.
 Phase #1 \$2.2M, Phase #2 \$2.5M, Phase III \$3M.
- Flagler County Airport
 - Relocation and Extension of the airport runway 11-29 project, providing for the construction of the new extended runway for an overall length of 5,500' is in progress and is expected to be completed next fiscal year.

Management policies and practices

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

- Delegations of authority
- Standards of prudence
- Ethic and conflicts of interest
- Internal controls and investment procedures
- Continuing education
- · Authorized investment institution and dealers
- Maturity and liquidity requirements
- Risk and diversification
- Master repurchase agreements
- · Competitive selection of investment instruments

- Authorized investments and portfolio composition
- Performance measurements
- Reporting
- Third-party custodial agreements
- Formal investment policy adoption

For the fiscal year ended September 30, 2017, the County earned approximately 97 basis points on investments. Given the established benchmark yield of 0.99%, actual rate of return of 0.97% slightly underperformed the benchmark yield of 0.99% by 0.02%.

Flagler County has FY 2017 assets totaling approximately \$355 million with total liabilities of \$192 million. This strong financial footing is reinforced by Standard & Poor's Ratings Services. The S & P outlook is positive and affirmed by its 'AA-' rating on Flagler County's outstanding general obligation (GO) bonds and its 'A+' rating on the County's capital improvement and revenue refunding bonds. They also assigned our 'AA-' rating to the county's series 2015 GO refunding bonds.

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

Risk management

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

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

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

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

Goals and Objectives

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

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

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement of Excellence in Financial Reporting to Flagler County for its Comprehensive Annual Financial Report for the year ended September 30, 2016. This was the third year that the County has received this prestigious award.

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

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

Acknowledgments

f the Circuit Court and Comptroller

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.



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

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INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners Flagler County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Flagler County, Florida (the "County"), as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Gainesville, Florida October 17, 2018



Management's Discussion and Analysis

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

Financial Highlights

- Total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows, reported as net position, by \$269,613,539 as of September 30, 2017.
- Total net position decreased by \$11,057,290, including prior period adjustments.
- Total governmental activities net position decreased by \$21,490,549. This is attributed to
 expenditures exceeding revenues primarily in the areas of public safety and transportation.
 Public safety incurred approximately \$4.5M of expenses incurred due to Hurricanes Matthew
 and Irma. Transportation had significant increases in expenditures of \$21.9M for infrastructure
 while receiving \$8.2M less in capital grants and contributions.
- Total business-type activities net position increased by \$10,433,259. This is as a result of
 elevated revenues for all activities in all programs; most notably, a \$5.6M increase in capital
 grants and contributions.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The statement of activities presents information showing how the County's net position changed during the fiscal year ended September 30, 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods such as uncollected taxes and earned but unused personal leave.

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

The government-wide financial statements can be found on pages 15 - 16 of this report.

Fund financial statements

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

Governmental funds

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

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

The County maintains numerous individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Government Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Constitutional Gas Tax, Capital ESL 2008 Referendum and Capital Projects which are considered major funds. Information related to the additional non-major governmental funds is combined into a single aggregated presentation. Individual fund information for each of these non-major governmental funds is provided in the form of combining statements.

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

The governmental fund financial statements can be found on pages 17 - 20 of this report.

Proprietary funds

The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to airport operations, water and wastewater services, refuse disposal and waste management to unincorporated parts of the

County. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its employee group insurance program. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary financial statements can be found on pages 21 - 24 of this report.

Fiduciary funds

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

The basic fiduciary fund financial statements can be found on page 25 of this report.

Notes to the financial statements

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

The notes to the financial statements can be found on pages 27 - 64 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes budget and actual comparisons for the general funds and major special revenue funds with adopted budgets. This also includes the County's schedules of proportionate share of net pension liability, schedules of employer contributions, and progress in funding of its Other Postemployment Benefits (OPEB) obligation. Required supplementary information can be found on pages 66 - 70 of this report.

Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA NET POSITION

(in thousands)

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

Net position may serve over time as a useful indicator of the County's financial position. Total assets and deferred outflows of the County exceeded liabilities and deferred inflows by \$269,613,539 as of the fiscal year ended September 30, 2017.

The largest reported amount of the County's net position \$259,147,011 reflects its investment in capital assets, less the related outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The county's investment in capital assets is reported net of related debt, and should be noted that resources required to repay this debt must be provided from other sources, since the capital assets cannot be used to reduce these liabilities.

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

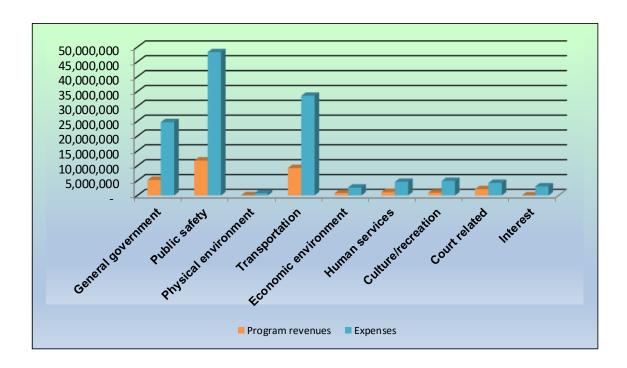
At September 30, 2017 the County is able to report positive balances in two categories of net position for governmental activities and positive balances for all three categories of net position for business-type activities.

FLAGLER COUNTY, FLORIDA CHANGES IN NET POSITION

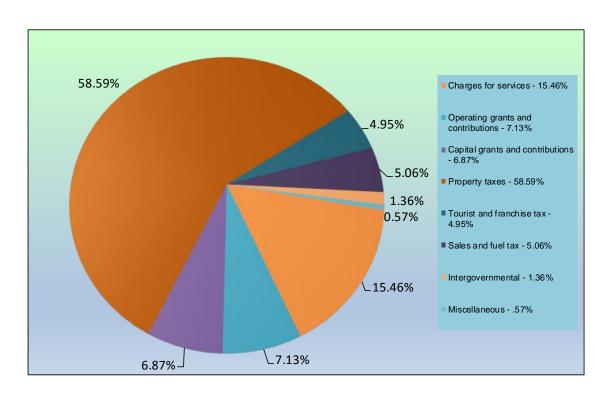
(in thousands)

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

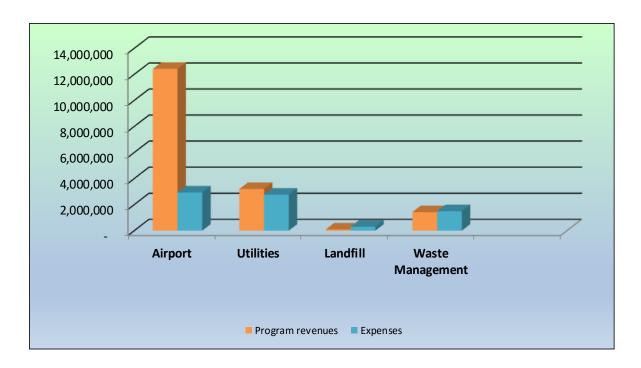
Expenses and Program Revenues - Governmental Activities



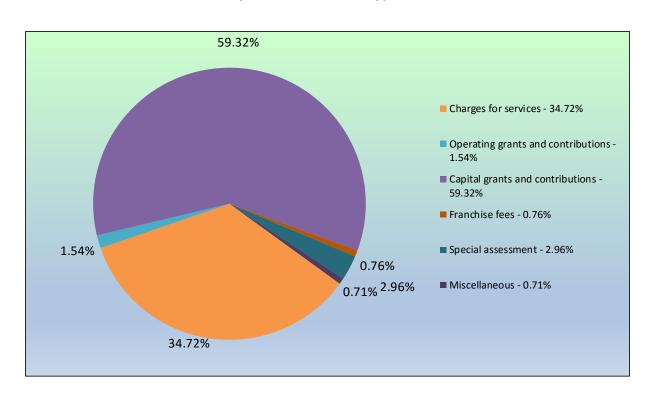
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

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

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

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

Business-type activities

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

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

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

Financial Analysis of the County's Funds

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

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

At September 30, 2017, the County's governmental funds reported combined ending fund balances of \$48,979,088, a decrease of \$1,529,621. Assigned and unassigned fund balance of \$7,973,961 in the general fund is available for spending at the County's discretion; \$35,503,522 of fund balances of other governmental funds are restricted for spending within the limitations of the funds' revenue source. The amount reported as restricted for debt service was \$4,767,582.

The General Fund is the operating fund of the County. At September 30, 2017, assigned and unassigned fund balance of this fund was \$7,973,961 while the total fund balance amounted to \$12,902,896. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. The general fund reported \$3,029,580 of assigned fund balance, this represents the amount of unassigned fund balance that was used by the County as cash carry-forward in the FY 17/18 budget.

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

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

Proprietary funds

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

Proprietary funds reported unrestricted net position of \$3,584,443 at September 30, 2017.

General Fund Budget Variances

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

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2017 amounts to \$355,524,736 (net of accumulated depreciation). This investment in capital assets includes land, fine art collections, buildings, improvements other than buildings, vehicles, equipment, infrastructure and construction in progress. The total net decrease in the County's investment in capital assets for the fiscal year ended September 30, 2017 was \$15,575,267 (\$24,163,136 net decrease for governmental activities and a net increase of \$8,587,869 for business-type activities).

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

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

Long-term debt

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

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

Additional information on the County's debt can be found in Note 7 on pages 44 - 52 of this report.

Economic Factors and Next year's Budgets and Rates

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

During fiscal year 2007, the Florida Legislature imposed restrictions on the ability of municipalities and counties to increase millage rates. In January 2008, the voters of Florida passed Amendment

1, which further limits property tax collections. In addition to the impact of Amendment 1, the value of properties in Flagler County decreased significantly during the economic downturn. The County has experienced slight increases in property values in the current fiscal year.

The Board of County Commissioners approved a General Fund millage rate of 8.1167 mills, a debt service millage rate of 0.2450 mills and an ESL millage rate of .25 mills for the fiscal year 2018.

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

Requests for Information

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

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

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

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

Net (Expenses) Revenue and Changes in Net Position

Primary Government Program Revenues Charges **Operating Grants Capital Grants** Governmental **Business-type** Functions/Programs for Services and Contributions and Contributions Activities Activities Total **Expenses** PRIMARY GOVERNMENT Governmental activities \$ \$ \$ \$ General government 24,394,093 4,390,011 841,898 25,752 \$ (19,136,432) \$ \$ (19, 136, 432)49,431,822 8,579,248 3,141,390 (37,711,184)Public safety (37,711,184)Physical environment 666,737 35,432 4,066 (627, 239)(627, 239)Transportation 33.293.759 834,842 1,350,310 7,023,262 (24,085,345)(24,085,345)Economic environment 2,635,179 775,834 (1,859,345)(1,859,345)Human services 4.490.535 176.236 911.911 37.121 (3,365,267)(3.365.267)4,736,216 274.993 453,266 138,773 Culture and recreation (3,869,184)(3,869,184)Court related 4,062,907 2,084,193 (1,978,714)(1,978,714)Interest on long term debt 3,007,741 (3,007,741)(3,007,741)16,339,523 7,510,041 7,228,974 Total governmental activities 126,718,989 (95,640,451) (95,640,451)Business-type activities Airport 2,933,124 2,005,680 57,683 10,354,438 9,484,677 9,484,677 Utilities 2,759,147 2,795,378 126,953 274,560 437,744 437,744 Landfill 306,547 903 91,000 (214,644)(214,644)1,419,147 151 (71,471)Waste management 1,490,769 (71,471)Total business-type activities 275,787 7,489,587 6,221,108 10,628,998 9,636,306 9,636,306 TOTAL PRIMARY GOVERNMENT 134,208,576 22,560,631 7,785,828 17,857,972 (95,640,451) 9,636,306 (86,004,145)**GENERAL REVENUES** Property taxes 61.692.330 61.692.330 Tourist and franchise taxes 5.215.235 135.318 5.350.553 Impact fees 529.690 529.690 Sales and fuel taxes 5.332.393 5.332.393 1,436,687 Intergovernmental 1,436,687 126.380 Miscellaneous 540,000 666,380 **TRANSFERS** (5,565)5,565 Total general revenues and transfers 74,211,080 796,953 75,008,033 Change in net position (21,429,371)10,433,259 (10,996,112)**NET POSITION, BEGINNING OF YEAR** 255.603.419 25.067.410 280,670,829 Restatement, prior period adjustments (61,178)(61,178)NET POSITION, BEGINNING OF YEAR, AS RESTATED 255,542,241 280,609,651 25,067,410 **NET POSITION, END OF YEAR** 234,112,870 35,500,669 269,613,539

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

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

FLAGLER COUNTY, FLORIDA RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2017

Total fund balances- governmental funds		\$ 48,979,088
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The amount included in the statement of net position is the difference between: Capital assets, at cost Accumulated depreciation	442,260,330 (131,272,687)	210 097 642
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds: Bonds payable Compensated absences OPEB liability Net pension liability	(80,332,000) (3,008,800) (2,270,498) (65,418,728)	310,987,643
Capital leases payable Certain assets and liabilities reported in governmental activities do not provide or use current financial resources and therefore are not reported in	(1,068,066)	(152,098,092)
Unamortized bond premium Accrued interest payable		(6,050,859) (1,207,464)
Unavailable resources are reported as deferred outflows and inflows in the gout not in the governmental activities:	overnmental funds,	
Deferred outflows - bond refunding Deferred inflows - long-term receivables		2,065,430 3,095,383
Deferred outflows and inflows related to pension liability that are not due and current period are not reported in governmental funds	payable in the	
Deferred outflows - pension related Deferred inflows - pension related		30,304,674 (4,601,928)
Internal service funds are reported as proprietary activities on the fund level statements, but as governmental activities on the county-wide statements. This amount represents unrestricted net position of		2 620 005
the internal service funds. Net position of governmental activities		\$ 2,638,995

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

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

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

Net change in fund balances- total governmental funds		\$ (1,529,621)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Contributions of capital assets increase assets but do not appear in the fund statements because they are not financial resources.		
Capital assets acquired with financial resources Current year depreciation Loss on disposal of capital assets Contributions of capital assets	3,476,837 (10,724,141) (16,972,224) 62,873	(24,156,655)
Governmental funds report certain bond transactions immediately. However in the statement of activities these transactions are amortized over the life of the debt:		
Amortized bond refunding Amortized bond premium	(151,257) 334,672	183,415
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Issuing debt provides current financial resources to governmental funds but increases liabilities in the statement of net position.		165,413
Principal repayment Debt issued	6,724,408 (1,581,000)	5,143,408
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Deferred inflows - long-term receivables		2,521,569
Pension expense in the statement of activities has been amortized for related deferred inflows and outflows		
Deferred outflows - pension related Deferred inflows - pension related		(3,617,597) 7,338,642
Some expenses reported in the statement of activities did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Those include:		
Accrued compensated absences OPEB liability Net pension liability Accrued interest payable	40,157 (48,895) (8,423,339) 41,689	(0.000.000)
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 Gain from operations	23,536 1,054,320	(8,390,388)
Gain nom operations	1,004,320	1,077,856
Change in net position of governmental activities		\$ (21,429,371)

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

										overnmental
		Business-type Activities - Enterprise Funds NonMajor							4	Activities - Internal
		Airport				Enterprise				Service
		Fund		Utility		Funds		Total		Fund
ASSETS										
Current assets										
Cash and equivalents	\$	759,500	\$	2,795,987	\$	1,858,591	\$	5,414,078	\$	1,526,136
Investments		-		639,308		1,862,417		2,501,725		2,216,123
Accounts receivable, net		57,269		419,432		15,704		492,405		97,584
Due from other funds		3,050		1,028		5,690		9,768		28,650
Due from other governments		1,755,197		126,953		91,151		1,973,301		392
Inventory		46,690		-		-		46,690		-
Other current assets		11,814	-		-		-	11,814		-
Total current assets		2,633,520		3,982,708		3,833,553		10,449,781		3,868,885
Noncurrent assets										
Land and construction in progress		14,896,760		1,365,972		249,778		16,512,510		-
Other capital assets,										
net of accumulated depreciation		17,691,321		10,261,767		23,984		27,977,072		47,511
Total noncurrent assets		32,588,081		11,627,739		273,762		44,489,582		47,511
Total assets		35,221,601		15,610,447		4,107,315		54,939,363		3,916,396
DEFERRED OUTFLOWS OF RESOURCES										
Derivative instruments-Interest rate swaps		45,841		_		_		45,841		_
Pension related		186,026		90.695		66,729		343.450		13,191
i ension related		100,020		90,095		00,729		343,430		15,191
Total deferred outflows		231,867		90,695		66,729		389,291		13,191
LIABILITIES										
Current liabilities										
Accounts payable and accrued expenses		1,635,370		255,144		148,476		2,038,990		1,176,050
Due to other governmental agencies		6,281		14,253		139		20,673		-
Deposits		48,918		250,865		-		299,783		12,630
Unearned revenue				793,394		-		793,394		68,052
Due to other funds		23,210		19,456		13,604		56,270		92
Compensated absences		64,170		36,737		11,775		112,682		1,404
Net pension liability		1,757		1,551		573		3,881		108
Current portion of long term debt		371,718		206,219		<u> </u>		577,937		
Total current liabilities		2,151,424		1,577,619		174,567		3,903,610		1,258,336
Noncurrent liabilities										
Bonds payable		-		3,076,000		-		3,076,000		-
Notes payable		4,985,093		5,160,084		-		10,145,177		-
Advances from other funds		-		1,880,000		-		1,880,000		-
OPEB liability		17,979		11,631		8,996		38,606		561
Net pension liability		392,937		226,324		147,395		766,656		28,931
Derivative liabilities		45,841		-				45,841		-
Total noncurrent liabilities		5,441,850		10,354,039		156,391		15,952,280		29,492
Total liabilities		7,593,274		11,931,658		330,958		19,855,890		1,287,828
DEFERRED INFLOWS OF RESOURCES										
Pension related		(10,212)		(30,322)		12,629		(27,905)		2,764
NET POSITION										
Net investment in capital assets		27,231,270		3,185,436		273,762		30,690,468		47,511
Restricted for		, - , -		-,,		-,		,,		,
Future capital outlay Unrestricted		- 639,136		- 614,370		1,225,758 2,330,937		1,225,758 3,584,443		- 2,591,484
Total net position	\$	27,870,406	\$	3,799,806	\$	3,830,457	\$	35,500,669	\$	2,638,995
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FLAGLER COUNTY, FLORIDA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Busi	Governmental Activities -			
	Airport Fund	Utility	NonMajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES	\$ 2,005,680	\$ 2,795,378	\$ 1,420,050	\$ 6,221,108	\$ -
Charges for services Employee and employer	\$ 2,005,000	φ 2,795,576	\$ 1,420,050	\$ 6,221,108	Φ -
contributions	-	-	-	-	9,091,354
Miscellaneous	82,122	2,392	5	84,519	70,223
Total operating revenues	2,087,802	2,797,770	1,420,055	6,305,627	9,161,577
OPERATING EXPENSES					
Personal services	444,212	665,680	253,722	1,363,614	45,746
Vehicle fuel	6,146	21,477	1,259	28,882	-
Aviation fuel	478,311	<u>-</u>	- -	478,311	-
Contractual services	83,299	83,221	1,430,267	1,596,787	-
Repairs and maintenance	218,909	207,929	7,323	434,161	466
Professional services	11,099	212,080	87,771	310,950	528,335
Employee claims	- 0F 0C4	-	- 2.245	254 420	6,730,805
Utilities	85,261 72,504	265,523	3,345	354,129	- 770 171
Insurance Rentals and leases	72,504 16,760	23,108 9,359	2,817 1,825	98,429 27,944	779,171
Depreciation	1,232,236	858,747	5,997	2,096,980	6,480
Miscellaneous	66,961	147,844	2,990	217,795	16,254
Total operating expenses	2,715,698	2,494,968	1,797,316	7,007,982	8,107,257
Operating income (loss)	(627,896)	302,802	(377,261)	(702,355)	1,054,320
Nonoperating revenues (expenses)					
Intergovernmental	57,683	126,953	91,151	275,787	392
Franchise fees	-	-	135,318	135,318	-
Special assessments/Impact fees	-	529,690	-	529,690	
Interest income	4,491	14,349	23,021	41,861	23,144
Other debt service costs	(047.400)	(7,135)	-	(7,135)	-
Interest expense	(217,426)	(257,044)		(474,470)	
Total nonoperating	(455.050)	400.040	0.40, 400	504.054	00.500
revenues (expenses)	(155,252)	406,813	249,490	501,051	23,536
Special Item	-	-	-	-	-
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(783,148)	709,615	(127,771)	(201,304)	1,077,856
Capital grants	10,296,129		-	10,296,129	_
Capital contribution	58,309	274,560	-	332,869	-
Transfers in	-		5,565	5,565	
Change in net position	9,571,290	984,175	(122,206)	10,433,259	1,077,856
Net position-beginning	18,299,116	2,815,631	3,952,663	25,067,410	1,561,139
Net position-ending	\$ 27,870,406	\$ 3,799,806	\$ 3,830,457	\$ 35,500,669	\$ 2,638,995

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

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

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

Page 2 **Major Enterprise Funds** Nonmajor **Enterprise** Internal Utility **Funds** Total Service **Airport RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED** BY OPERATING ACTIVITIES Operating income (loss) (627,896)302,802 (377,261)\$ (702, 355)\$ 1,054,320 Adjustment to reconcile operating income (loss) to net cash used in operations 858,747 5,997 2,096,980 6,480 Depreciation 1,232,236 Changes in assets and liabilities Accounts receivable (9.953)(43,008)(4,871)(57,832)182,570 Inventory (19,937)(19,937)Due from other governments (18,910)89,317 70,407 Due from other funds 3,174 (207)6,469 9,436 (28,309)Accounts payable and accrued expenses 1,393,105 40,169 32,272 1,465,546 (219,509)Unearned revenue 793,394 793,394 1,795 Due to other governments (13,706)(18,658)68 (32,296)Due to other funds 92 7,072 263 1,987 (5,348)Deposits 3,420 (1,018,508)11,710 (1,021,928)Compensated absences 5,736 9,140 1,239 16,115 70 **OPEB** liability 390 618 230 1,238 43 Pension liability 33,508 29,579 10,939 74,026 2,064 **NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES** \$ 1,975,819 \$ 957,720 (235,338) \$ 2,698,201 1,011,326 NONCASH INVESTING ACTIVITIES Change in fair market value of investments \$ (350)\$ (152)\$ (685)\$ (1,187) \$ 528

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

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



NOTE 1 - Summary of Significant Accounting Policies:

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

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

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

Reporting Entity

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

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

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

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

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

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

majority of the economic resources received or held by the separate organization, and (c) the economic resources received or held by an individual organization that the primary government is entitled to or has the ability to otherwise access are significant to the primary government.

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

During the 2016-17 fiscal year, the County did not participate in any joint ventures.

Government-wide and Fund Financial Statements

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

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

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

Capital 2008 ESL Referendum – to account for and report proceeds received from the Limited General Obligation Bonds, Series 2009 and Series 2010, to be used to fund the acquisition of environmentally sensitive lands within the County.

Capital Projects – To account for and report proceeds from the County's $\frac{1}{2}$ Cent Discretionary Sales Tax to be used for the construction, reconstruction, or improvement of public facilities, including but not limited to public safety facilities, roads, bridges and stormwater projects, beach restoration, recreational improvements, and general public infrastructure.

The County reports the following major enterprise funds:

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

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

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

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

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

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

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

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

Fiduciary Funds - The Fiduciary Funds of the County are used to account for assets held by the County as an agent for individuals, private organizations, and other governments; such as ad valorem taxes, cash bonds, traffic fines and support payments. The County reports these funds for Clerk of Courts, Sheriff and Tax Collector.

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

Capital Assets

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

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

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

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

Long-Term Liabilities

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

Budgets and Budgetary Accounting

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

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

- (i) On or before June 1 of each year, the Clerk of the Circuit Court, Sheriff, Supervisor of Elections and Tax Collector each submit a proposed operating budget for the ensuing fiscal year to the Board.
- (ii) The proposed operating budget of the Property Appraiser must be presented to the Board on or before June 1 of each year and is simultaneously submitted by the Property Appraiser to the State of Florida, Department of Revenue, from which the final approval of the budget of the Property Appraiser must estimate.
- (iii) On or before July 15 of each year, or within 15 days after the receipt of certified taxable property values from the Property Appraiser, whichever occurs last, the County Administrator presents to the Board a proposed budget for the fiscal year commencing the following October 1. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contain balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund

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

required to be presented by law or by sound financial practices, including the General, Special Revenues, Debt Service, and Capital Projects funds.

- (iv) Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are considered necessary, the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a Public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the preceding year.
- (v) Following successful completion of the above referenced Public hearings, the Board advertises and subsequently conducts a second Public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These Public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the adoption by resolution of the budget to the preceding year as an interim measure.
- (vi) Pursuant to the provisions of Section 129.07, Florida Statutes, the County is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board or the County Administrator.
- (vii) Subsequent to final adoption of the budget by the Board, changes to the budget, as enacted, are only required (by either statutory law or current management practices) when revenues not anticipated in the original budget document are received which management wishes to have appropriated during the current year, resulting in an increase to the total appropriations of a fund. Such increases can only be incorporated into the budget document following approval by the Board.
- (viii) Adoption and execution of the budgets are governed in accordance with applicable provisions of the Florida Statutes.
- (ix) Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the General, Special Revenue, Debt Service, and Capital Projects funds. The legal level of budgetary control is the department level.
- (x) The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Municipal Services Fund is reported as part of the General Fund, but is not budgeted as part of the General Fund. Budgets for Special Revenue, Debt Service and Capital Projects funds are all on a GAAP basis.
- (xi) All appropriations lapse at the end of each fiscal year, although the County expects to honor purchase orders and contracts in-process, subject to authority provided in the subsequent year's budget.

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

Cash and Cash Equivalents

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

Investments

Investments for the County are reported at fair value, in accordance with GASB Statement No. 31, as amended by GASB Statement No. 72. In addition to reporting investments at fair value, the County is reporting investments in accordance with the requirements of GASB 40.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental funds. Encumbrances outstanding at year-end are reported within the respective fund balances. Unexpended items which are encumbered at year end are reappropriated in the subsequent year.

Compensated Absences

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

Inventory

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

Prepaid Items

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

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

Interfund Activity

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

Pensions

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

Deferred outflows/inflows of resources

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

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

Landfill Closure Costs

The County recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection Agency, and GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs." The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and postclosure are recognized in the enterprise fund for the County's sanitary landfill operations over the active life of the landfill, based on capacity. See notes 7 and 9 for additional information.

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

Fund Balance Reported

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

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

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

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

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

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

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

Use of Estimates

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

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

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in 2018. The statements address:

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

The County is currently evaluating the effects that these statements will have on its 2018 financial statements.

NOTE 2 - Cash Deposits and Investments:

Deposits:

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

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

As of September 30, 2017, the County had the following cash deposits balances:

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

Investments:

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

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

NOTE 2 - Cash Deposits and Investments: (continued)

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

As of September 30, 2017, the County had the following investment types and weighted average duration presented in terms of years:

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

A Money Market Fund's duration is based on weighted average duration in days. Information source for PFM Funds Prime Series money market fund's weighted average duration was September 30, 2017 Fund Fact Sheet. Bloomberg was the source for the Wells Fargo Advantage Heritage Money Market Fund's weighted average duration.

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

The County has the following recurring fair value measurements as of September 30, 2017:

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

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

NOTE 2 - Cash Deposits and Investments: (continued)

			N	ioted Prices in Active Markets for ntical Assets		ignificant Other bservable Inputs	Unob	nificant servable nputs
	ı	Fair Value		(Level 1)	(Level 2)	(Le	evel 3)
Investments by Fair Value Level:								
Federal Instrumentalities Discount Notes	\$	3,984,080	\$	3,984,080	\$	-	\$	-
Federal Instrumentalities Notes		3,499,370		3,499,370				
U.S. Treasury Notes		8,998,540		8,998,540		-		-
Commercial Paper		3,995,600		3,995,600		-		-
WF Advantage Heritage MM Fund		13,742,455		13,742,455		-		-
Total Investments by Fair Value Level	\$	34,220,045	\$	34,220,045	\$	-	\$	-
Investments measured at the Net Asset Value (I	NAV	'):						
Florida Education Investment Trust Fund (FEITF)		6,579,973				-		-
Total Investments measured at the NAV:	\$	6,579,973	\$	-	\$	-	\$	=
Total Investments	\$	40,800,018	\$	34,220,045	\$	-	\$	
Investment Derivative Instruments:								
Interest Rate Swaps	\$	(173,910)	\$	-	\$	(173,910)	\$	-

A. Interest Rate Risk

The County's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five (5) years requires the Clerks approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreements. The County utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2017, the investment portfolio had a weighted average duration of .13 years.

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

B. Credit Risk

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

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

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

NOTE 2 - Cash Deposits and Investments: (continued)

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

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

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

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

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

As of September 30, 2017, the County had the following credit exposure as a percentage of total investments:

		Portfolio
	Credit	Asset
Security Type	Rating	Allocation
Federal Instrumentalities Discount Notes	A-1+	9.76%
Federal Instrumentalities Notes	AA+	8.58%
U.S. Treasury Notes		22.06%
Commercial Paper	A-1	9.79%
Florida Education Investment Trust Fund (FEITF)	AAAm	16.13%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	33.68%
TOTAL		100%

Custodial Credit Risk

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

As of September 30, 2017, the County's investments were held with a third-party custodian as required by the County's investment policy.

NOTE 2 - Cash Deposits and Investments: (continued)

C. Concentration of Credit Risk

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

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

As of September 30, 2017, the County had the following issuer concentration based on fair value:

		Portfolio Asset
Security Type	Fair Value	Allocation
Federal Instrumentalities Discount Notes	\$ 3,984,080	12.00%
Federal Instrumentalities Notes	3,499,370	10.00%
U.S. Treasury Notes	8,998,540	26.00%
Commercial Paper	3,995,600	12.00%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	13,742,455	40.00%
TOTAL	\$ 34,220,045	100%

NOTE 3 - Property Taxes:

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

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

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

NOTE 3 - Property Taxes: (continued)

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

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

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

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

Key dates in the property tax cycle are as follows:

Assessment roll certified October 15
Beginning of fiscal year for which taxes have been levied October 1
Property taxes levied October 1
Tax bills issued November 1

Property taxes due by:

For maximum discount

Delinquent after

March 31

Tax certificates (liens) sold on unpaid property taxes

November 30

March 31

May 31

NOTE 4 - Allowance for Doubtful Accounts:

Account receivables are reported net of an allowance for uncollectible accounts of \$4,067,715 in the General Fund and, \$10,375, \$11,719 and \$742 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

NOTE 5 - Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

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

Governmental activities:		Balance October 1, 2016		Additions	Deletions	Balance September 30, 2017
Capital assets, not being depreciated:						
Land	\$	100,481,499	\$	97,172	\$ 3,253,566	\$ 97,325,105
Fine art collection	Ψ	123,700	Ψ	07,172	Ψ 0,200,000	123,700
Construction in process		22,827,506		3,774,170	21,319,560	5,282,116
Total capital assets, not being depreciated		123,432,705		3,871,342	24,573,126	102,730,921
Capital assets, being depreciated:						
Buildings		102,243,399		343,477		102,586,876
Improvements other than buildings		20,455,919		386,873		20,842,792
Equipment		37,933,691		1,673,122	4,388,840	35,217,973
Vehicles		19,092,338		2,394,654	1,026,944	20,460,048
Infrastructure		157,822,192	2	24,480,530	21,789,656	160,513,066
Total capital assets being depreciated		337,547,539	2	29,278,656	27,205,440	339,620,755
Less accumulated depreciation for:						
Buildings		17,264,877		2,035,591		19,300,468
Improvements other than buildings		14,773,540		1,135,057		15,908,597
Equipment		29,371,946		2,515,858	2,964,336	28,923,468
Vehicles		13,780,406		1,504,063	592,587	14,691,882
Infrastructure		50,591,185		3,540,052	1,639,130	52,492,107
Total accumulated depreciation		125,781,954	1	0,730,621	5,196,053	131,316,522
Total capital assets being depreciated, net	depreciated, net211,765		1	8,548,035	22,009,387	208,304,233
ı	\$	335,198,290	\$2	22,419,377	\$ 46,582,513	\$311,035,154

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

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

NOTE 6 - Capital Assets – Business-type Activities:

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

Depreciation expense was charged as follows:

Business-type activities:

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

NOTE 7 - Long-Term Debt:

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

Bonds and Notes Payable from Governmental Activities

Limited General Obligation Bonds, Series 2009 with an original face value of \$10,000,000, were issued in August, 2009 to finance the costs of the acquisition of certain environmentally sensitive lands in the County. Interest is paid at 5.110%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029. The Limited Ad Valorem Tax Refunding Bond, Series 2016 was issued on April 26, 2016 to advance refund a portion of this obligation. An escrow account was established to legally defease this bond.

915.000

\$

General Obligation Refunding Bonds, Series 2015 with an original face value of \$25,500,000 were issued March, 2015 to current refund all of the County's outstanding General Obligation Bonds, Series 2005 along with closing costs incurred. This current refunding resulted in a reduction of total debt service payments over 20 years of approximately \$3,892,300 and an economic gain of approximately \$2,966,000. Interest is paid at 3.300%. The bonds are general obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2035.

23,645,000

Capital Improvement and Refunding Revenue Bonds, Series 2015 with an original face value of \$42,775,000, were issued in February 2015 to advance refund all of the County's outstanding Capital Improvement Revenue Bonds, Series 2005 along with closing costs incurred, and to finance the costs of acquisition, construction and equipping of a consolidated Sheriff's Operations Center and expansion of the County's correctional facility. Interest is paid at 4.000%. This advance refunding resulted in a reduction of total debt service payments over 20 years of approximately \$6,500,300 and an economic gain of approximately \$4,950,200. The bonds are special obligations of the County. The payment of principal and interest on the bond is payable from Non-Ad Valorem revenues generated in the County's General Fund. Principal payments are due on Oct 1. Interest payments are due on April 1 and October 1 each year. Maturity is October 1, 2035.

41,010,000

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

2,997,000

Limited Ad Valorem Tax Refunding Bond, Series 2016 with an original face value of \$11,380,000 were issued April 26, 2016 to advance refund a portion of Limited General Obligation Bonds, Series 2009 and Limited General Obligations Bonds, 2010 along with closing costs incurred. This current refunding resulted in a reduction of total debt service payments over 20 years of approximately \$1,736,664 and an economic gain of approximately \$1,064,591. Interest is paid at 2.190%. The bonds are limited obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes at a rate not to exceed 0.250 mill per year on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2029.

11,205,000

NOTE 7 - Long-Term Debt: (continued)

Tourist Development Tax Revenue Bond, Series 2017 with an original face value of \$6,536,000 were issued August 30, 2017 to provide funds for beach restoration as a result of damage by Hurricane Matthew. Interest is paid at 2.39%. The payment of principal and interest on the bond is payable from and secured by Tourism Development Taxes. Principal payments are due on November 1. Interest payments are due on May 1 and November 1 of each year. Maturity is November 1, 2030. The approximate amount of the pledge is equal to the remaining principal and interest of \$7,505,974. The amount drawn at closing in August 2017 was \$560,000. The remaining balance of \$5,976,000 is scheduled to be withdrawn on 11/28/17.

560,000
80,332,000

Bonds and notes payable from governmental activities

Note Payable from Business-Type Activities

Water and Sewer System Revenue Bond, Series 2013 - was issued April 12, 2013 with an original face value of \$3,254,000 to finance the acquisition, construction and equipping of improvements to the County's water and sewer system. Interest payable at a fixed rate of 3.5% per annum. The principal and interest are payable by a pledge of the net revenues derived from the operation of the System. Payments are due yearly on September 1st. Maturity date is September 1, 2052. The approximate amount of the pledge is equal to the remaining principal and interest of \$5,777,080. Payments made during the fiscal year were for principal and interest amounted of \$155,880.

3,123,000

Note Payable - was issued on November 30, 2004 in the amount of \$3,500,000 to finance a portion of the development of the County's Airport Business Park. Interest is paid at a rate of \$4.43%. Payments of principal and interest are due on January 1, April 1, July 1 and October 1 each year. Maturity is October 1, 2023. Principal and interest are payable from lawfully available non-ad valorem revenues.

624,811

Note Payable - was issued on July 2015 in the amount of \$2,437,000 to refund the County's taxable capital improvement note issued to finance improvements to the County Airport. Interest is paid at a rate of 4.25%. Principal payments are due February 1. Interest payments are due on August 1 and February 1 of each year. Maturity is February 1, 2030. Principal and interest are payable from net revenues received by the Airport. In January 6, 2017, the interest rate was reduced to 3.47%

2,211,000

Note Payable - was issued in March 2015 in the amount of \$2,850,000 to finance the purchase of two buildings located on to the County Airport. Interest is paid at a rate of 3.900%. Payments of principal and interest are due on January 1, April 1, July 1 and October 1 each year. Maturity is April 1, 2030. Principal and interest payments are to be made from revenues derived from leases and rents from tenants of the buildings. In January 6, 2017, the interest rate was reduced to 3.47%.

2,521,000

Drinking Water, State Revolving Fund - was issued February 6, 2013 in the amount of \$5,800,704 to finance the acquisition of the portable water system. Interest is paid at a rate of 2.37%. Payments of principal and interest are due on March 15 and September 15 each year. Maturity is September 15, 2043. Payments are made from the gross revenues derived yearly from the operation of the Utility System. This obligation was transferred and assigned to the County by the City of Bunnell on October 1, 2015.

5,239,047

Clear Water, State Revolving Fund - was issued June 30, 2014 in the amount of \$393,599 to pay for planning and design of wastewater system improvements. Interest is paid at a rate of 2.37%. Payments of principal and interest are due on April 15 and October 15 each year. Maturity is April 15, 2034. Payments are made from the gross revenues derived yearly from the operation of the Utility System. This obligation was transferred and assigned to the County by the City of Bunnell on October 1, 2015.

80,256

Bonds, notes payable and capital leases from business-type activities

13,799,114

NOTE 7 - Long-Term Debt: (continued)

Capital Lease Obligation from Governmental Activities

Capital Lease was executed on August 8, 2016 to acquire and lease a Caterpillar 326FL Hydraulic Excavator. Interest is paid at a rate of \$2.95%. Six payments of \$43,548 each are due yearly in August with a final payment of \$1 due in August of the seventh year. Aggregate historical cost of excavator is \$243,270. 162,066 Master Equipment Lease/Purchase agreement was executed on February 23, 2017 to purchased a voting tabulation and phone systems for five years. Interest is paid at a fixed rate of 1.82%. Aggregate historical cost is \$1,050,000. 906,000 Capital leases from governmental activities 1,068,066 **Accrued Compensated Absences** Governmental Activities 3,010,204 Business-Type Activities 112,682 **OPEB Liability** Governmental Activities 2,271,059 38,606 Business-Type Activities **Net Pension Liability** Governmental Activities 65,447,767 **Business-Type Activities** 770,537 **Add Unamortized Premium**

6,050,859

\$ 172,900,894

Governmental Activities

Total Long-Term Obligations

NOTE 7 - Long-Term Debt: (continued)

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

Governmental Activities:

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

NOTE 7 - Long-Term Debt: (continued)

Business-type Activities:

	Bonds		Notes p				
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest	Total Long- Term Obligations and Interest		
2018	\$ 47,000	\$ 109,305	\$ 530,937	\$ 310,730	\$ 997,972		
2019	48,000	107,660	561,278	293,612	1,010,550		
2020	50,000	105,980	582,377	275,074	1,013,431		
2021	52,000	104,230	600,015	255,515	1,011,760		
2022	54,000	102,410	599,672	235,656	991,738		
2023-2027	300,000	482,300	2,934,645	885,918	4,602,863		
2028-2032	354,000	426,195	2,255,878	442,001	3,478,074		
2033-2037	420,000	359,800	1,103,508	251,867	2,135,175		
2038-2042	499,000	280,945	1,241,473	113,903	2,135,321		
2043-2047	594,000	187,180	266,331	4,743	1,052,254		
2048-2052	705,000	75,775	-	-	780,775		
Total principal and interest Less interest to	3,123,000	2,341,780	10,676,114	3,069,019	19,209,913		
be paid	-	(2,341,780)	_	(3,069,019)	(5,410,799)		
		(=,0::,:00)		(0,000,010)	(0,110,100)		
Totals	\$3,123,000	\$ -	\$10,676,114	\$ -	\$ 13,799,114		
Governmental Activities Long-term obligations not included above: Accrued compensated absences payable OPEB liability Net pension liability Capitalized lease obligations 3,010,204 2,271,059 65,447,767 1,068,066							
Business-type Active Accrued compens OPEB liability Net pension liability	ities Long-term of ated absences of ty	•	luded above:		112,682 38,606 770,537		
Total long-term oblig	ations				\$ 172,900,89		

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

NOTE 7 - Long-Term Debt: (continued)

	Balance October 1,			Balance		
	2016, as			September 30,	Due within	
Governmental activities:	restated*	Additions	Reductions	2017	one year	
General long-term obligations:						
Bonds payable	\$ 80,120,000	\$ 560,000	\$ 3,345,000	\$ 77,335,000	\$ 3,035,000	
Notes payable	5,704,959		2,707,959	2,997,000	809,000	
Deferred amounts:	6 205 524		224 674	6 050 950		
Issuance premiums	6,385,531		334,671	6,050,859		
Total bonds and notes payable	92,210,490	560,000	6,387,630	86,382,859	3,844,000	
Accrued compensated absences	3,050,291	3,105,301	3,145,388	3,010,204	3,010,204	
OPEB liability	2,222,121	48,938		2,271,059	-	
Net pension liability	57,020,732	8,427,035	-	65,447,767	319,919	
Arbitrage liability	-			-	-	
Capitalized lease obligations	718,515	1,021,000	671,449	1,068,066	258,767	
Total governmental activity						
long-term obligations	155,222,149	13,162,274	10,204,467	158,179,955	7,432,890	
Business-type activities:						
Bonds payable	3,168,000		45,000	3,123,000	47,000	
Notes payable	12,056,146	46 1,380,0		10,676,114	530,937	
Total bonds and notes payable	15,224,146	-	1,425,032	13,799,114	577,937	
Accrued compensated absences	96,567	112,682	96,567	112,682	112,682	
OPEB liability	37,368	1,238	,	38,606	<i>,</i> -	
Net pension liability	637,933	132,604	-	770,537	3,881	
Total business-type activity						
long-term obligations	15,996,014	246,524	1,521,599	14,720,939	694,500	
TOTAL LONG-TERM LIABILITIES	\$ 171,218,163	\$ 13,408,798	\$ 11,726,066	\$ 172,900,894	\$ 8,127,390	

^{*}See Note 16 - Restatement for additional information.

For governmental activities, compensated absences are liquidated by the respective funds obligated for the related payroll cost, that is, 83 percent by the general fund, 7 percent by the county transportation fund, and the remaining 10 percent is liquidated by other governmental funds and the internal service fund. Net postemployment benefit obligations and pension liabilities are expected to be liquidated from the general fund.

Future minimum lease payments under the capital leases as of September 30, 2017 and for the remaining terms are as follows:

NOTE 7 - Long-Term Debt: (continued)

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

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

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

	Amount originally reserved	_	Amount used as of ptember 30, 2017	l	emaining balance, otember 30, 2017
Monitoring of existing and future landfills	\$ 1,600,000	\$	(1,600,000)	\$	-
Future landfill capital purchases	1,380,000		(349,972)		1,030,028
Payments to the municipal corporations	1,250,000		(1,250,000)		-
Future purchase of fire suppression equipment					
and/or the construction of fire stations	2,314,654		(2,089,654)		225,000
Totals	\$ 6,544,654	\$	(5,289,626)	\$	1,255,028
			· · · · · · · · · · · · · · · · · · ·		

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

The remaining balance at September 30, 2017 is included in equity on the accompanying statement of net position and balance sheet as follows:

General fund:	
Fund balance restricted for future capital outlay	\$ 225,000
Enterprise funds:	
Net position restricted for future capital outlay	1,225,758
Totals	\$ 1,450,758

Defeasance of Debt – On April 26, 2016 the County defeased the Limited Tax General Obligation Bonds, Series 2009 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds until a callable date of July 1, 2019. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

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

NOTE 7 - Long-Term Debt: (continued)

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

At September 30, 2017 \$34,430,000 of bonds outstanding are considered defeased.

Obligation for Bond Arbitrage Rebate – Pursuant to the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain bond proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five year anniversary of the respective debt issue. As of September 30, 2017, there was no arbitrage due.

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

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

Bank of America - Airport Capital Improvements

Terms - Effective December 6, 2004, the County entered into a nineteen year floating receiver swap with Bank of America with a fixed rate of 4.43%. The notional amount of the swap as of September 30, 2017 was \$624,811. The county receives payments quarterly and makes payments quarterly. The swap is related to the \$3,500,000 construction of capital assets.

Fair Value - As of September 30, 2017, the underlying swaps had a negative fair value of \$45,841. This fair value was obtained from the counter-parties' market-to-market reports provided to the County.

Bank of America -

Terms - Effective September 27, 2005, the County entered into a fifteen year structured trade swap with Bank of America with a fixed rate of 4.73%. The notional amount of the swap as of September 30, 2017 was \$2,997,000. The county receives payments quarterly and makes payments semiannually. The swap is related to the \$11,346,000 purchase of emergency equipment.

Fair Value - As of September 30, 2017, the underlying swaps had a negative fair value of \$128,069. This fair value was obtained from the counter-parties' market-to-market reports provided to the County.

Changes in the fair value and ending fair value of the derivative instruments for the fiscal year ended September 30, 2017 were as follows:

NOTE 7 - Long-Term Debt: (continued)

	Changes in F	air Value	Ending Fa		
	Classification	Amount	Classification	Amount	Notional
Governmental activities Cash flow hedges: Pay-fixed interest rate swaps	Deferred outflow	\$ 114,348	Debt	\$ (128,069)	\$ 2,997,000
Business-type activities Cash flow hedges: Pay-fixed interest rate swaps	Deferred outflow	29,642	Debt	(45,841)	624,811

Swap Payments and Associated Debt

Assuming that interest rated remain the same, at September 30, 2017, debt service requirements on the variable rate notes and interest swaps would be as follows:

	Variable			
Fiscal Year Ending September 30,	Principal	Interest	Interest Rate Swaps	Total
2018	\$ 893,718	\$ 59,184	\$ 99,886	\$ 159,070
2019	936,589	44,274	72,201	116,475
2020	978,583	28,648	43,318	71,966
2021	550,864	8,440	16,825	25,265
2022	101,287	3,328	6,771	10,099
2023-2024	160,770	2,739	3,580	6,319
	\$3,621,811	\$ 146,613	\$ 242,581	\$ 389,194

Credit risk – As of September 30, 2017 the County is not subject to credit risk from the swap agreements since the fair value of each swap was negative. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to credit risk.

NOTE 8 - Short-term debt:

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

	Octo	lance ober 1,			Balanc Septembe			
	2	016	 Additions		Deletions	2017		
Tax anticipation note	\$		\$ 5,000,000	\$	5,000,000	\$	-	

The Board entered into a short term, tax anticipation note payable agreement to provide operating capital for its General Fund operations. The note included interest at 1.19% and matured February 1, 2017. It was secured by a pledge of and lien upon ad valorem tax receipts collected during the 2016/2017 fiscal years.

NOTE 9 - Landfill Closure and Postclosure Costs:

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

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

NOTE 10 - Operating Lease Commitments:

The County has various operating leases for facilities, vehicles and equipment with maturities ranging from monthly to February 2022. Monthly lease expense ranges from \$52 to \$4,951. During the year ended September 30, 2017, the lease payments totaled \$291,192.

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

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

NOTE 11 – State of Florida Pension Plans:

Defined Benefit Pension Plan

The County participates in two defined pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the State of Florida Department of Management Services website (www.dms.myflorida.com).

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

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

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

health insurance costs. To be eligible to receive HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

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

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

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS. The County's contribution rates as of September 30, 2017 are as follows:

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

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

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2017, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

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

	FRS	HIS
Net Pension Liability	\$ 54,182,208	\$ 12,036,096
Proportion at:		
Current measurement date	0.1832%	0.1126%
Prior measurement date	0.1785%	0.1080%
Pension expense (benefit)	\$ 9,202,716	\$ 1,026,854

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2017. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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

Year ending September 30,	FRS	HIS
2018	\$ 2,978,366	\$ 307,509
2019	7,716,893	307,509
2020	5,673,426	307,509
2021	1,632,600	276,591
2022	3,936,484	183,216
Thereafter	1,337,478	(70,578)
TOTAL	\$23,275,247	\$ 1,311,756

Actuarial Assumptions

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

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

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

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

The following changes in key assumptions occurred in 2017:

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

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

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

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

		Compound
	Annual	Annual
Target	Arithmetic	(Geometric)
Allocation	Return	Return
1%	3.00%	3.00%
18%	4.50%	4.40%
53%	7.80%	6.60%
10%	6.60%	5.90%
6%	11.50%	7.80%
12%	6.10%	5.60%
100%		
	Allocation 1% 18% 53% 10% 6% 12%	Allocation Return 1% 3.00% 18% 4.50% 53% 7.80% 10% 6.60% 6% 11.50% 12% 6.10%

Discount rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.10%. The FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees, therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS				HIS			
	Current			Current				
	1% Discount 1%		1% Discount		1%			
,	Decrease (6.10%)	•	Rate (7.10%)	Increase (8.10%)	Decrease (2.58%)	Rate (3.58%)	Increase (4.58%)	
Employer's proportionate share of the net pension liability	\$98,066,524	\$	54,182,208	\$ 17,748,171	\$ 13,734,779 \$	12,036,096	\$10,621,187	

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section

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

401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2017, totaled \$584,321.

NOTE 12 - Risk Management:

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

Employee life and health insurance is provided under an externally administered self-insured plan. Employees pay for cost of family health insurance coverage. The County pays all administrative fees and purchases insurance to absorb losses in excess of \$150,000. Claims liabilities are reported at current dollar value and are comprised of unpaid claims on hand and a reserve for claims incurred but not reported. This estimate of approximately \$1,176,050 at September 30, 2017 is based on historical experience, current trends and an actuarial study performed by an actuarial firm.

The self-insurance plan is accounted for in the Group Medical Benefit Internal Service Fund. The self-insurance plan includes the Constitutional Officers who contributed a total of \$4,675,121 to the plan for the year ended September 30, 2017.

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

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

NOTE 13 - Interfund Balances and Transfers:

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. Advances are not expected to be collected within one year. At September 30, 2017, interfund balances consisted of:

NOTE 13 - Interfund Balances and Transfers: (continued)

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

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

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

	T	ransfer in	Tr	ansfer out
General fund	\$	2,707,212	\$	186,457
Capital Projects		-		2,694,560
Nonmajor governmental funds		236,740		68,500
Nonmajor business-type funds		5,565		-
Total transfers	\$	2,949,517	\$	2,949,517

NOTE 14 - Commitments and Contingencies:

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

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

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

NOTE 14 - Commitments and Contingencies: (continued)

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

NOTE 15 - Other Postemployment Benefits:

The County offers a self-funded health insurance plan that provides health, prescription drugs, dental, vision and life insurance coverage to its active employees, eligible retirees and dependents. This is a single-employer defined benefit plan administrated by the County. Per Section 112.0801, Florida Statutes, require local governments to offer the same health and hospitalization insurance coverage to retirees and their eligible dependents as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. Full time and regular part-time employees who work at least 20 hours per week are eligible to participate in the plan. Employees who are eligible for Normal or Early retirement under FRS Pension Plan are eligible to participate in the plan. All employees of the FRS Pension Plan actively enrolled on or after July 1, 2001 thru June 30, 2011, are vested upon completing six years of creditable service regardless of their membership class. Employees initially enrolled on or after July 1, 2011, are vested upon completing eight years of creditable service, regardless of their membership class.

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

For special risk employees initially enrolled before July 1, 2011, six years of special risk service and age 55; or 25 total years of special risk service and age 52 (may include up to four years of military service); or 25 years of special risk service regardless of age; or 30 years of any creditable service (may include up to four years of military service). For employees initially enrolled on or after July 1, 2011, eight years of special risk services and age 60; or after 30 total years of special risk service and age 57 (may include up to four years of military service); or after 30 years of special risk service regardless of age; or after 33 years of any creditable service (may include optional service credit and service in other membership classes). Employees who become disabled in the line of duty are allowed to continue coverage. Retirees may cover spouses and eligible dependent children. Surviving spouses and eligible dependent children can continue coverage after retiree's death for up to 36 months by paying the COBRA rates. The Board of County Commissioners can amend the benefit provisions.

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

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

NOTE 15 - Other Postemployment Benefits: (continued)

Fiscal year ending	9/30/2017	9/30/2016	9/30/2015
Normal cost (service cost for one year) Amortization of UAAL Interest on normal cost and amortization	\$ 208,445 165,889 14,973	\$ 237,844 161,278 15,965	\$ 231,886 152,210 15,364
Annual required contribution (ARC)	389,307	415,087	399,460
NOO at beginning of year	2,259,489	1,926,467	1,653,129
Annual required contribution (ARC)	389,307	415,087	399,460
Interest on NOO	90,035	80,655	71,365
Adjustment to ARC	(86,495)	(77,483)	(68,558)
Annual OPEB cost	392,847	418,259	402,267
Employer contribution	(342,671)	(85,237)	(128,929)
Increase in NOO	50,176	333,022	273,338
NOO at end of year	\$ 2,309,665	\$ 2,259,489	\$ 1,926,467

The schedule of employer contributions was as follows:

Balance September 30,	_	Annual PEB Cost	_	Actual ntribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2015	\$	402,267	\$	128,929	32%	\$ 1,926,467
2016		418,259		85,237	20%	2,259,489
2017		392,847		342,671	87%	2,309,665

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

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

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

NOTE 15 - Other Postemployment Benefits: (continued)

information about whether the actuarial value of the plan is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Based on historical and expected returns of the Employer's short-term investment portfolio, a discount rate of 4% was used. An inflation rate of 2.6% was assumed. In addition, the Individual Entry Age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at October 1, 2016 is 30 years. Health insurance trends start at 5.50% for the fiscal year ending in 2017 and 4.75% for 2018, grading down to 4.0% - the ultimate trend rate in 2019.

NOTE 16 - Restatement

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

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

NOTE 17 - Subsequent Events Disclosure:

Tourist Development Tax Revenue Bond, Series 2017

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

Taxable Tax Anticipation Note, Series 2017

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

Taxable Special Assessment Revenue Note, Series 2018

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

Master Equipment Lease / Purchase Agreement

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

Taxable Special Assessment Revenue Note, Series 2018B

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

NOTE 17 - Subsequent Events Disclosure: (continued)

Taxable Tax Anticipation Note, Series 2018

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

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

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

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



REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts					
		Original		Final		tual Amounts Budgetary Basis		riance With
REVENUES								
Taxes	\$	60,359,003	\$	60,363,739	\$	58,015,987	\$	(2,347,752)
Licenses and permits		32,000		37,017		37,017		-
Intergovernmental		4,726,526		5,175,139		5,675,563		500,424
Charges for services		8,965,041		9,278,128		8,125,436		(1,152,692)
Fines and forfeitures		182,000		182,000		126,568		(55,432)
Miscellaneous revenue		734,115		1,234,692		1,316,731		82,039
Investment income		6,000		149,218		147,245		(1,973)
TOTAL REVENUES		75,004,685		76,419,933		73,444,547		(2,975,386)
EXPENDITURES Current								
County commission		543,811		499,539		486,913		12,626
County administration		13,804,428		14,167,756		12,841,635		1,326,121
County authinistration County attorney		718,725		588,868		659,442		(70,574)
County engineering		775,834		703,748		704,198		(450)
Recreation, Fleet and Facilities		5,538,665		5,961,670		5,880,080		81,590
Emergency services		36,464,740		42,849,592		40,712,438		2,137,154
Transportation		1,655,481		1,620,103		1,525,447		94,656
Agriculture agent		293,195		295,395		257,448		37,947
Community services		3,884,325		3,914,576		3,705,179		209,397
Public library		1,173,266		1,185,139		1,129,952		55,187
Veteran services		140,248		140,248		123,652		16,596
Medical examiner		355,061		355,061		338,592		16,469
Pre-trial services		67,733		67,733		56,815		10,918
Judiciary		939,421		938,224		937,213		1,011
Pooled expenditures		4,236,329		5,349,979		5,026,346		323,633
Federal and State grants		1,687,468		1,919,363		1,199,220		720,143
Capital projects		1,473,085		1,717,612		257,630		1,459,982
Debt service								
Principal retirement		1,477,152		3,171,712		3,341,752		(170,040)
Interest and fiscal charges		273,562		294,562		244,365		50,197
TOTAL EXPENDITURES		75,502,529		85,740,880		79,428,317		6,312,563
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES		(497,844)		(9,320,947)		(5,983,770)		3,337,177
OTHER FINANCING SOURCES (USES)								
Transfers in		451,082		3,160,281		2,707,212		(453,069)
Transfers out		(1,285,844)		(2,074,557)		(186,457)		1,888,100
Long term debt issued		(1,200,011)		1,021,000		1,021,000		-
Capital lease proceeds		-		-		-		-
Sale of Capital Assets		25,000		25,000		9,994		(15,006)
TOTAL OTHER FINANCING SOURCES (USES)		(809,762)		2,131,724		3,551,749		1,420,025
NET CHANGE IN FUND BALANCE		(1,307,606)		(7,189,223)		(2,432,021)		4,757,202
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED		1,307,606		7,189,223		14,654,971		7,465,748
FUND BALANCES, END OF YEAR	\$		\$			12,222,950	\$	12,222,950
		spective Differend adgeted as part o						
			Mu	nicipal services		679,946		
FUND BALANCE, END OF YEAR - GAAP BASIS					\$	12,902,896		

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

	Budo	eted	Amounts	
--	------	------	----------------	--

	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Intergovernmental	\$ 16,503,79	8 \$ 21,133,011	\$ 7,744,051	\$ (13,388,960)
Investment income	5,00	0 5,000	27,703	22,703
Total revenues	16,508,79	8 21,138,011	7,771,754	(13,366,257)
EXPENDITURES				
Current				
Transportation	3,415,50	0 3,052,752	289,510	2,763,242
Capital Outlay	14,944,88	2 20,974,013	6,837,142	14,136,871
Total expenditures	18,360,38	2 24,026,765	7,126,652	16,900,113
Excess (deficiency) of revenues				
over expenditures	(1,851,58	4) (2,888,754)	645,102	3,533,856
Fund balances-beginning	1,851,58	4 2,888,754	4,127,841	1,239,087
Fund balances-ending	\$	- \$ -	\$ 4,772,943	\$ 4,772,943

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

Florida Retirement System	2017	2016	2015
Employer's proportion of net pension liability (asset)	0.1832%	0.1785%	0.1601%
Employer's proportionate share of the net pension liability (asset)	\$54,182,208	\$45,074,952	\$20,680,574
Employer's covered payroll **	\$35,947,885	\$33,394,967	\$31,337,441
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	150.72%	134.98%	65.99%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%
Health Insurance Subsidy Program	2017	2016	2015
Health Insurance Subsidy Program Employer's proportion of net pension liability (asset)	2017 0.1126%	2016 0.1080%	2015 0.1033%
Employer's proportion of net pension liability (asset)	0.1126%	0.1080%	0.1033%
Employer's proportion of net pension liability (asset) Employer's proportionate share of the net pension liability (asset)	0.1126%	0.1080% \$12,583,713	0.1033% \$10,534,340

Notes to schedules:

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

^{*} The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

^{**} Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Florida Retirement System	2017	2016	2015
Contractually required contribution	\$ 4,846,090	\$ 3,314,059	\$ 3,954,117
Contributions in relation to the contractually required contribution	4,846,090	3,314,059	3,954,117
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll ** Contributions as a percentage of covered payroll	\$36,477,402 13.29%	\$34,970,520 9.48%	\$31,711,994 12.47%
Health Insurance Subsidy Program	2017	2016	2015
Health Insurance Subsidy Program Contractually required contribution	2017 \$ 605,102	2016 \$ 573,674	2015 \$ 425,713
Contractually required contribution	\$ 605,102	\$ 573,674	\$ 425,713
Contractually required contribution Contributions in relation to the contractually required contribution	\$ 605,102	\$ 573,674	\$ 425,713 425,713

Notes to schedules:

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

^{**} Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

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

Schedule of Employer Contribution

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

Notes:

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

SPECIAL REVENUE FUNDS:

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

County Transportation Trust Fund

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

Legal Aid Fund

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

Law Enforcement Trust Fund

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

Law Library

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

Court Facilities

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

Tourist Development Tax - Capital

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

Tourist Development Tax - Promotion

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

Tourist Development Tax – Beach Restoration

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

Environmentally Sensitive Lands

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

SPECIAL REVENUE FUNDS: (continued)

Environmentally Sensitive Lands – 2008 Referendum

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

Utility Regulatory Authority

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

800 MGHZ Expansion

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

Transportation Impact Fees - West

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

Transportation Impact Fees - East

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

New Transportation Impact Fees – East

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

Road Impact Fees-Palm Coast

A special revenue fund to account for impact fees collected for the construction and improvement of roads within the City of Palm Coast

Daytona North Service District

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

Park Impact Fees

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

SPECIAL REVENUE FUNDS: (continued)

Economic Development

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

State Housing Initiative

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

Community Redevelopment Block Grant (CDBG) Neighborhood Stabilization

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

Bimini Gardens Municipal Service

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

Espanola Mosquito Control

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

Rima Ridge Mosquito Control

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

Building Department

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

Domestic Violence

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

Alcohol and Other Drug Trust Fund

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

SPECIAL REVENUE FUNDS: (continued)

Court Technology

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

Juvenile Diversion

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

Crime Prevention

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

Court Innovations

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

Teen Court

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

E911

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

North MalaCompra District

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

Court Operations

The Court Operations Fund of the Clerk is used primarily to account for all financial resources that are generated from court operations of the Clerk's Office. Said resources are to be used specifically as noted in FS 28.35(3)(a) and FS 28.37(2).

Clerk Court Technology

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

SPECIAL REVENUE FUNDS: (continued)

Records Modernization

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

Federal Equitable Sharing Fund

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

Law Enforcement Education

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

Inmate Welfare

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

DEBT SERVICE FUNDS:

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

NONMAJOR

ESL 2008 Referendum

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

ESL Bond Sinking

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

Capital Construction GO Issue

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

Capital Improvements & Refunding Series 2015

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

CAPITAL PROJECTS FUNDS:

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

MAJOR

Capital 2008 ESL Referendum

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

Capital Projects

This fund was established to account for and report proceeds from the County's $\frac{1}{2}$ Cent Discretionary Sales Tax to be used for the construction, reconstruction, or improvement of public facilities, including but not limited to public safety facilities, roads, bridges and stormwater projects, beach restoration, recreational improvements, and general public infrastructure.

NONMAJOR

Beach Front Parks

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

Park Maintenance Trust

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

Capital Improvement Revenue Bonds, Series 2015

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

Marineland Acres District

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



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

Special Revenue Funds

		County nsportation Trust		Legal Aid	Law Enforcement Trust		Law Library		Court Facilities	
ASSETS	ф.	275 207	Ф	44.070	ф	25.000	ф	0.404	ф	07.000
Cash and cash equivalents Investments	\$	375,387 775,866	\$	14,976	\$	35,606	\$	2,404	\$	87,869 634,366
Accounts receivable		3,882		14		-		6		1,762
Due from other funds		79,100		1,356		-		1,356		13,300
Due from other governments Other assets		409,290		<u> </u>		-		-		-
Total assets		1,643,525		16,346		35,606		3,766		737,297
LIABILITIES										
Accounts payable and accrued liabilities		177,701		11,269		85		1,401		20,679
Deposits		48,158		-		=		-		<u>-</u>
Due to other funds		6,519		-		-		-		769
Due to other governments Unearned revenue		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
Total liabilities		232,378		11,269		85		1,401		21,448
DEFERRED INFLOWS OF RESOURCES										
Unavailable resources		-				-		-		
FUND BALANCES (DEFICITS)										
Nonspendable										
Parks and recreation Prepaids		-		-		-		-		-
Restricted for Bond covenants or debt service		-		-		-		-		-
Grant programs and projects Federal and state law		- 1,411,147		5,077		- 35,521		2,365		715,849
Capital projects and acquisitions		-		5,077		-		2,303		7 15,049
ESL acquisitions		-		-		-		_		-
Impact fees		-		-		=		-		-
Other purposes		-				<u> </u>		-		-
Total fund balances (deficits)		1,411,147		5,077		35,521	-	2,365		715,849
Total liabilities and fund balances										
(deficits)	\$	1,643,525	\$	16,346	\$	35,606	\$	3,766	\$	737,297

Tourist Development Tax Capital		Tourist Development Tax Promotion		Т	Tourist Development Tax- Beach Restoration		onmentally ensitive Lands	Sens	ronmentally sitive Lands Referendum	Utility Regulatory Authority	
\$	181,104 2,147,295 2,850 - - -	\$	277,727 1,171,587 1,853 9 74,981 20,000	\$	1,049,668 1,341,024 1,957 - 112,156	4 132,339 960,71 7 172 1,20 - 1		1,016 960,711 1,207 18 - -	\$	21,766 - 17 - -	
-	2,331,249		1,546,157	-	2,504,805		139,939		962,952		21,783
	230 - - -		81,572 - 11,755 39		50,446 - - 15,500		8,357 - - -		157 - - -		- - -
	230		93,366		65,946		8,357		- 157		-
			<u>-</u>		<u>-</u>		<u> </u>				<u>-</u>
	Ī		- -		<u>.</u>		- -		Ē		- -
	- - 2,331,019 -		- - 1,452,791 -		- - 2,438,859 -		- - -		- - -		- - -
	- - -		- -		- -		131,582 - -		962,795 - -		- - 21,783
	2,331,019		1,452,791		2,438,859		131,582		962,795		21,783
\$	2,331,249	\$	1,546,157	\$	2,504,805	\$	139,939	\$	962,952	\$	21,783

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

	800 MGHZ Expansion	Transportation Impact Fees West	Transportation Impact Fees East	New Transportation Impact Fees- East	Road Impact Fees- Palm Coast
ASSETS					
Cash and cash equivalents Investments	\$ 2,465 914,386	\$ 4,323 127,670	\$ 887,544 1,833,907	\$ 4,524 799,634	\$ 207,390
Accounts receivable	1,148	164	3,050	1,008	-
Due from other funds	-	-	-	-	-
Due from other governments Other assets			<u> </u>		
Total assets	917,999	132,157	2,724,501	805,166	207,390
LIABILITIES					
Accounts payable and accrued liabilities	85	29	215	584	-
Deposits Due to other funds	900,000	-	-	-	-
Due to other runds Due to other governments	-	-	-	-	207,390
Unearned revenue					-
Total liabilities	900,085	29	215	584	207,390
DEFERRED INFLOWS OF RESOURCES Unavailable resources	<u>-</u> _		<u> </u>	- _	
FUND BALANCES (DEFICITS)					
Nonspendable					-
Parks and recreation Prepaids	-	-	-	-	-
Restricted for	_	_	-	_	_
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects Federal and state law	-	-	-	-	-
Capital projects and acquisitions	17,914	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees Other purposes	<u> </u>	132,128	2,724,286	804,582 	<u> </u>
Total fund balances (deficits)	17,914	132,128	2,724,286	804,582	
Total liabilities and fund balances (deficits)	\$ 917,999	\$ 132,157	\$ 2,724,501	\$ 805,166	\$ 207,390
(4000)	Ψ 011,000	ψ 10 <u>2,107</u>	ψ L,1 L 1,001	y 000,100	Ψ 201,000

Nor	Daytona th Service District	e Park Impact Fees				onomic State Houselopment Initiative					Bimini Gardens Municipal Service		
\$	_	\$	196,161	\$	230,385	\$	467,187	\$	20,968	\$	22,576		
	834,183		-		-		-		-		-		
	1,113		417		-		-		-		20		
	11,228		-		-				-		22		
	111,068		-		-		-		-		-		
	-				-		-		-		-		
	957,592		196,578		230,385		467,187		20,968		22,618		
	1,073		266		225		108,722		-		17		
	-		-		-		- 499		-		-		
	81,702		-		-				-		58		
	-		-		-		-		-		-		
	-				<u> </u>		196,479		20,968		-		
	82,775		266		225		305,700		20,968		75		
	-		-				-		-		-		
			-		-		-		-		-		
	-		-		-		-		-		-		
	-												
			-				-		-		-		
	-		-		230,160		161,487		-		-		
	-		-		-		-		-		-		
	-		-		-		-		-		-		
	-		- 196,312		-		-		-		-		
	<u>-</u>		190,312		<u>-</u>		<u>-</u>		- -		-		
	874,817		<u> </u>	-	<u> </u>	-	<u>-</u>		<u> </u>		22,543		
	874,817		196,312		230,160		161,487		<u>-</u>		22,543		
\$	957,592	\$	196,578	\$	230,385	\$	467,187	\$	20,968	\$	22,618		

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

	M	Espanola Mosquito Control		na Ridge osquito Control	 Building Department	Domestic Violence		Alcohol and Other Drug Trust Fund	
ASSETS									
Cash and cash equivalents	\$	27,047	\$	66,802	\$ 138,906	\$	9,477	\$	1,495
Investments Accounts receivable		- 15		- 28	1,311,494 9,368		- 11		- 3
Due from other funds		15 5		20 10	9,366 187		133		3 345
Due from other governments		4,623		2,222	3,574		-		-
Other assets		-			 <u>-</u>				
Total assets		31,690		69,062	 1,463,529		9,621		1,843
LIABILITIES									
Accounts payable and accrued liabilities		323		17	67,757		-		1,133
Deposits		-		-	-		-		-
Due to other funds Due to other governments		204		216	1,316 8,944		-		-
Unearned revenue		8,980		33.421	0,944 -		-		-
Chicamod revenue		0,000		00,121	 				
Total liabilities		9,507		33,654	 78,017		-		1,133
DEFERRED INFLOWS OF RESOURCES									
Unavailable resources					 -				-
FUND BALANCES (DEFICITS)									
Nonspendable									
Parks and recreation		-		-	-		-		-
Prepaids Restricted for		=		-	-		-		-
Bond covenants or debt service		-		_	-		_		_
Grant programs and projects		-		-	-		-		-
Federal and state law		-		=	1,385,512		9,621		710
Capital projects and acquisitions		=		=	-		-		=
ESL acquisitions		=		=	-		-		=
Impact fees Other purposes		- 22,183		- 35.408	-		-		-
Other purposes		22,103	-	33,400	 				
Total fund balances (deficits)		22,183		35,408	 1,385,512		9,621		710
Total liabilities and fund balances									
(deficits)	\$	31,690	\$	69,062	\$ 1,463,529	\$	9,621	\$	1,843

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

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

Mal	acompra	<u> </u>	Court perations			Records Modernization	
\$	34,746	\$	231,330	\$	219,566	\$	151,507
	- 20		- 1 212		- 210		- 121
			,		-		-
	-		39,057		1,955		780
	-		32,670		· -		-
			1,833				-
	34,919		310,031		221,740		152,408
	22		23,804		85		26
	-		-		-		-
	-		-		-		-
	<u> </u>		253,557		<u>-</u>		<u>-</u>
	22		277,361		85		26
			-		-		
	-		<u>-</u>		-		-
	-		32,670		-		-
	_		_		_		_
	_		-		-		_
	-		_		221,655		152,382
	34,897		-		· -		-
	-		-		-		-
	-		-		-		-
	34,897		32,670		221,655		152,382
\$	34,919	\$	310,031	\$	221,740	\$	152,408
	Mai [29 144 34,919 22 34,897 34,897	Malacompra District \$ 34,746 \$ 29 144 34,919 22 22 34,897 34,897	Malacompra District Court Operations \$ 34,746 \$ 231,330 - - 29 4,242 144 899 - 32,670 - 1,833 34,919 310,031 22 23,804 - - -<	Malacompra District Court Operations Characteristics \$ 34,746 \$ 231,330 \$	Malacompra District Court Operations Clerk Court Technology \$ 34,746 \$ 231,330 \$ 219,566 - - - 29 4,242 219 144 899 - - 32,670 - - 1,833 - 22 23,804 85 - - - - 22 23,804 85 - - - - 22 277,361 85 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>Malacompra District Court Operations Clerk Court Technology Mode Mode \$ 34,746 \$ 231,330 \$ 219,566 \$ 29 4,242 219 144 1,995 1,955 1,955 1,955 1,955 1,955 1,955 1,955 1,833 1,933<!--</td--></td>	Malacompra District Court Operations Clerk Court Technology Mode Mode \$ 34,746 \$ 231,330 \$ 219,566 \$ 29 4,242 219 144 1,995 1,955 1,955 1,955 1,955 1,955 1,955 1,955 1,833 1,933 </td

Eq Sh	ederal uitable naring Fund	Enfo	Law rcement ucation		Inmate Welfare		Total
\$	1,177	\$	427	\$	12,876	\$	5,408,746
•	, <u>-</u>	•	-	•	- -	•	14,376,423
	-		-		18,374		55,138
	-		-		200		130,749
	-		-		-		777,487
	-		-		-		32,670
							65,029
	1,177		427		31,450		20,846,242
	_		_		_		936,390
	_		_		_		948,158
	_		_		_		105,250
	_		_		_		490,152
							259,848
							2,739,798
	_		_		_		-
	- -		- -		- -		- 32,670
	-		-		-		391,647
	-		-		-		6,222,669
	1,177		427		31,450		5,478,228
	-		-		-		1,147,188
	-		-		-		196,312
	-		-		-		3,660,996 976,734
	1,177		427		31,450		18,106,444
\$	1,177	\$	427	\$	31,450	\$	20,846,242

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

Debt Service Funds

	ESL 2008 Referendum		ESL Bond Sinking		Cor	Capital nstruction O Issue	Capital Improvements & Refunding Series 2015		Total
ASSETS									
Cash and cash equivalents Investments Accounts receivable Due from other funds Due from other governments Prepaid Other assets	\$	29,985 334,855 443 972 - -	\$	18,620 26,270 47 537 - -	\$	36,684 383,504 508 1,834 - -	\$	2,198,962 920,155 2,291 147,387 273,906	\$ 2,284,251 1,664,784 3,289 150,730 273,906 - -
Total assets		366,255		45,474		422,530		3,542,701	4,376,960
LIABILITIES Accounts payable and accrued liabilities Deposits Due to other funds Due to other governments Unearned revenue		327 - - - -		137 - - -		224 - - -		337 - - -	1,025 - - - -
		007	407		224			007	4.005
Total liabilities		327		137	-	224		337	1,025
DEFERRED INFLOWS OF RESOURCES Unavailable resources								<u>-</u>	
FUND BALANCES (DEFICITS)									
Nonspendable Parks and recreation Prepaids Restricted for Bond covenants or debt service Grant programs and projects		- - - 365,928		- - - 45,337 -		- - - 422,306 -		- - - 3,542,364 -	- - - 4,375,935 -
Federal and state law Capital projects and acquisitions ESL acquisitions Impact fees Other purposes		- - - -		- - - -		- - - -		- - - -	- - - -
Total fund balances (deficits)		365,928		45,337		422,306		3,542,364	4,375,935
Total liabilities and fund balances (deficits)		366,255	\$	45,474	\$	422,530	\$	3,542,701	\$ 4,376,960

Capital Projects Funds

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

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

Special Revenue Funds

	Tra	County nsportation Trust		Legal Aid	Law Enforcement Trust		Law Library		Court Facilities	
REVENUES										
Taxes	\$	909,245	\$	_	\$	_	\$	_	\$	_
Special assessments/Impact fees	Ψ	-	Ψ	_	Ψ	_	Ψ	_	Ψ	_
Licenses and permits		_		_		_		_		_
Intergovernmental		992,598		_		_		_		_
Charges for services		519,539		_		_		_		_
Fines and forfeitures		313,333		15,136		_		15,104		178,992
Miscellaneous revenue		18,300		13,130				13,104		170,332
Investment income		6,872		86		108		24		5,607
Total revenues		2,446,554		15,222		108		15,128		184,599
EXPENDITURES										
Current										
General government		-		-		-		-		-
Public safety		-		-		30,784		-		-
Physical environment		-		-		-		-		-
Transportation		2,080,102		-		-		-		-
Economic environment		-		-		-		-		-
Human services		-		45,079		-		-		-
Culture and recreation		_		-		-		_		-
Court related		-		-		-		10,848		258,730
Capital Outlay		1,699		_		-		-		2,071
Debt service		1,000								_,-,-
Principal retirement		37,656		_		_		_		_
Interest and fiscal charges		5,892		_		_		_		_
Other debt service costs		-								
Total expenditures		2,125,349		45,079		30,784		10,848		260,801
Excess (deficiency) of revenues										
over expenditures		321,205		(29,857)		(30,676)		4,280		(76,202)
OTHER FINANCING SOURCES (USES)										
Transfers in		-		27,500		-		-		-
Transfers out		-		-		-		(6,561)		-
Long term debt issued		-	-	-		-		-	-	-
Total other financing sources (uses)		<u>-</u> .		27,500				(6,561)		
Net change in fund balances		321,205		(2,357)		(30,676)		(2,281)		(76,202)
Fund balances-beginning		1,089,942		7,434		66,197		4,646		792,051
Fund balances-ending	\$	1,411,147	\$	5,077	\$	35,521	\$	2,365	\$	715,849

Tourist Development Tax Capital		Tourist Development Tax Promotion		Tourist Development Tax- Beach Restoration		Environmentally Sensitive Lands		Environmentally Sensitive Lands 2008 Referendum		Utility Regulatory Authority	
\$	274,555	\$	1,205,902	\$	733,511	\$	-	\$	18	\$	-
	-		-		-		-		-		-
	-		210		-		-		-		-
	-		-		-		-		-		-
	-		20				-		-		-
	17,821		10,091		11,468		1,089		7,737		60
-	292,376		1,216,223		744,979		1,089		7,755		60
			-		-		-		-		-
	-		-		- 359,168		- 15,464		- 880		-
	-		-		-		-		-		-
	-		1,421,997		-		-		-		-
	334,085		-		-		-		-		-
	-		5,028		-		-		-		-
	-		-		-		-		-		-
	-		- -		34,091		- -		-		-
	334,085		1,427,025		393,259		15,464		880		-
	(41,709)		(210,802)		351,720		(14,375)		6,875		60
	-		-		-		-		-		_
	-		- -		560,000		<u>-</u>		- -		-
			<u>-</u>		560,000			-			
	(41,709)		(210,802)		911,720		(14,375)		6,875		60
	2,372,728		1,663,593		1,527,139		145,957		955,920		21,723
\$	2,331,019	\$	1,452,791	\$	2,438,859	\$	131,582	\$	962,795	\$	21,783

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

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

No	Daytona North Service District		Park Impact Fees		Economic Development		State Housing Initiative		CDBG Neighborhood Stabilization		Bimini Gardens Municipal Service	
\$	74,322	\$	-	\$	-	\$	-	\$	-	\$	-	
	263,748		81,116		-		-		-		5,416	
	98,593		-		-		670,706		201		-	
	-		-		-		128		-		-	
	-		-		-		-		-		-	
	- 6,991		- 501		- 162		97,278 525		-		- 76	
	0,991		301		102	-	323				70	
	443,654		81,617		162		768,637		201		5,492	
	22 474											
	32,474		-		-		- 116,692		-		-	
	-		-		-		-		-		-	
	265,487		-		-		-		-		3,183	
	-		-		1,150		554,013		201		-	
	-		- 25		-		-		-		-	
	-		-		-		-		-		-	
	-		1,262		-		-		-		-	
	-		-		-		-		-		-	
	-		<u>-</u>		<u>-</u>		<u>-</u>		-		<u> </u>	
	297,961		1,287		1,150		670,705		201		3,183	
	145,693		80,330		(988)		97,932				2,309	
	1,067		-		-		-		-		22	
	-		-		-		-		-		-	
	-						<u>-</u> .		-		-	
	1,067				-						22	
	146,760		80,330		(988)		97,932		-		2,331	
	728,057		115,982		231,148		63,555				20,212	
\$	874,817	\$	196,312	\$	230,160	\$	161,487	\$	-	\$	22,543	

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

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

 Court echnology		Juvenile Diversion		Crime Prevention		Court Innovations		Teen Court	 E-911
\$ -	\$	-	\$	-	\$	-	\$	-	\$ -
-		-		-		-		-	-
-		-		-		-		-	- 517,211
-		-		-		-		-	300
250,754		15,090		22,851		15,071		18,660	-
 5,995		- 25		- 431		- 190		73	 6,104
 256,749		15,115		23,282		15,261		18,733	 523,615
-		-		-		-		-	-
-		-		5,201		-		-	385,169
-		-		-		-		_	-
-		-		-		-		-	-
-		-		-		-		-	-
-		-		-		-		-	-
249,516		-		-		121,531		74,039	-
152,450		-		-		-		-	274,011
-		-		-		-		-	-
-		-		-		-		-	-
401,966		-		5,201		121,531		74,039	659,180
(145,217)		15,115		18,081		(106,270)		(55,306)	 (135,565)
-		- (4.4.450)		- (45.000)		103,258		52,983	-
<u> </u>		(14,459)		(15,000)					
 -		(14,459)		(15,000)		103,258		52,983	_
		<u> </u>		<u> </u>					
(145,217)		656		3,081		(3,012)		(2,323)	(135,565)
 863,529		1,181		55,206		27,010		4,315	 836,474
\$ 718,312	\$	1,837	\$	58,287	\$	23,998	\$	1,992	\$ 700,909

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

	Mal	North acompra District	Court Operations		Clerk Court Technology		Records Modernization	
REVENUES								
Taxes	\$	_	\$	-	\$	_	\$	-
Special assessments/Impact fees	*	35.432	•	-	*	_	*	_
Licenses and permits		-		_		_		_
Intergovernmental		_		468,196		_		_
Charges for services		_		1,127,977		238,216		81,610
Fines and forfeitures		_		163,752		33,783		-
Miscellaneous revenue		_		450		-		_
Investment income		100		6,256		442		302
Total revenues		35,532		1,766,631		272,441		81,912
EXPENDITURES								
Current								
General government		-		-		-		67,514
Public safety		-		-		-		-
Physical environment		778		-		-		-
Transportation		-		-		-		-
Economic environment		-		-		-		-
Human services		-		-		-		-
Culture and recreation		-		-		-		-
Court related		-		1,754,516		258,129		-
Capital Outlay		-		-		-		-
Debt service								
Principal retirement		-		-		-		-
Interest and fiscal charges		-		-		-		-
Other debt service costs		<u> </u>				-		
Total expenditures		778		1,754,516		258,129		67,514
Excess (deficiency) of revenues								
over expenditures		34,754		12,115		14,312		14,398
OTHER FINANCING SOURCES (USES)								
Transfers in		143		20,555		-		-
Transfers out		-		-		(17,550)		-
Long term debt issued		-		-				-
Total other financing sources (uses)		143		20,555		(17,550)	-	
Net change in fund balances		34,897		32,670		(3,238)		14,398
Fund balances-beginning						224,893		137,984
Fund balances-ending	\$	34,897	\$	32,670	\$	221,655	\$	152,382

E	Federal Equitable Sharing Fund		Law orcement ducation		Inmate Welfare	Total		
\$		\$		\$		\$	2 107 552	
Ф	-	Ф	-	Ф	-	Ф	3,197,553	
	-		-		-		389,496 846,073	
	-		-		-		3,041,709	
	-		10,000		92,196		2,073,037	
	_		10,000		92,190		742,553	
	_		_				120,476	
	_		_		_		133,364	
				-			100,004	
	-		10,000		92,196		10,544,261	
							00.000	
	- 24,972		10,000		- 82,873		99,988	
	24,972		10,000		82,873		1,360,302	
	-		-		-		376,290 3,280,699	
	-		-		-		1,977,361	
	-		-		-		54,463	
	-		-		-		334,110	
	-		-		-		2,740,845	
	_		_		_		484,186	
	-		_		-			
	_		_		_		37,656	
	_		_		-		39,983	
	-						-	
	24,972		10,000		82,873		10,785,883	
	(24,972)		-		9,323		(241,622)	
	_		_		_			
	_		_		_		215,524	
	_		_		-		(68,500)	
			-				560,000	
	_		_		_			
	<u>-</u>						707,024	
	(24,972)		-		9,323		465,402	
-	26,149		427		22,127		17,641,042	
\$	1,177	\$	427	\$	31,450	\$	18,106,444	

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

De	ht	Ser	vice	Fu	nds
	νı	v	V 100	·	ıus

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

Capital Projects Funds

Beach ont Parks	Park ntenance Trust	Rev	Capital provement enue Bonds eries 2015	arineland es District	 Total	 Total Non-Major Governmental Funds
\$ -	\$ -	\$	-	\$ - 110 793	\$ - 119,783	\$ 7,068,624
-	-		-	119,783	119,783	509,279
-	-		-	-	-	846,073
-	-		-	-	-	6,065,182 2,073,037
-	-		-	_	-	742,553
_				_	_	120,477
 3,129	 5,911		13,398	271	22,709	 178,136
 3,129	 5,911		13,398	 120,054	 142,492	 17,603,361
_	-		4,066	2,396	6,462	106,450
_	_		52,198	-	52,198	1,412,500
_	_		-	_	-	376,290
_	-		-	248	248	3,280,947
_	_		-			1,977,361
_	_		-	_	_	54,463
478	28,206		-	_	28,684	362,794
-	,		_	_	,	2,740,845
-	-		456,251	-	456,251	940,437
-	-		-	-	-	3,382,656
-	-		-	-	-	3,031,271
 -	 -		-	 	 -	 7,031
 478	 28,206		512,515	 2,644	 543,843	 17,673,045
2,651	(22,295)		(499,117)	117,410	 (401,351)	 (69,684)
-	20,732		-	484	21,216	236,740
-	-		-	-	-	(68,500)
 -	 		<u> </u>	 -	 	 560,000
 	 20,732			 484	 21,216	 728,240
2,651	(1,563)		(499,117)	117,894	(380,135)	658,556
 390,012	 777,210		1,971,558		 3,138,780	 24,582,468
\$ 392,663	\$ 775,647	\$	1,472,441	\$ 117,894	\$ 2,758,645	\$ 25,241,024

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

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

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

	Budgeted Amounts							
	Original Final		Actual Amounts			nce With Budget		
REVENUES	•	45.000	•	45.000	Φ.	45.400	•	400
Fines and forfeitures Investment income	\$ 	15,000 35	\$	15,000 35	\$	15,136 86	\$	136 51
Total revenues		15,035		15,035		15,222		187
EXPENDITURES Current								
Legal aid		48,616		48,616		45,079		3,537
Excess (deficiency) of revenues over expenditures		(33,581)		(33,581)		(29,857)		3,724
OTHER FINANCING SOURCES (USES)								
Transfers in		27,500		27,500		27,500		
Net change in fund balances		(6,081)		(6,081)		(2,357)		3,724
Fund balances-beginning		6,081		6,081		7,434		1,353
Fund balances-ending	\$		\$		\$	5,077	\$	5,077

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

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	0	Original		Final		Actual Amounts		ance With
REVENUES								
Fines and forfeitures	\$	20,000	\$	20,000	\$	-	\$	(20,000)
Investment income		100		100		108		8
Total revenues		20,100		20,100		108		(19,992)
EXPENDITURES								
Current								
Public safety		51,244		85,294		30,784		54,510
Excess (deficiency) of revenues								
over expenditures		(31,144)		(65, 194)		(30,676)		34,518
Fund balances-beginning		31,144		65,194		66,197		1,003
Fully balances-beginning		31,144		05,194		00,197		1,003
Fund balances-ending	\$	-	\$	-	\$	35,521	\$	35,521
<u> </u>								

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

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

\$ - \$

Fund balances-ending

_-__\$

\$

2,365

2,365

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

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

715,849

715,849

Fund balances-ending

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

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

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

	Budgete	d Amounts		
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 1,325,000	\$ 1,325,000	\$ 1,205,902	\$ (119,098)
Intergovernmental	-	-	210	210
Miscellaneous revenue			20	20
Investment income	2,000	2,000	10,091	8,091
Total revenues	1,327,000	1,327,000	1,216,223	(110,777)
EXPENDITURES				
Current Tourist development	3,017,844	3,017,844	1 427 025	\$ 1,590,819
Tourist development	3,017,044	3,017,044	1,427,025	φ 1,590,619
Excess (deficiency) of revenues				
over expenditures	(1,690,844)	(1,690,844)	(210,802)	1,480,042
Fund balances-beginning	1,690,844	1,690,844	1,663,593	(27,251)
Fund balances-ending	\$ -	\$ -	\$ 1,452,791	\$ 1,452,791

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

	Budgeted	d Amounts		
	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	\$ 225,000	\$ 225,000	\$ 733,511	\$ 508,511
Intergovernmental	1,000,000	6,375,000	-	(6,375,000)
Investment income	2,000	2,000	11,468	9,468
Total revenues	1,227,000	6,602,000	744,979	(5,857,021)
EXPENDITURES				
Current				
Tourist development	2,705,253	14,580,253	359,168	14,221,085
Debt Service		22.222	0.4.004	05.000
Other debt service costs		60,000	34,091	25,909
Total expenditures	2,705,253	14,640,253	393,259	14,246,994
Excess (deficiency) of revenues				
over expenditures	(1,478,253)	(8,038,253)	351,720	8,389,973
OTHER EINANCHNO SOLIDGES (LISES)				
OTHER FINANCIING SOURCES (USES) Long term debt issued	-	6,560,000	560,000	(6,000,000)
	(4, 470, 050)	(4. 470.050)	044 700	0.000.070
Net change in fund balance	(1,478,253)	(1,478,253)	911,720	2,389,973
Fund balances-beginning	1,478,253	1,478,253	1,527,139	48,886
. and balanood boginning	1,110,200	1,110,200	1,021,100	-10,000
Fund balances-ending	\$ -	\$ -	\$ 2,438,859	\$ 2,438,859

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund balances-ending

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

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

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

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

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

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

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

Budgeted Amounts

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

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

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

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

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

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

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

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

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

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

Budgeted Amounts

REVENUES	Original		Final		Actual Amounts		Variance With Final Budget	
	Φ.	000 500	Φ	000 500	Φ	0.40, 070	Φ	400 400
Licenses and permits	\$	682,590	\$	682,590	\$	846,073	\$	163,483
Intergovernmental		<u>-</u>				925		925
Charges for services		2,020		2,020		3,071		1,051
Fines and forfeitures		3,200		3,200		1,700		(1,500)
Miscellaneous revenue		1,500		1,500		4,428		2,928
Investment income		2,100		2,100		10,934		8,834
Total revenues		691,410		691,410		867,131		175,721
EXPENDITURES								
Current								
Building		1,677,208		1,677,208		704,033		973,175
Capital outlay		46,000		46,000		45,014		986
Total expenditures		1,723,208		1,723,208		749,047		974,161
Excess (deficiency) of revenues								
over expenditures		(1,031,798)		(1,031,798)		118,084		1,149,882
Fund balances-beginning		1,031,798		1,031,798		1,267,428		235,630
Fund balances-ending	\$	_	\$	_	\$	1,385,512	\$	1,385,512

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

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

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

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

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

Budgeted Amounts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		Budgeted	l Amou	ınts				
REVENUES	Original		<u>Final</u>		Actual Amounts		Variance With Final Budget	
Fines and forfeitures	\$	15,000	\$	15,000	\$		\$	(15,000)
EXPENDITURES Current Diablic pofety		15,000		15,000		24.072		(0.072)
Public safety		15,000		15,000		24,972		(9,972)
Excess (deficiency) of revenues over expenditures		-		-		(24,972)		(24,972)
Fund balances-beginning						26,149		26,149
Fund balances-ending	\$		\$		\$	1,177	\$	1,177

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

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

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

	Budgeted Amounts							
DEVENUE O	Original		Fin	nal		Actual Amounts		ance With al Budget
REVENUES Charges for services	\$		\$		\$	92,196	\$	92,196
EXPENDITURES Current Public safety		-		<u>-</u>		82,873		(82,873)
Excess (deficiency) of revenues over expenditures		-		-		9,323		9,323
Fund balances-beginning						22,127		22,127
Fund balances-ending	\$		\$		\$	31,450	\$	31,450

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

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

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

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

Fund balance-ending

- \$

45,337

45,337

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

Budgeted Amounts	
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	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES	¢ 4.070.045	Ф 4.070.04F	Ф 4.004.0E4	Ф (7C 2O4)
Taxes Miscellaneous revenue	\$ 1,970,645	\$ 1,970,645	\$ 1,894,251	\$ (76,394)
Investment income	2,000	2,000	5,575	3,575
Total revenues	1,972,645	1,972,645	1,899,827	(72,818)
EXPENDITURES				
Debt service				
Principal retirement	935,000	935,000	935,000	=
Interest and fiscal charges	854,763	853,938	853,936	2
Other debt service costs	1,000	2,075	2,033	42
Total expenditures	1,790,763	1,791,013	1,790,969	44
Excess (deficiency) of revenues				
over expenditures	181,882	181,632	108,858	(72,774)
Fund balance-beginning	(181,882)	(181,632)	313,448	495,080
Fund balance-ending	\$ -	\$ -	\$ 422,306	\$ 422,306

FLAGLER COUNTY, FLORIDA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL IMPROVEMENTS & REFUNDING SERIES 2015 FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

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

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

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

	Budgeted	Amounts		
REVENUES	Original	<u>Final</u>	Actual Amounts	Variance With Final Budget
Taxes	\$ 2,496,115	\$ 2,496,115	\$ 2,588,006	\$ 91,891
Intergovernmental	800,000	1,480,000	138,773	(1,341,227)
Miscellaneous income	1,060,000	1,119,527	59,527	(1,060,000)
Investment income	3,000	3,000	41,874	38,874
Total revenues	4,359,115	5,098,642	2,828,180	(2,270,462)
EXPENDITURES				
Capital outlay	6,581,558	7,590,500	559,598	7,030,902
Excess (deficiency) of revenues over expenditures	(2,222,443)	(2,491,858)	2,268,582	4,760,440
OTHER FINANCING SOURCES (USES)	4 005 000	4 005 000		(4.005.000)
Transfers in	1,085,000	1,085,000	(0.004.500)	(1,085,000)
Transfers out	(1,000,000)	(2,694,560)	(2,694,560)	
TOTAL OTHER FINANCING SOURCES (USES)	85,000	(1,609,560)	(2,694,560)	(1,085,000)
Net change in fund balances	(2,137,443)	(4,101,418)	(425,978)	3,675,440
Fund balances-beginning	2,137,443	4,101,418	5,860,448	1,759,030
Fund balances-ending	\$ -	\$ -	\$ 5,434,470	\$ 5,434,470

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

		Budgeted Amounts				
	Ori	ginal		Final	Actual mounts	iance With al Budget
REVENUES Investment income	\$	500	\$	500	\$ 3,129	\$ 2,629
EXPENDITURES Current						
Recreation		386,573		386,573	 478	 386,095
Excess (deficiency) of revenues over expenditures	(386,073)		(386,073)	2,651	388,724
Fund balances-beginning		386,073		386,073	 390,012	 3,939
Fund balances-ending	\$		\$	<u>-</u>	\$ 392,663	\$ 392,663

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

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

FLAGLER COUNTY, FLORIDA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL IMPROVEMENT REVENUE BONDS SERIES 2015 FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Budgeted Amounts					
DEVENUE	Orig	nal	!	Final		Actual mounts	 riance With nal Budget
REVENUES Investment income	\$	7,500	\$	7,500	\$	13,398	\$ 5,898
EXPENDITURES Capital outlay	1,25	55,110	1	,935,086		512,515	 1,422,571
Excess (deficiency) of revenues over expenditures	(1,24	17,610)	(1	,927,586)		(499,117)	1,428,469
Fund balances-beginning	1,24	7,610	1	,927,586		1,971,558	 43,972
Fund balances-ending	\$	-	\$	-	\$	1,472,441	\$ 1,472,441

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

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

FLAGLER COUNTY, FLORIDA NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

ENTERPRISE FUNDS:

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

The County maintains the following non-major Enterprise Funds:

Landfill

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

Waste Management Fund

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

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

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

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

	Landfill Fund	Waste Management	Total		
OPERATING REVENUES Charges for services Miscellaneous	\$ 90	03 \$ 1,419,147 5 -	\$ 1,420,050 5		
Total operating revenues	9	08 1,419,147	1,420,055		
OPERATING EXPENSES Personal services Vehicle fuel Contractual services Repairs and maintenance Professional services Utilities Insurance Rentals and leases Depreciation	163,2 1,24 36,55 2,1 87,24 3,22 2,8 1,83 5,99	59 - 85 1,393,682 10 5,213 85 486 30 115 17 - 25 -	253,722 1,259 1,430,267 7,323 87,771 3,345 2,817 1,825 5,997		
Miscellaneous	2,22		2,990		
Total operating expenses	306,54	1,490,769	1,797,316		
Operating income (loss)	(305,63	39) (71,622)	(377,261)		
Nonoperating revenues (expenses) Intergovernmental Franchise fees Interest income	91,00 - 17,12	135,318	91,151 135,318 23,021		
Total nonoperating revenues (expenses)	108,12	28 141,362	249,490		
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(197,5	11) 69,740	(127,771)		
Transfers in		5,565	5,565		
Change in net position	(197,5	11) 75,305	(122,206)		
Net position-beginning	3,545,20	60 407,403	3,952,663		
Net position-ending	\$ 3,347,74	49 \$ 482,708	\$ 3,830,457		

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

		Landfill	М	Waste anagement		Total
CASH FLOWS FROM						
OPERATING ACTIVITIES	\$	89,522	\$	1,414,974	\$	1,504,496
Receipts from customers Payments to suppliers	Ψ	(113,314)	Ψ	(1,391,943)	Ψ	(1,505,257)
Payments to employees		(156,029)		(85,285)		(241,314)
Increase (decrease) in due from other funds		(60)		6,529		6,469
Increase (decrease) in due to other funds		87		176		263
Other receipts		5		-		5
Net cash provided (used)						
by operating activities		(179,789)		(55,549)		(235,338)
NON-CAPITAL FINANCING ACTIVITIES						
Franchise fees		-		135,315		135,315
Transfers in		<u> </u>		5,565		5,565
Net cash provided (used)						
by non-capital financing activities				140,880		140,880
CARITAL AND RELATED						
CAPITAL AND RELATED FINANCING ACTIVTIES						
Acquistion and construction of capital assets		(7,000)		-		(7,000)
INVESTING ACTIVITIES						
Investment purchases		(11,830)		(705,099)		(716,929)
Proceeds from sale of investments		155,000		650,000		805,000
Interest on investments		17,763		5,944		23,707
Net cash provided (used)						
by investing activities	-	160,933		(49,155)		111,778
Net increase(decrease)						
in cash and equivalents		(25,856)		36,176		10,320
CASH AND EQUIVALENTS,						
BEGINNING OF YEAR	-	1,678,997		169,274		1,848,271
CASH AND EQUIVALENTS, END OF YEAR	\$	4 050 444	_	205 450	_	4 050 504
END OF TEAR	Φ	1,653,141	\$	205,450	\$	1,858,591
Reconciliation of operating income (loss) to net cash						
provided by operating activities Operating income (loss)	\$	(305,639)	\$	(71,622)	\$	(377,261)
Adjustment to reconcile operating loss to net cash	Ψ	(303,033)	Ψ	(71,022)	Ψ	(377,201)
used in operations:						
Depreciation		5,997		-		5,997
Changes in assets and liabilities: Accounts receivable		(698)		(4,173)		(4,871)
Due from other governments		89,317		(4,173)		89,317
Due from other funds		(60)		6,529		6,469
Accounts payable and accrued expenses		23,957		8,315		32,272
Due to other governments		68		-		68
Due to other funds Compensated absences		87		176		263
OPEB liability		(11) 148		1,250 82		1,239 230
Net pension liability		7,045		3,894		10,939
Net cash provided (used) by operating activities	\$	(179,789)	\$	(55,549)	\$	(235,338)
				<u> </u>		· · · /_
NONCASH INVESTING ACTIVITIES						
Change in fair market value of investments	\$	(634)	\$	(51)	\$	(685)

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

FLAGLER COUNTY, FLORIDA FIDUCIARY FUNDS DESCRIPTIONS

FIDUCIARY AGENCY FUNDS:

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

Clerk of the Circuit Court and Comptroller Agency

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

Sheriff Agency

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

Tax Collector Agency

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

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

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

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

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

	Balance October 1, 2016	Additions	ſ	Deductions	Balance ptember 30, 2017
CLERK OF COURT:					
ASSETS Cash and cash equivalents Accounts receivable Due from other governments	\$ 2,623,490 - 112	\$ 10,362,682 6,889 2,262	\$	11,279,203 - 2,323	\$ 1,706,969 6,889 51
Total assets	\$ 2,623,602	\$ 10,371,833	\$	11,281,526	\$ 1,713,909
LIABILITIES Due to other governments Deposits Other liabilities Total liabilities	\$ 108,954 2,489,279 25,369 2,623,602	\$ 1,726,734 8,646,868 9,455,090 19,828,692	\$	1,759,353 9,538,470 9,440,562 20,738,385	\$ 76,335 1,597,677 39,897 1,713,909
	Balance october 1, 2016	 Additions		Deductions	Balance otember 30, 2017
SHERIFF:					
ASSETS Cash and cash equivalents Accounts receivable	\$ 5,551 4,214	\$ 930,823	\$	923,652 4,214	\$ 12,722 -
Total assets	\$ 9,765	\$ 930,823	\$	927,866	\$ 12,722
LIABILITIES Due to other governments Deposits	\$ - 9,765	\$ - 930,823	\$	- 927,866	\$ - 12,722
Total liabilities	\$ 9,765	\$ 930,823	\$	927,866	\$ 12,722

(Continued)

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

TAX COLLECTOR:	Balar Octobe	nce er 1,	Additions	Deductions	(Continued) Balance September 30, 2017
ASSETS Cash and cash equivalents Accounts receivable		69,445 \$ 86,189	243,646,664 15,375,909	\$ 243,583,582 15,377,894	\$ 1,932,527 84,204
Total assets	\$ 1,95	55,634 \$	259,022,573	\$ 258,961,476	\$ 2,016,731
LIABILITIES Deposits	\$ 1,95	55,634 <u>\$</u>	204,066,962	\$ 204,005,865	\$ 2,016,731
TOTAL ALL AGENCY:	Balance October 1, 2016		Additions	Deductions	Balance September 30, 2017
ASSETS Cash and cash equivalents Accounts receivable Due from other governments		98,486 \$	S 254,940,169	\$ 255,786,437	\$ 3,652,218
Due nom other governments		86,189 112 84,787 \$	15,382,798 2,262 3 270,325,229	15,377,894 2,323	91,093 51
Due nom other governments		,	2,262	15,377,894	91,093
LIABILITIES Due to other governments Deposits Other liabilities	\$ 4,58 \$ 10 4,4	112	2,262 6 270,325,229	15,377,894 2,323	91,093 51

FLAGLER COUNTY, FLORIDA OVERVIEW OF STATISTICAL SECTION CONTENTS

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

Financial Trends Information

Page 157

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

Revenue Capacity Information

Page 162

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

Debt Capacity Information

Page 166

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

Demographic and Economic Information

Page 172

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

Operating Information

Page 174

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

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

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

	Fiscal Year										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Governmental activities Net investment in capital assets Restricted Unrestricted	\$ 228,456,543 38,198,245 (32,541,918)	\$ 246,724,687 33,030,763 (24,152,031)	\$ 238,538,145 32,761,805 (24,714,327)	\$ 221,697,440 33,747,894 5,557,315	\$ 216,372,923 32,671,605 5,724,481	\$ 213,605,993 33,400,791 5,045,355	\$ 213,691,965 33,635,981 9,467,544	\$ 196,914,786 29,646,675 15,322,370	\$ 194,512,681 29,472,617 17,335,254	\$ 191,390,020 30,977,964 14,723,913	
Total governmental activities net position	\$ 234,112,870	\$ 255,603,419	\$ 246,585,623	\$ 261,002,649	\$ 254,769,009	\$ 252,052,139	\$ 256,795,490	\$ 241,883,831	\$ 241,320,552	\$ 237,091,897	
Business-type activities Net investment in capital assets Restricted Unrestricted	\$ 30,690,468 1,225,758 3,584,443	\$ 20,677,567 1,234,275 3,155,568	\$ 17,710,530 1,225,758 1,677,820	\$ 17,390,035 1,225,758 3,033,190	\$ 14,817,197 2,752,617 3,091,607	\$ 11,134,385 2,684,645 3,846,637	\$ 10,610,540 3,136,296 2,030,517	\$ 11,789,339 3,414,533 758,909	\$ 12,343,562 2,886,910 29,485	\$ 10,575,049 2,966,720 869,822	
Total business-type activities net position	\$ 35,500,669	\$ 25,067,410	\$ 20,614,108	\$ 21,648,983	\$ 20,661,421	\$ 17,665,667	\$ 15,777,353	\$ 15,962,781	\$ 15,259,957	\$ 14,411,591	
Primary government: Net investment in capital assets Restricted Unrestricted	\$ 259,147,011 39,424,003 (28,957,475)	\$ 267,402,254 34,265,038 (20,996,463)	\$ 256,248,675 33,987,563 (23,036,507)	\$ 239,087,475 34,973,652 8,590,505	\$ 231,190,120 35,424,222 8,816,088	\$ 224,740,378 36,085,436 8,891,992	\$ 224,302,505 36,772,277 11,498,061	\$ 208,704,125 33,061,208 16,081,279	\$ 206,856,243 32,359,527 17,364,739	\$ 201,965,069 33,944,684 15,593,735	
Total primary government net position	\$ 269,613,539	\$ 280,670,829	\$ 267,199,731	\$ 282,651,632	\$ 275,430,430	\$ 269,717,806	\$ 272,572,843	\$ 257,846,612	\$ 256,580,509	\$ 251,503,488	

Schedule 2 FLAGLER COUNTY, FLORIDA CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
General government	\$ 24,394,093	\$ 21,676,448	\$ 19,330,615	\$ 19,061,399	\$ 18,856,737	\$ 17,990,618	\$ 18,105,429	\$ 18,578,279	\$ 18,807,803	\$ 20,122,637
Public safety	49,431,822	40,426,042	34,622,939	34,583,622	34,381,551	34,781,700	35,871,670	35,250,421	33,835,370	33,674,664
Physical environment	666,737	860,996	516,579	303,418	648,364	1,003,943	346,520	649,192	1,892,271	1,949,824
Transportation	33,293,759	11,348,978	17,338,674	13,445,435	10,476,921	7,439,036	8,831,545	7,656,643	6,667,065	6,221,288
Economic environment	2.635.179	2.418.085	2.318.736	1.913.323	2.401.918	1,537,127	1,189,775	1,150,551	1.702.816	2.705.03
Human services	4,490,535	4,449,085	4,259,922	4,073,002	3,705,985	4,267,718	3,675,585	3,540,641	3,588,317	3,701,21
Culture and recreation	4,736,216	4,619,453	3,830,443	3,981,558	3,426,442	4,008,612	3,757,755	3,519,266	3,411,038	3,637,87
Court related	4,062,907	4,042,042	3,461,918	3,521,907	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,520,58
Interest on long-term debt	3,007,741	4,568,009	4,356,038	3,335,340	3,487,841	3,724,866	3,713,901	3,478,079	4,220,394	4,198,92
Total governmental activities expenses	126,718,989	94,409,138	90,035,864	84,219,004	80,556,726	77,807,344	78,651,755	77,054,319	77,686,383	80,732,03
Business-type expenses										
Airport	2,933,124	2,903,425	6,429,248	2,718,394	2,567,228	2,404,906	2,465,923	2,073,284	2,214,368	3,187,03
Landfill	306,547	250,419	251,598	121,762	169,182	99,637	128,813	163,604	325,308	348,30
Transportation	-		,		-	-		-	-	1,506,13
Utilities	2,759,147	3,021,868	1,215,817	675,084	579,164	373,945	364,742	388,864	497,798	484,16
Waste management	1,490,769	1,432,446	1,404,113	1,354,836	1,354,381	1,459,886	1,486,230	1,393,540	1,391,493	1,349,29
Total business-type activities expenses	7,489,587	7,608,158	9,300,776	4,870,076	4,669,955	4,338,374	4,445,708	4,019,292	4,428,967	6,874,93
Total primary government expenses	\$ 134,208,576	\$ 102,017,296	\$ 99,336,640	\$ 89,089,080	\$ 85,226,681	\$ 82,145,718	\$ 83,097,463	\$ 81,073,611	\$ 82,115,350	\$ 87,606,972
Program revenues Governmental activities										
Charges for services										
General government	\$ 4,390,011	\$ 3,606,767	\$ 3,608,043	\$ 4,986,693	\$ 4,137,828	\$ 3,370,077	\$ 3,251,896	\$ 3,152,491	\$ 4,604,628	\$ 5,708,95
Public safety	8,579,248	7,331,707	7,160,915	6,044,959	6,437,972	5,952,540	6,947,645	6,458,469	6,508,766	5,603,97
Physical environment	-	-	28,000	400	1,709	-	-	-	-	17
Transportation	834,842	769,625	944,076	738,142	633,123	758,879	564,018	727,150	810,898	1,306,98
Economic environment	-	150	75	937	2,991	3,868	5,059	8,846	-	-
Human services	176,236	132,784	154,925	134,013	98,245	129,147	145,142	187,208	248,130	134,54
Culture and recreation	274,993	290,302	270,548	257,028	260,942	219,078	221,838	198,594	198,075	118,31
Court related	2,084,193	1,858,118	2,245,473	578,464	587,258	523,567	506,937	508,639	445,278	521,45
Operating grants and contributions	7,510,041	5,040,904	4,786,509	4,146,497	5,443,849	5,868,779	4,739,002	5,353,623	3,671,556	2,871,14
Capital grants and contributions	7,228,974	15,462,870	25,093,290	12,233,926	4,671,396	3,474,297	5,510,130	4,732,716	5,375,671	5,966,30
Total governmental activities program revenues	31,078,538	34,493,227	44,291,854	29,121,059	22,275,313	20,300,232	21,891,667	21,327,736	21,863,002	22,231,85
Business-type activities										
Charges for services										
Airport	2,005,680	1,926,246	1,731,271	1,524,369	1,617,467	1,385,312	1,413,536	1,105,953	1,616,801	2,730,27
Landfill	903	941	2,563	1,802	2,721	708	2,557	1,737	464	37
Transportation	0.705.670	0.500.711	700 757	0.45.007	-	-	400.000	404.450	470.400	601,48
Utilities	2,795,378	2,563,711	789,757	845,327	532,878	357,586	486,326	464,158	470,463	455,52
Waste management	1,419,147	1,373,505	1,334,618	1,325,745	1,458,893	1,447,290	1,436,211	1,420,202	1,420,415	1,493,52
Operating grants and contributions	275,787	163,923	3,856,840	83,200	70,588	70,588	70,588	77,207	211,960	681,42
Capital grants and contributions	10,628,998	4,940,331	1,152,691	1,758,995	3,943,563	2,784,811	524,882	154,965	2,343,298	479,53
Total business-type activities program revenues	17,125,893	10,968,657	8,867,740	5,539,438	7,626,110	6,046,295	3,934,100	3,224,222	6,063,401	6,442,153
			\$ 53,159,594	\$ 34,660,497	\$ 29,901,423	\$ 26,346,527	\$ 25,825,767	\$ 24,551,958	\$ 27,926,403	\$ 28,674,000

					Fiscal	Year				
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental activities	\$ (95,640,451) \$ (59,915,911)	\$ (45,744,010)	\$ (55,097,945)	\$ (58,281,413)	\$ (57,507,112)	\$ (56,760,088)	\$ (55,726,583)	\$ (55,823,381)	\$ (58,500,18
Business-type activities	9,636,306	3,360,499	(433,036)	669,362	2,956,155	1,707,921	(511,608)	(795,070)	1,634,434	(432,78
Total primary government net expense	\$ (86,004,145	\$ (56,555,412)	\$ (46,177,046)	\$ (54,428,583)	\$ (55,325,258)	\$ (55,799,191)	\$ (57,271,696)	\$ (56,521,653)	\$ (54,188,947)	\$ (58,932,960
General Revenues and Other Changes in Ne	t Position									
Taxes										
Property taxes	\$ 61.692.330	\$ 57.165.981	\$ 53,995,582	\$ 51.456.258	\$ 45,785,795	\$ 43,172,111	\$ 44.628.028	\$ 47,562,219	\$ 49.187.744	\$ 51.244.62
Tourist and franchise taxes	5,215,235	2,514,077	2,462,937	2,293,162	2,096,962	1,994,230	1,684,069	1,328,338	1,223,580	1,411,23
Sales and fuel taxes	5,332,393	7,559,281	7,171,065	6.740.672	6,224,280	5.487.079	5,192,255	5,090,787	5,166,863	5,354,82
Intergovernmental	1,436,687	1,358,096	1,312,209	1,206,660	1,125,939	1,061,327	1.007.655	1,556,921	1,430,225	1,890,71
Miscellaneous	540,000	344,472	603,112	479,136	2,478,766	1,058,991	19,272,714	1,161,642	2,035,834	2,930,64
Transfers	(5,565	(8,200)	491,995	(7,851)	150,861	(9,977)	(112,974)	(410,045)	1,007,790	(1,003,42
Total governmental activities	74,211,080	68,933,707	66,036,900	62,168,037	57,862,603	52,763,761	\$ 71,671,747	\$ 56,289,862	\$ 60,052,036	\$ 61,828,60
Business-type activities										
Tourist and franchise taxes	135,318	130,833	129,303	131,475	132,843	141,113	145,047	\$ 139,656	\$ 138,915	\$ 126,19
Special assessment/Impact fees	529,690	394,925	-	-	-	-	-	-	-	-
Miscellaneous	126,380	127,184	69,230	210,761	57,617	29,303	68,159	36,695	82,807	301,40
Settlement proceeds	-	-	-	-	-	-	-	911,498	-	-
Transfers	5,565	8,200	(491,995)	7,851	(150,861)	9,977	112,974	410,045	(1,007,790)	1,003,42
Special item - utility merger		431,661								
Total business-type activities	796,953	1,092,803	(293,462)	350,087	39,599	180,393	\$ 326,180	\$ 1,497,894	\$ (786,068)	\$ 1,431,03
Total primary government	\$ 75,008,033	\$ 70,026,510	\$ 65,743,438	\$ 62,518,124	\$ 57,902,202	\$ 52,944,154	\$ 71,997,927	\$ 57,787,756	\$ 59,265,968	\$ 63,259,64
Changes in Net Position										
Governmental activities	\$ (21,429,371) \$ 9,017,796	\$ 20,292,890	\$ 7,070,092	\$ (418,810)	\$ (4,743,351)	\$ 14,911,659	\$ 563,279	\$ 4,228,655	\$ 3,328,42
Business-type activities	10,433,259	4,453,302	(726,498)	1,019,449	2,995,754	1,888,314	(185,428)	702,824	848,366	998,25
Total primary government	\$ (10,996,112	\$ 13,471,098	\$ 19,566,392	\$ 8,089,541	\$ 2,576,944	\$ (2,855,037)	\$ 14,726,231	\$ 1,266,103	\$ 5,077,021	\$ 4,326,67

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

					Fisca	ıl Year				
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund Nonspendable Restricted Committed Assigned	2,130,709 2,798,226 - 3,029,580	2,210,389 2,733,949 - 4,527,501	\$ 2,150,126 2,710,663 - 4,723,032	\$ 2,228,600 2,400,364 - 2,184,591	\$ 2,136,457 2,277,224 - 3,545,789	\$ 2,103,642 2,706,337 134,865 3,710,120	\$ 2,186,759 2,315,329 - 8,830,592	\$ - - -	\$ - - - -	\$ - - -
Unassigned	4,944,381	7,865,134	5,877,774	5,734,847	3,266,220	1,706,182	709,007	-	-	-
Reserved Unreserved	-	-	-	-	-	-	-	2,863,096	2,807,040	3,298,004
Designated for future use Undesignated								503,179 14,166,178	15,520,379	680,537 10,600,667
Total general fund	\$ 12,902,896	\$ 17,336,973	\$ 15,461,595	\$ 12,548,402	\$ 11,225,690	\$ 10,361,146	\$ 14,041,687	\$ 17,532,453	\$ 18,327,419	\$ 14,579,208
All other governmental funds Nonspendable Restricted Committed	\$ 572,670 35,503,522 -	\$ 573,959 34,609,982	\$ 607,316 42,778,998	\$ 585,295 29,388,189 -	\$ 643,485 28,463,165 -	\$ 673,638 29,099,483	\$ 600,000 30,079,190 57,190	\$ - - -	\$ - - -	\$ - - -
Reserved Unreserved Special revenue funds	-	-	-	-	-	-	-	6,440,808 18,713,003	6,510,851 18,970,258	6,825,065 21,191,931
Capital projects funds								2,321,454	4,913,837	2,426,814
Total all other governmental funds	\$ 36,076,192	\$ 35,183,941	\$ 43,386,314	\$ 29,973,484	\$ 29,106,650	\$ 29,773,121	\$ 30,736,380	\$ 27,475,265	\$ 30,394,946	\$ 30,443,810

Fiscal years 2008 through 2010 reflect fund balance classifications used prior to the implementation of GASB 54.

Schedule 4
FLAGLER COUNTY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

					Fiscal					
D	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 68,181,896	\$ 63,191,531	\$ 59,693,807	\$ 56,813,780	\$ 50,575,169	\$ 47,800,451	\$ 49,285,251	\$ 51,411,403	\$ 53,043,253	\$ 55,539,097
Licenses and permits	900,390	928,526	820,475	643,420	607,419	426,238	1,444,784	406,499	444,458	569,025
Intergovernmental	19,902,296	25,749,319	31,788,609	19,003,823	14,920,746	13,265,388	12,613,588	14,761,945	12,871,920	17,043,138
Charges for services	10,532,419	11,665,887	11,996,339	10,717,792	10,214,986	9,291,170	9,903,511	9,692,585	11,551,549	12,116,436
Fines and forfeitures	869,131	870,842	1,102,940	1,015,635	917,761	805,024	986,177	939,516	813,887	700,98
Miscellaneous revenue	1,503,962	817,563	1,191,050	637,999	2,109,741	1,296,411	1,353,404	847,086	2,177,910	2,355,450
Investment income	424,236	313,872	130,572	134,085	121,705	106,378	109,267	163,704	(234,367)	1,015,979
Total revenues	102,314,330	103,537,540	106,723,792	88,966,534	79,467,527	72,991,060	75,695,982	78,222,738	80,668,610	89,340,110
Expenditures										
General government	20,716,509	17,956,972	17,396,316	16,854,655	15,725,105	15,276,384	15,795,997	15,991,259	16,730,009	17,865,886
Public safety	41,857,104	34,992,957	32,201,120	31,783,043	31,148,783	31,594,668	32,731,844	31,854,497	31,182,618	30,803,611
Physical environment	618,896	576,954	474,282	321,073	404,571	955,307	283,302	566,661	1,407,037	1,920,368
Transportation	5,773,361	7,248,499	10,639,384	8,216,321	5,962,034	4,115,598	4,592,657	4,662,055	3,580,104	3,397,583
Economic environment	2,513,610	2,348,516	2,281,882	1,914,978	2,376,560	1,516,411	1,189,153	1,137,271	1,573,588	2,197,253
Human services	4,371,216	4,303,909	4,166,654	3,973,728	3,625,748	4,191,561	3,583,382	3,456,174	3,450,346	3,639,652
Culture and recreation	3,803,206	3,529,957	3,139,968	3,234,780	2,689,107	2,972,073	2,929,935	2,691,785	2,967,346	3,917,456
Court related	3,951,800	3,712,989	3,415,285	3,409,564	3,170,967	3,053,724	3,159,575	3,231,247	3,561,309	4,316,066
Capital Outlay Debt service	11,816,603	27,039,648	33,749,424	9,963,954	9,127,279	5,777,879	9,472,482	10,984,683	15,679,605	11,434,297
Principal	6.724.408	3.826.520	32.027.837	3.921.868	4.390.810	5.483.814	4.184.872	4.249.670	4.649.766	11.128.073
Interest and fiscal charges	3,275,636	3,546,346	2,854,892	3,415,173	3,538,010	3,752,775	3,801,138	3,727,783	3,503,985	4,114,750
Bond issuance costs	7.031	96,289	1,224,605	-	-	-	-	-	50,326	.,,
Total expenditures	105,429,380	109,179,556	143,571,649	87,009,137	82,158,974	78,690,194	81,724,337	82,553,085	88,336,039	94,734,995
Excess of revenues over (under)										
expenditures	\$ (3,115,050)	\$ (5,642,016)	\$ (36,847,857)	\$ 1,957,397	\$ (2,691,447)	\$ (5,699,134)	\$ (6,028,355)	\$ (4,330,347)	\$ (7,667,429)	\$ (5,394,885
Other Financing Sources (Uses)										
Transfers in	\$ 2,943,952	\$ 1,374,776	\$ 1,171,460	\$ 253,692	\$ 1,178,791	\$ 257,780	\$ 857,401	\$ 1,796,393	\$ 1,604,980	\$ 2,877,726
Transfers out	(2,949,517)	(1,782,976)	(679,465)	(261,543)	(589,271)	(270,257)	(970,375)	(1,606,438)	(254,184)	(3,647,585
Insurance recovery Long term debt issued	560.000	-	68.275.000	-	2,300,000	- 567,811	5,500,000	13,745	15,980 10,000,000	80,029
Premium on long term debt issued	-	11,380,000	6,200,144	-	_,,	,	-,,	-	,,	
Capital lease	1,021,000	243,270	960,000	240,000	-	500,000	411,678	412,000	-	750,000
Sale of capital assets	9,994	-	-	-	-	-	-	-	-	
Payments to refunded bond escrow agent	-	(11,900,049)	(22,753,259)	-	-	-	-	-	-	
Total other financing sources (uses)	1,585,429	(684,979)	53,173,880	232,149	2,889,520	1,055,334	5,798,704	615,700	11,366,776	60,170
Net change in fund balances	\$ (1,529,621)	\$ (6,326,995)	\$ 16,326,023	\$ 2,189,546	\$ 198,073	\$ (4,643,800)	\$ (229,651)	\$ (3,714,647)	\$ 3,699,347	\$ (5,334,715
Debt service as a percentage of noncapital expenditures	9.81%	8.97%								

Schedule 5
FLAGLER COUNTY, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY (5)
LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation (1)	Tax Exempt Properties (2)	Save Our Homes Exemptions (3)	Other Exemptions (4)	Total Exempt	Real Property Taxable Valuation	Personal Property Taxable Valuation	Centrally Assessed Property	Taxable Assessed Value	Total Direct Tax Rate	Percentage of Taxable Value to Assessed Value
2017	12,026,256,717	895,686,008	1,076,840,820	2,172,812,138	4,145,338,966	7,538,008,560	319,248,710	23,596,432	7,880,853,702	8.6317	65.5%
2016	11,446,627,252	896,658,668	934,864,798	2,210,908,489	4,042,431,955	7,055,381,789	326,444,597	22,310,778	7,404,137,164	8.4668	64.7%
2015	10,615,189,321	841,856,152	778,488,066	2,007,080,360	3,627,424,578	6,656,085,711	311,394,360	20,065,848	6,987,545,919	8.5390	65.8%
2014	9,845,628,311	831,140,903	510,570,486	1,965,410,798	3,307,122,187	6,244,441,461	276,777,081	17,288,286	6,538,506,828	8.5753	66.4%
2013	9,063,324,273	790,176,725	139,646,192	1,929,051,092	2,858,874,009	5,905,080,330	284,677,625	14,692,309	6,204,450,264	7.6620	68.5%
2012	8,967,256,546	809,537,659	88,037,723	1,914,733,524	2,812,308,906	5,850,747,157	289,403,554	14,796,929	6,154,947,640	6.7814	68.6%
2011	9,491,634,943	803,802,045	130,052,142	1,996,422,009	2,930,276,196	6,240,360,413	304,054,485	16,943,849	6,561,358,747	6.0550	69.1%
2010	10,784,264,640	822,981,655	240,011,388	2,063,506,136	3,126,499,179	7,304,829,176	336,625,866	16,310,419	7,657,765,461	5.2479	71.0%
2009	13,276,936,467	1,129,596,741	645,098,557	2,166,142,487	3,940,837,785	8,966,544,251	353,116,104	16,438,327	9,336,098,682	4.5445	70.3%
2008	15,816,035,892	1,162,193,077	1,237,240,752	2,269,445,399	4,668,879,228	10,795,694,787	329,608,884	21,852,993	11,147,156,664	4.3346	70.5%

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

Source: Flagler County Property Appraiser

⁽²⁾ Governmental and Institutional Exemptions.

^{(3) &}quot;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.

Schedule 6
FLAGLER COUNTY, FLORIDA
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(MILLS PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

	County	y Direct Ra	ites				Ove	erlapping Rates				
Fiscal Year	General Purposes	Debt Service	Total	School District	City of Palm Coast	City of Flagler Beach	City of Bunnell	East Flagler Mosquito Control District	SJWMD	FL Inland Navigation District	Town of Marineland	Town of Beverly Beach
2017	8.1167	0.5150	8.6317	6.9520	4.2450	5.2100	7.4500	0.2395	0.2885	0.0320	10.0000	2.3000
2016	7.9417	0.5251	8.4668	7.2550	4.2450	4.7074	7.4500	0.2376	0.3023	0.0320	10.0000	2.3000
2015	7.9750	0.5640	8.5390	7.4460	4.2450	5.0573	7.4500	0.2423	0.3164	0.0345	10.0000	2.3000
2014	7.9906	0.5847	8.5753	7.4420	4.2705	5.3350	6.9506	0.2533	0.3283	0.0345	10.0000	2.3000
2013	7.0800	0.5820	7.6620	7.9430	4.2958	5.1244	6.9506	0.2540	0.3313	0.0345	9.3912	2.3000
2012	6.2232	0.5582	6.7814	8.0310	3.9900	4.8500	6.9506	0.2390	0.3313	0.0345	7.3823	2.3000
2011	5.5905	0.4645	6.0550	8.0130	3.5000	4.2023	6.0544	0.2038	0.4158	0.0345	3.0896	2.3000
2010	4.8894	0.3585	5.2479	7.7680	3.5000	3.4643	6.0544	0.2038	0.4158	0.0345	1.7931	2.0456
2009	4.2962	0.2483	4.5445	7.3100	2.9623	3.0199	6.0544	0.1730	0.4158	0.0345	1.5797	2.0456
2008	4.0762	0.2584	4.3346	7.6180	2.9623	2.6790	5.8216	0.1550	0.4158	0.0345	1.5996	2.0456

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

Source: Flagler County Tax Collector, Flagler County Property Appraiser

Schedule 7
FLAGLER COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		2017					2008	
Taxpayer	Taxes	Percentage of Total Taxes Levied	Rank	Taxpayer		Taxes	Percentage of Total Taxes Levied	Rank
Florida Bourage & Links Commons	ф 0.404.000	0.000/		Florida Davisa & Liabi Carra and	•	4.054.057	0.000/	4
Florida Power & Light Company	\$ 3,101,990		1	Florida Power & Light Company	\$	1,654,057	0.98%	1
KRG Palm Coast Landing LLC	1,542,396		2	Hammock Beach III LLC		821,735	0.49%	2
Palm Coast Holdings Inc	1,359,651	0.90%	3	Hammock Beach River Club LLC		634,654	0.38%	3
Florida Landmark Communities	1,029,666	0.68%	4	Bell South Telecommunications		568,870	0.34%	4
KRG Palm Coast Landing LLC	506,524	0.34%	5	Centex Homes		524,683	0.31%	5
Ebsco Integra Woods	464,871	0.31%	6	WCI Communities INC		442,139	0.26%	6
Branch Island Walk Associates	375,678	0.25%	7	Ginn-La Hammock Beach Ocean		409,327	0.24%	7
Bright House Networks	314,212	0.21%	8	Intervest At Plantation Bay		404,102	0.24%	8
Palm Coast Land LLC	303,071	0.20%	9	Hammock Dunes Club, Inc		327,025	0.19%	9
Optimum Global Properties LLC	292,361	0.19%	10	Palm Coast Holdings Inc		326,250	0.19%	10
Total	\$ 9,290,420	6.16%		Total	\$	6,112,842	3.62%	
Total Taxes Levied	\$ 150,882,148	=		Total Taxes Levied	\$	168,742,630		

Source: Flagler County Tax Collector

Schedule 8
FLAGLER COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	 Total Tax Levied	Та	Current x Collections	Percentage of Levy Collected	Delinquent Tax Collections	 Total Tax Collections	Percentage Tax Collected
2017	\$ 150,882,148	\$	142,986,360	94.77%	N/A	\$ 142,986,360	94.77%
2016	143,974,359		136,179,893	94.59%	N/A	136,179,893	94.59%
2015	143,956,373		134,024,728	93.10%	N/A	134,024,728	93.10%
2014	137,584,994		118,554,639	86.17%	2,266,389	120,821,028	87.82%
2013	130,450,977		114,959,269	88.12%	1,584,914	116,544,183	89.34%
2012	126,473,783		116,590,891	92.19%	2,103,838	118,694,729	93.85%
2011	128,442,873		117,033,392	91.12%	2,893,685	119,927,077	93.37%
2010	140,050,887		127,261,198	90.87%	3,255,665	130,516,863	93.19%
2009	157,540,003		140,967,345	89.48%	4,368,325	145,335,670	92.25%
2008	168,742,630		148,004,450	87.71%	2,584,694	150,589,144	89.24%

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

Source: Flagler County Tax Collector

Schedule 9 FLAGLER COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

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

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

Schedule 10
FLAGLER COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Oblig	General ation Bonds ince Premium	Ava	ss: Amounts ilable in Debt ervice Fund	 let General nded Debt (1)	Ratio of Net General Bonded Debt To Estimated Actual Taxable Value (2)	Net Bonded Debt per Capita (3)
2017	\$ 35,765,000	\$	1,351,477	\$	3,949,034	\$ 33,167,443	0.42%	297.98
2016	37,945,000		1,431,230		514,593	38,861,637	0.52%	358.80
2015	39,155,000		1,510,983		761,513	39,904,470	0.57%	378.63
2014	41,665,000		12,536		644,215	41,033,321	0.52%	400.09
2013	43,425,000		15,298		872,679	42,567,619	0.39%	425.53
2012	45,105,000		18,060		1,020,914	44,102,146	0.36%	447.37
2011	46,715,000		20,821		1,174,704	45,561,117	0.41%	468.02
2010	43,770,000		23,583		728,449	43,065,134	0.46%	448.23
2009	45,215,000		26,345		832,594	44,408,751	0.58%	468.94
2008	36,930,000		29,106		1,381,722	35,577,384	0.54%	380.32

⁽¹⁾ Net General Bonded Debt consists of bonds secured by and payable from ad valorem taxes less amounts available in the related debt service funds for retirement of those obligations.

⁽²⁾ See the Schedule of Assessed Value of Taxable Property.

⁽³⁾ Population data can be found in the Schedule of Demographic Statistics

Schedule 11 FLAGLER COUNTY, FLORIDA DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF SEPTEMBER 30, 2017

Government Unit	<u>0</u>	Debt utstanding	Estimated Percentage Applicable	·	Amount oplicable to Primary overnment
School District City of Palm Coast	\$	56,925,000 8,365,000	100% 55.77%	\$	56,925,000 4,665,161
Subtotal, overlapping debt Flagler County direct debt					61,590,161 87,450,925
Total direct and overlapping debt				\$	149,041,086

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

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

Schedule 12 FLAGLER COUNTY, FLORIDA LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

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

Schedule 13
FLAGLER COUNTY, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Capital Improvement Revenue Bonds, Series 2005 (1) Less Net Available **Fiscal** Pledged-Operating **Debt Service** Year Revenues (1) Expenses Revenue Principal Interest Coverage \$ \$ \$ \$ \$ 2015 391,199 391,199 695,000 563,563 0.31 2014 3,535,516 3,535,516 665,000 1,141,256 1.96 2013 3,702,853 3,702,853 1,420,000 1,183,788 1.42 2012 4,372,403 4,372,403 1,365,000 1,239,488 1.68 2011 4,127,364 4,127,364 1,320,000 1,287,247 1.58

4,002,203

4,066,967

4,354,392

1,275,000

1,235,000

1,200,000

1,330,020

1,372,401

1,411,970

1.54

1.56

1.67

Note: Bonds were issued in September 2005

2010

2009

2008

Special Assessment Revenue Note, Series 2002 (2)

Fiscal	Ple	Pledged-		ess rating	Net Available	Debt S	Service		
Year	Reve	enues (1)	Exp	enses	Revenue	Principal	ı	nterest	Coverage
2014	\$	-	\$	-	\$ -	\$ 310,000	\$	11,873	0.00
2013		379		-	379	310,000		23,746	0.00
2012		365,136		-	365,136	310,000		35,684	1.06
2011		384,061		-	384,061	310,000		47,525	1.07
2010		377,043		-	377,043	310,000		59,365	1.02
2009		385,938		-	385,938	310,000		71,076	1.01
2008		401,529		-	401,529	310,000		83,241	1.02

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

4,002,203

4,066,967

4,354,392

⁽¹⁾ The pledged revenues includes the local government 1/2 cent sales tax, discretionary sales surtax, communication services tax, and revenue sharing.

⁽²⁾ In 2015 debt service was accomplished with pledged revenues reserve balance. Debt was refunded in February 2015.

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

Schedule 13 (Continued)

FLAGLER COUNTY, FLORIDA

PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS

Water and Sewer System Revenue Bond, Series 2013

Fiscal	ı	Pledged-	Oı	Less perating	Net Available		Debt S	ervice		
Year	Re	venues (1)	E	xpenses	Revenue	Р	rincipal	ı	nterest	Coverage
2017	\$	1,029,458	\$	571,453	\$ 458,005	\$	45,000	\$	110,880	2.94
2016		653,511		516,111	137,400		44,000		112,420	0.88
2015		662,544		519,422	143,122		42,000		113,890	0.92
2014		821,894		675,084	146,810		-		113,890	1.29
2013		529,333		426,709	102,624		-		44,308	2.32

⁽¹⁾ Bonds were issued in April 2013

Taxable Airport Revenue Note, Series 2015

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

⁽¹⁾ Note was issued in March 2015

Taxable Airport Refunding Revenue Note, Series 2015B

				Less		Net					_
Fiscal		Pledged-	0	perating		Available		Debt S	Service		
Year	Re	evenues (1)	E	xpenses		Revenue	Principal		Interest		Coverage
2017	\$	1,572,521	\$	837,371	\$	735,151	\$	126,000	\$	88,341	3.43
2016		1,501,573		1,274,658		226,914		100,000		108,065	1.09

⁽¹⁾ Note was issued in July 2015

Schedule 14 **FLAGLER COUNTY, FLORIDA DEMOGRAPHIC STATISTICS LAST TEN YEARS**

Fiscal Year	Population (1)	Personal Income (in thousands) (1)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (1)
2017	111,309	4,536,625	40,756	12,845	4.7%
2016	108,310	4,380,834	40,447	12,820	5.5%
2015	105,392	4,230,393	40,140	12,607	6.2%
2014	102,561	3,967,933	38,689	12,508	7.5%
2013	100,035	3,681,547	36,803	12,687	10.2%
2012	98,580	3,582,507	36,341	12,758	11.6%
2011	97,349	3,407,503	35,003	12,829	13.5%
2010	96,078	3,181,487	33,114	12,975	15.1%
2009	94,700	3,066,025	32,376	12,770	14.5%
2008	93,546	3,237,078	34,604	12,580	9.6%

(1) Source: Florida Research & Economic Database (FRED). Estimated 2017 based on 2016 amounts.(2) Source: Flagler County School District and Florida Department of Education

Schedule 15
FLAGLER COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

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

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

Schedule 16
FLAGLER COUNTY, FLORIDA
FULL TIME EQUIVALENT EMPLOYEES BY PROGRAM/FUNCTION
LAST TEN FISCAL YEARS

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

Source: Flagler County Board of County Commissioners Budget Document

Schedule 17
FLAGLER COUNTY, FLORIDA
OPERATING INDICATORS
LAST TEN FISCAL YEARS

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

(1) Information is unavailable

Source: Various Departments

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

					Fiscal Y	'ear				
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program/Function:										
Public Safety										
Fire/Rescue Vehicles	50	51	52	48	45	44	44	40	40	44
Fire Stations	7	7	7	7	7	7	7	7	7	7
Flight Operations Vehicles	2	2	2	2	2	2	2	2	2	2
Physical Environment										
Sanitary Landfill Site Acres	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92	131.92
Transportation										
Miles of road maintained:										
Paved	95.52	95.52	95.52	95.52	95.52	95.52	95.52	92.98	92.62	91.87
Unpaved	133.70	133.70	133.70	133.70	133.70	131.70	131.70	131.70	131.70	132.20
Public Works Vehicles	22	24	27	28	27	27	30	28	28	27
Public Works Heavy Machinery	63	65	65	52	50	54	47	49	49	48
Transit Vehicles	41	40	41	38	40	39	34	31	32	28
Culture/Recreation										
Parks & Recreation:										
Acreage	9,599	9,599	9,599	9,599	6,400	6,400	6,400	6,400	6,400	6,400
Number of Parks	27	26	21	21	20	20	20	20	20	20
Number of Playgrounds	13	12	12	12	12	12	12	12	12	12
Number of Community Centers	7	7	7	7	7	7	7	7	7	7
Libraries	2	2	2	2	2	2	2	2	2	2

Source: Various departments

Expenditures to Subrecipients	Expenditures	Contract/ Grant Number	CFDA Number	Federal/ State Agency Federal Program/ State Project	
				EDERAL AWARDS	
		stration		.S. Department of Commerce, National Oceanic and Atmo	
			rotection:	Passed through Florida Department of Environmental F	
	\$ 138,773	G0440	11.420	Coastal Zone Management Estuarine Research Reserves	
				.S. Department of Housing and Urban Development	
			tunity:	Passed though Florida Department of Economic Oppor	
	201	12DB-Q5-04-28-01-F03	14.228	Community Development Block Grant	
				.S. Department of Justice	
			nt:	Passed through Florida Department of Law Enforcement	
	11,970	2015-DJ-BX-0340	16.738	Edward Byrne Memorial Justice Assistance	
	41,038	2017-JAGC-FLAG-A-F9-071	16.738	Edward Byrne Memorial Justice Assistance	
	53,008				
				Violence Against Women's Office	
				Safe Havens: Supervised Visitation and Safe	
	53,399	2011-CW-AX-K014	16.527	Exchange	
				Passed through Florida Office of the Attorney General:	
	43,720	VOCA-2016-FCSO-00835	16.575	Crime Victim Assistance	
				.S. Department of Transportation	
				Direct Assistance:	
				Federal Aviation Administration	
	8,553,728	3-12-0009-018-2016	20.106	Airport Improvement Program	
				Federal Transit Administration	
				Passed through Florida Department of Transportation:	
	41,393	ARA98; 422633-2-84-32	20.509	Formula Grants for other than Urbanized Areas	
	005.400	FL-16-X023-00	20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	
	295,492				
	188,379	G0818; FPN 436945-1-84-02	20.513	Disabilities	
	483,871			Transit Services Programs Cluster	
			f Elections		
	58 851	MOA # 2015-2016-0006-EL A		•	
	30,004	WOA # 2013-2010-0000-FLA	30. 4 01	Holp America vote Act Nequirements	
				.S. Department of Health and Human Services	
				Passed through the Northeast Florida Agency on Aging	
	39,674	A016FCBCC	93.044	Special Programs for the Aging, Title III B	
	116,321	A017FCBCC	93.044	Special Programs for the Aging, Title III B	
	9.180	A016FCBCC	93.045	Special Programs for the Aging. Title III C1	
	5,.55	A017FCBCC	93.045	Special Programs for the Aging, Title III C1	
	188,379 483,871 58,854	A017FCBCC A016FCBCC	93.044 93.044 93.045	Transit Services Programs Cluster S. Election Assistance Commission Passed through Florida Department of State, Division of Help America Vote Act Requirements S. Department of Health and Human Services Passed through the Northeast Florida Agency on Aging Special Programs for the Aging, Title III B Special Programs for the Aging, Title III B Special Programs for the Aging, Title III C1	

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS (continued)				
U.S. Department of Health and Human Services (continued) Passed through the Northeast Florida Agency on Aging				
Special Programs for the Aging, Title III C2 Special Programs for the Aging, Title III C2	93.045 93.045	A016FCBCC A017FCBCC	26,777 85,939	
Nutrition Services Incentive Program Nutrition Services Incentive Program Aging Cluster	93.053 93.053	U016FCBCC A017FCBCC	5,725 17,791 338,775	
National Family Caregiver Support, Title III E National Family Caregiver Support, Title III E	93.052 93.052	A016FCBCC A017FCBCC	5,885 31,499 37,384	
Low-Income Home Energy Assistance Low-Income Home Energy Assistance	93.568 93.568	P016FCBCC P017FCBCC	5,697 3,367 9,064	
U.S. Department of Health and Human Services Passed through the Florida Department of Revenue Child Support Enforcement Child Support Enforcement	93.563 93.563	COC18 FY2015	176,960 1,001 177,961	
Executive Office of The President Office of National Drug Control and Policy Passed through St. Johns County High Intensity Drug Trafficking Areas Program	95.001	G7NF0001A	6,169	
<u>Passed through Florida Division of Emergency Management</u> Flood Mitigation Assistance	97.029	15FM-J7-04-28-01-236	23,812	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17-PA-U5-04-28-02-091	75,960	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4283 Hurricane Matthew	182,465 258,425	
Passed through Volunteer Florida Emergency Management Performance Grants Emergency Management Performance Grants	97.042 97.042	FY 2017 - Citizen Corps FY 2017 - EM CERT Program	7,800 7,800	
Passed through Florida Division of Emergency Management Emergency Management Performance Grants Emergency Management Performance Grants	97.042 97.042	17-FG-P9-04-28-01-091 18-FG-7A-04-28-01-236	50,468 12,599 78,667	
Passed through Florida Division of Emergency Management Pre-Disaster Mitigation Grant	97.047	15DM-K1-04-28-01-275	14,554	
State Homeland Security Grant Program	97.067	16-DS-T9-04-28-01-301	3,010	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 10,374,768	\$ -

Fed	Federal/ State Agency eral Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL	L ASSISTANCE				
Executive Office of	of the Governor				
Passed throu	gh Florida Division of Emergency Manage	ment			
Emergend	cy Management Programs	31.063	17-BG-83-04-28-01-024	\$ 89,849	
Emergeno	cy Management Programs	31.063	18-BG-W9-04-28-01-235	20,051	
				109,900	
Residenti	al Construction Mitigation Project	31.066	16RC-Q3-04-28-01-261	162,360	
Hurricane	Shelter Retrofit Project	31.068	15-SR-AA-04-28-01-445	119,459	
Department of En	vironmental Protection				
-	unty Consolidated Grant	37.012	SC707	90,909	
	e Surface Water Restoration and ter Projects	37.039	LP18061	122,305	
Passed throu	onomic Opportunity gh Enterprise Florida c Development Partnerships	40.040	Enterprise Florida	7,650	
State Hou	Finance Corporation Using Initiatives Partnership Program (SHIP) Using Initiatives Partnership Program (SHIP)	40.901 40.901	SHIP 2016-2017 Executive Order 16-230	554,013 116,692 670,705	
Mosquito	riculture and Consumer Services Control	42.003	16082	8,741	
Dan anton and at 01	ota and Ocamatam of Otata				
	te and Secretary of State to Libraries	45.030	17-ST-10	29,667	
Florida Departme	nt of Transportation				
	ommission for the Transportation taged (CTD), Trip and Equipment Grant	55.001	GOM40; FM 43202718401/43202818401	109,642	
	ommission for the Transportation taged (CTD), Trip and Equipment Grant	55.001	GOB17; FM 43202718401/43202818401		
Program			122211211111111111111111111111111111111	265,617 375,259	
Aviation (Grant Programs	55.004	ARK30; 436218-1-94-01	32,136	
	Grant Programs	55.004	AS346; 420843-2-94-05	760,331	
	Grant Programs	55.004	G0046; 437531-1-94-01	2,310	
	Grant Programs	55.004	G0A25; 420843-2-94-04	947,623	
	-				
Aviation C	Grant Programs	55.004	GOA84; 436218-1-94-02	8,234	

Federal/ State Agency Federal Program/ State Project	CSFA Number	Contract/ Grant Number	Expenditures	Expenditures to Subrecipients
STATE FINANCIAL ASSISTANCE (continued)				
Department of Transportation (continued)				
County Incentive Grant Program (CIGP)	55.008	AR106; 415964-1-38-01	248,814	
Small County Outreach Program (SCOP)	55.009	ARB94; 428445-1-58-01	980,517	
Small County Outreach Program (SCOP)	55.009	ARR70; 435302-1-58-01	866,806	
Small County Outreach Program (SCOP)	55.009	ARS76; 424351-1-58-01	173,440	
Small County Outreach Program (SCOP)	55.009	ARS79; 430093-1-54-01	27,765	
Small County Outreach Program (SCOP)	55.009	G0A08; 424351-2-54-01	147,505	
Small County Outreach Program (SCOP)	55.009	G0A09; 433729-1-54-01	131,300	
Small County Outreach Program (SCOP)	55.009	G0E98; 438989-1-54-01	45,307	
Small County Outreach Program (SCOP)	55.009	G0E99; 435300-1-54-01	91,926	
Small County Outreach Program (SCOP)	55.009	G0F00; 435301-1-54-01	106,415	
, , ,			2,570,981	
Small County Road Assistance Program (SCRAP)	55.016	ARB94; 428445-1-58-01	1,569,247	
Small County Road Assistance Program (SCRAP)	55.016	GOA62; 430093-1-54-02	2,231,775	
Small County Road Assistance Program (SCRAP)	55.016	G0E97; 431926-1-54-01	100,226	
, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , , ,	3,901,248	
Transportation Regional Incentive Program (TRIP)	55.026	ARQ81; 415962-2-58-01	28,670	
Department of Children and Families Criminal Justice, Mental Health, & Substance Abuse	60.115	LHZ38	198,962	\$ 198,962
Department of Health				
County Grant Awards	64.005	C5018	3,299	
Department of Elder Affairs Passed through the Northeast Florida Agency on Aging				
Home Care for the Elderly	65.001	H016FCBCC	699	
Home Care for the Elderly	65.001	H017FCBCC	563	
,			1,262	
Alzheimer's Respite Services	65.004	Z016FCBCC	103,956	
Alzheimer's Respite Services	65.004	Z017FCBCC	20,160	
			124,116	
Local Services Programs	65.009	L016FCBCC	25,287	
Local Services Programs	65.009	L017FCBCC	6,125 31,412	
	05.010	004050500		
Community Care for the Elderly	65.010	C016FCBCC	77,189	
Community Care for the Elderly	65.010	C017FCBCC	58,377 135,566	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				\$ 198,962
TOTAL LACENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 10,691,919	\$ 198,962

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

(1) Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State award activity of Flagler County, Florida for the year ended September 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). and Chapter 10.550, Rules of the Auditor General.

(2) Summary of Significant Accounting Policies:

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

(3) Indirect Cost Rate

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

(4) Subrecipients

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

State Grantor Subrecipient Program	Contract/Grant Number	CSFA Number	Amount Provided to Subrecipients
Department of Children and Families Criminal Justice, Mental Health, & Substance Abuse	LHZ38	60.115	198.962



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

The Honorable County Commissioners Flagler County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Flagler County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2017. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

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

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

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

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

Qualified Opinion on CSFA 55.001 Florida Commission for the Transportation Disadvantaged

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CSFA 55.001 Florida Commission for the Transportation Disadvantaged for the year ended September 30, 2017.

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and other major state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2017.

Other Matters

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated October 17, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cau, Riggs & Ingram, L.L.C.
Gainesville, Florida
October 17, 2018

PART I – SUMMARY OF AUDITOR'S RESULTS

- (i) The independent auditor's report on the financial statements expressed unmodified opinions.
- (ii) The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal award programs. However, the audit disclosed material weaknesses in internal control over one major state project.
- (V) The report on compliance for the major federal programs and state projects was unmodified, except for a qualified opinion on CSFA 55.001 Florida Commission for the Transportation Disadvantaged.
- (vi) The audit disclosed no findings relative to the major federal programs or state projects, except for the findings on CSFA 55.001 Florida Commission for the Transportation Disadvantaged.
- (vii) The County's major programs/projects were:

Federal Programs	<u>CFDA Number</u>
Aging Cluster Airport Improvement Program	93.044/93.045/93.053 20.106
State Projects	CSFA Number

State 110 cots	2017111011101
State Housing Initiative Partnership Program (SHIP)	40.901
Small County Road Assistance Program (SCRAP)	55.016
Aviation Grant Programs	55.004
Florida Commission for the Transportation	55.001
Disadvantaged	

- (viii) A threshold of \$750,000 was used to distinguish between Type A and Type B programs for federal programs, and \$320,758 was used for state projects.
- (ix) The County did not qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to the major federal programs.

PART IV - FINDINGS AND QUESTIONED COSTS - STATE PROJECTS

2017-001 State Award Allowable Activities and Costs Requirements

Florida Commission for the Transportation Disadvantaged - CSFA 55.001

Contract G0B17 and G0M40, 2016 and 2017

FM/Job No: 43202718401/43202818401, Florida Department of Transportation

Questioned costs – Known questioned costs of \$277 and likely questioned costs of \$236,839 were computed based on reimbursements for trips provided to participants without documentation of their disadvantaged status.

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

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

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

Effect: Noncompliance with allowable activities and costs grant requirements.

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

Views of responsible officials: See accompanying corrective action plan.

2017-002 State Award Oversight

Florida Commission for the Transportation Disadvantaged – CSFA 55.001

Contract G0B17 and G0M40, 2016 and 2017

FM/Job No: 43202718401/43202818401, Florida Department of Transportation

Questioned costs - none

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

Schedule of Findings and Questioned Costs

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

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

Effect: The potential for noncompliance with material compliance requirements.

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

Views of responsible officials: See accompanying corrective action plan.



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

The Honorable County Commissioners Flagler County, Florida

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Cau, Rigge & Ingram, L.L.C.
Gainesville, Florida
October 17, 2018



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MANAGEMENT LETTER

The Honorable County Commissioners Flagler County, Florida

We have audited the financial statements of Flagler County, Florida (the "County") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated October 17, 2018. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Financial Condition

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

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by

management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2017, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2017.

Other Matters

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

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

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

Gainesville, Florida October 17, 2018

Can, Rigge & Ingram, L.L.C.



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

The Honorable County Commissioners Flagler County, Florida

We have examined Flagler County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Gainesville, Florida October 17, 2018

Can, Rigge & Ingram, L.L.C.



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

The Honorable County Commissioners Flagler County, Florida

We have examined Flagler County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2017. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Gainesville, Florida October 17, 2018

Can, Rigge & Ingram, L.L.C.

Financial Services

1769 E. Moody Blvd Bldg 2 Bunnell, FL 32110



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October 17, 2018

Corrective Action Plan for Flagler County, Florida

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

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

Finding 2017-001

State Award Allowable Activities and Costs Requirements

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

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

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

Finding 2017-002

State Award Oversight

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

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

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



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



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

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2017, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2018, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Palatka, Florida September 12, 2018

Can, Rigge & Ingram, L.L.C.

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

General Court Fund Operations			Te	Court chnology	Records Modernization		Total Governmental Funds			
ASSETS										
Cash and cash equivalents	\$	2,469,005	\$	231,330	\$	219,566	\$	151,507	\$	3,071,408
Accounts receivable		2,617		4,242		219		121		7,199
Due from other funds		-		899		-		-		899
Due from Board										
of County Commissioners		15,091		<u>-</u>		-		-		15,091
Due from other governments		7,282		39,057		1,955		780		49,074
Prepaid		-		32,670		-		-		32,670
Other assets		26,829		1,833				-		28,662
TOTAL ASSETS	\$	2,520,824	\$	310,031	\$	221,740	\$	152,408	\$	3,205,003
LIABILITIES AND FUND BALANG	CES									
LIABILITIES										
Accounts payable and										
accrued liabilities	\$	77,769	\$	23,804	\$	85	\$	26	\$	101,684
Due to Board										
of County Commissioners		307,929		-		-		-		307,929
Due to other governments		493,201		253,557		-		-		746,758
Deposits		1,641,925		<u>-</u>		-				1,641,925
TOTAL LIABILITIES		2,520,824		277,361		85		26		2,798,296
FUND BALANCES Nonspendable:				20.670						22.670
Prepaid Restricted for		-		32,670		-		-		32,670
Court related		-		-		221,655		-		221,655
Records modernization				-				152,382		152,382
TOTAL FUND BALANCES		-		32,670		221,655		152,382		406,707
TOTAL LIABILITIES AND FUND BALANCES	\$	2,520,824	\$	310,031	\$	221,740	\$	152,408	\$	3,205,003

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund	Court Operations	Court Technology	Records Modernization	Total Governmental Funds
REVENUES					
Intergovernmental	\$ -	\$ 468,196	\$ -	\$ -	\$ 468,196
Charges for services	702,116	1,127,977	238,216	81,610	2,149,919
Fines and forfeitures	-	163,752	33,783	-	197,535
Miscellaneous revenue	5,055	450	-	-	5,505
Investment income	4,828	6,256	442	302	11,828
TOTAL REVENUES	711,999	1,766,631	272,441	81,912	2,832,983
EXPENDITURES					
Current					
General government Personal services	1 626 529				1 606 500
Operating expenses	1,626,528 230,654	-	-	67,514	1,626,528 298,168
Capital outlay	107,954	-	-	07,514	107,954
Court related	107,954				107,954
Personal services	_	1,537,959	112,523	_	1,650,482
Operating expenses	113,870	109,601	145,606		369,077
TOTAL EXPENDITURES	2,079,006	1,647,560	258,129	67,514	4,052,209
EXCESS OF REVENUES OVER					
(UNDER) EXPENDITURES	(1,367,007)	119,071	14,312	14,398	(1,219,226)
OTHER FINANCING					
SOURCES (USES)					
Appropriation from- Board of County Commissioners	1,661,539			_	1,661,539
Transfers in- other funds	1,001,559	20,555	_	_	20,555
Reversion to other governments	_	(106,956)	_	_	(106,956)
Reversion to Board		(100,000)			(100,000)
of County Commissioners	(291,527)	-	-	-	(291,527)
Transfers out- other funds	(3,005)		(17,550)		(20,555)
TOTAL OTHER FINANCING					
SOURCES (USES)	1,367,007	(86,401)	(17,550)		1,263,056
NET CHANGE IN FUND					
BALANCES	-	32,670	(3,238)	14,398	43,830
FUND BALANCES,					
BEGINNING OF YEAR		-	224,893	137,984	362,877
FUND BALANCES, END OF YEAR	\$ -	\$ 32,670	\$ 221,655	\$ 152,382	\$ 406,707

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

CLERK OF THE CIRCUIT COURT & COMPTROLLER FLAGLER COUNTY, FLORIDA STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS SEPTEMBER 30, 2017

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

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

NOTE 1 - Summary of Significant Accounting Policies:

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

Reporting Entity

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

Basis of Presentation

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

Fund Accounting

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

The Clerk reports the following governmental funds:

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

Court Operations – The Court Operations Fund of the Clerk is used primarily to account for all financial resources that are generated from court operations of the Clerk's Office. Said resources are to be used specifically as noted in FS 28.35(3)(a) and FS 28.37(2).

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

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

Records Modernization – The Records Modernization Fund of the Clerk is used to account for certain revenue that is to be "held in trust by the clerk and used exclusively for equipment and maintenance of equipment, personnel training and technical assistance in modernizing the public records system in the Office in accordance with FS 28.24 (12)(d).

Additionally, the Clerk also reports the following fiduciary funds:

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

Fund Balance

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

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

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

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds at year end September 30, 2017 have been included in a fund liability, Due to Other Governments.

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

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

Prepaid

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

Use of Estimates

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

NOTE 2 - Lease Commitments:

The Clerk has three operating leases for office equipment. The leases expire at varying dates from July 5, 2018 to June 23, 2021. Monthly payments range from \$214 to \$644. Lease payments for the year ended September 30, 2017 was \$31,264. The future minimum lease payments for the next three years are as follows:

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

NOTE 3 - Interfund Balances and Transfers:

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. At September 30, 2017, interfund balances consisted of:

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

NOTE 3 - Interfund Balances and Transfers: (continued)

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

	Transfers In		Trar	sfers Out
Governmental funds:				
General Fund	\$	-	\$	3,005
Court Operations		20,555		-
Court Technology	<u></u>	<u>-</u> _		17,550
Totals	\$	20,555	\$	20,555

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

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

General Fund	
Due from Board of County Commissioners	\$ 15,091
Due from entities of Flagler County	\$ 15,091
General Fund	
Due to Board of County Commissioners	\$ 307,929
Agency Funds	
Due to Sheriff	2,054
Due to Board of County Commissioners	 28,834
Due to entities of Flagler County	\$ 338,817

There were \$291,527 of excess revenues reverted to the Board of County Commissioners.

NOTE 5 - Risk Management:

The Clerk participates in the Flagler County risk management program. The Board of County Commissioners maintains a Group Medical Benefit Internal Service Fund for life and health insurance. During the current year, the Clerk remitted \$583,162 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves and program administration can be found in the basic financial statements of the Flagler County Board of County Commissioners for the year ended September 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

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

Budgeted Amounts

	Original	Final	Actual Amounts	Variance With Final Budget	
REVENUES	4 500.00	, A 700.400	A 7 00.440		
Charges for services	\$ 598,800		\$ 702,116	\$ 16	
Miscellaneous revenue	9,000		5,055	(145)	
Investment income	6,000	4,800	4,828	28	
TOTAL REVENUES	613,800	712,100	711,999	(101)	
EXPENDITURES					
Current					
General government					
Personal services	1,879,76		1,626,528	19	
Operating expenses	168,370		230,654	70	
Capital outlay		- 107,994	107,954	40	
Court related					
Operating expenses	10,680	138,884	113,870	25,014	
TOTAL EXPENDITURES	2,058,81	2,104,149	2,079,006	25,143	
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	(1,445,01	5) (1,392,049)	(1,367,007)	25,042	
OTHER FINANCING SOURCES (USES)					
Appropriation from- Board of County					
Commissioners	1,646,662	1,661,539	1,661,539	-	
Reversion to Board of County					
Commissioners		- (266,485)	(291,527)	(25,042)	
Transfer out- other funds	(201,647	7) (3,005)	(3,005)	-	
TOTAL OTHER FINANCING					
SOURCES (USES)	1,445,01	1,392,049	1,367,007	(25,042)	
NET CHANGE IN FUND BALANCES			-	-	
FUND BALANCES, BEGINNING OF YEAR		<u> </u>			
FUND BALANCES, END OF YEAR	\$	\$	\$ -	\$ -	

Note to schedule:

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

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

Budgeted Amounts

	Original	Final	Actual Amounts	Variance With Final Budget	
REVENUES					
Intergovernmental	\$ 530,055	\$ 461,702	\$ 468,196	\$ 6,494	
Charges for services Fines and forfeitures	1,061,900	1,117,720	1,127,977	10,257	
Miscellaneous revenue	114,700	160,730	163,752 450	3,022 450	
Investment income	-	5,503	6,256	753	
investment income	_	3,303	0,230	733	
TOTAL REVENUES	1,706,655	1,745,655	1,766,631	20,976	
EXPENDITURES					
Court related					
Personal services	1,623,042	1,534,850	1,537,959	(3,109)	
Operating expenses	130,613	113,168	109,601	3,567	
TOTAL EXPENDITURES	1,753,655	1,648,018	1,647,560	458	
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	(47,000)	97,637	119,071	21,434	
OTHER FINANCING SOURCES (USES)					
Transfers in- other funds	47,000	=	20,555	20,555	
Reversion to other governments	-	(97,637)	(106,956)	(9,319)	
TOTAL OTHER FINANCING	-			-	
SOURCES (USES)	47,000	(97,637)	(86,401)	11,236	
NET CHANGE IN FUND BALANCES	-	-	32,670	-	
FUND BALANCES, BEGINNING OF YEAR		<u> </u>			
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 32,670	\$ -	

Notes to schedule:

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

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

Budgeted Amounts

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

Note to schedule:

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

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

Budgeted Amounts

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

Note to schedule:

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

Additional Elements Required by the Rules of the Auditor General



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MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated September 12, 2018. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

Palatka, Florida

September 12, 2018

Can Rigge & Ingram, L.L.C.





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated September 12, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance.

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

Palatka, Florida

September 12, 2018

Can Rigge & Ingram, L.L.C.





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

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

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Palatka, Florida

September 12, 2018

Can, Rigge & Ingram, L.L.C.



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

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

We have examined the office of the Flagler County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017. However, we did note an immaterial instance of noncompliance that is reported in the accompanying schedule of findings as item 2017-001.

The Office's response to item 2017-001 is described in its accompanying letter of response. The Office's response was not subjected to the examination procedures applied in the examination of compliance with Sections 28.35 and 28.36, Florida Statutes, and, accordingly, we express no opinion on it.

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

Palatka, Florida

September 12, 2018

Can, Rigge & Ingram, L.L.C.



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

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

We have examined the office of the Flagler County Clerk of the Circuit Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees,* during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Cau, Riggs & Ingram, L.L.C. Palatka, Florida

September 12, 2018

Flagler County Clerk Of The Circuit Court

Schedule of Findings

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

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

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

Cause: External factors

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

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



TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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

September 12, 2018

Ms. Sherrill F. Norman Auditor General, State of Florida Claude Pepper Building 111 West Madison Street Tallahassee, FL 32399-1450

Dear Ms. Norman,

Thank you for the opportunity to respond to the recommendation made by our independent auditors, Carr, Riggs and Ingram, CPAs and Advisors, LLC, in connection with their audit of the Flagler County Clerk of the Circuit Court & Comptroller for the fiscal year ended September 30, 2017. This response is offered pursuant to the provisions of Section 218.39(6), Florida Statutes which provide for "The officer's written statement of explanation or rebuttal concerning the auditor's findings, including corrective action to be taken."

2017-001 Condition: The Office did not achieve the following performance measure: Collections

performance standards for Circuit Criminal and Juvenile Delinquency.

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

Response:

This recommendation involves Florida Statute 28.35(2) which defines the duties of the Florida Clerks of Court Operations Corporation to include:

"(d) Developing and certifying a uniform system of workload measures and applicable workload standards for court-related functions as developed by the corporation and clerk workload performance in meeting the workload performance standards. These workload measures and workload performance standards shall be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges, and court costs."

It is important to recognize that there are varying factors affecting the performance of each of the ten case types. Circuit Criminal cases are one of the most vulnerable types and may be affected by factors outside of the Clerks capacity including and not limited to: the economy, incarceration, and may be the most skewed in their collection rate by the considerable assessments required under the law.



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

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

Sincerely

Tom Bexley, Clerk of Court & Comptroller



Flagler County Sheriff

Audit Report

September 30, 2017



Flagler County Sheriff

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rick Staly Sheriff Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Sheriff (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2017, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

Caux Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2018, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Palatka, Florida July 27, 2018

Balance Sheet – Governmental Funds September 30, 2017

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

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

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

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

Statement of Fiduciary Net Position September 30, 2017

		Agency Funds
Assets Cash and equivalents	Ś	19,481
	<u>Ÿ</u> _	13,401
Liabilities		
Due to other funds	\$	200
Due to other county agencies		6,559
Assets held for others		12,722
Total liabilities		19,481
Net position	\$	-

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The Office also reports the following nonmajor governmental funds:

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

Police Education Fund – This fund is used to account for its share of revenues pursuant to Florida Statutes 938.15 and expenditures related to law enforcement education.

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office also reports the following fiduciary funds:

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

Deferred Inflows of Resources

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

Fund Balance

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

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

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

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

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

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

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Use of Estimates

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

Notes to Financial Statements

NOTE 2 – OPERATING LEASES

The Sheriff has an operating lease for facilities with a maturity date of December 2018. Monthly rent ranges from \$3,705 to \$4,951. Rent expenditures under these leases for the year ended September 30, 2017, totalled \$50,138. The future minimum payments for the remaining terms are as follows:

Year ending September 30,	Aı	mount
2018		57,564
2019		14,852
	\$	72,416

NOTE 3 – INTERFUND BALANCES

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

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

NOTE 4 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

Notes to Financial Statements

NOTE 5 – CONTINGENCIES AND COMMITMENTS

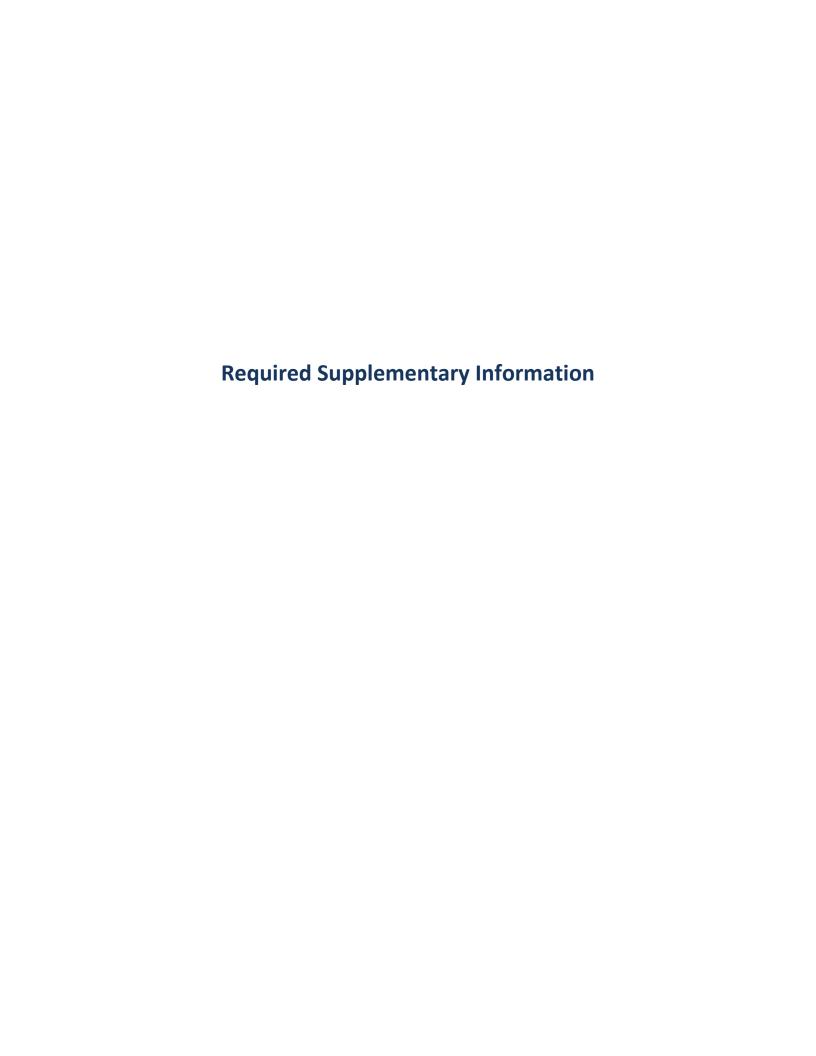
The Office is, during the course of normal operations, involved in various claims. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

NOTE 6 – SUBSEQUENT EVENTS

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

	Time		Eligible		County	R	evenue	R	evenue	
Hurricane	Period	Exp	enditures	Арр	ropriations	R	Received		Due	_
Matthew	October 2016	\$	243,287	\$	212,876	\$	212,876	\$	26,609	*
Irma	September 2017	7	346,983		230,817		-		346,983	_
		\$	590,270	\$	443,693	\$	212,876	\$	373,592	_

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

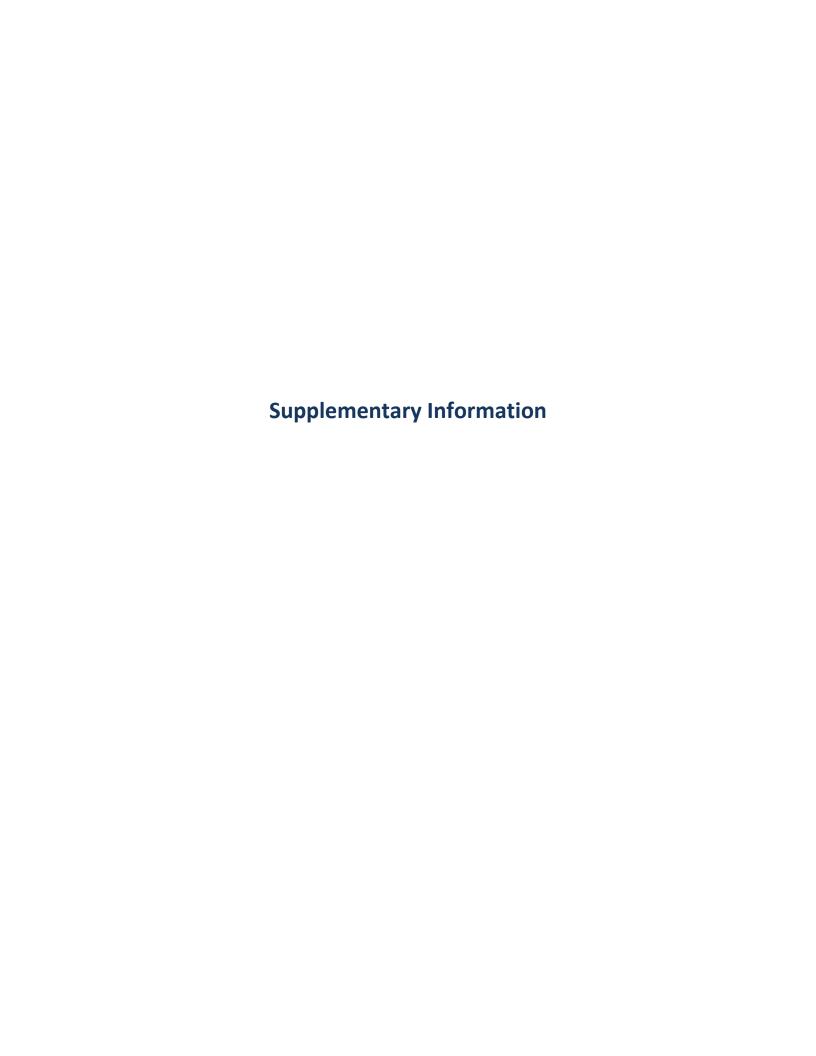


Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund Year ended September 30, 2017

	D. Jantan						Variance
	 Budgeted Original	ı An	Final	_	Actual	٧	Vith Final Budget
_	- 0 -		-				
Revenues							
Intergovernmental	\$ 230,000	\$	230,000	\$	304,933	\$	74,933
Charges for services	3,223,741		3,223,741		3,111,643		(112,098)
Fines and forfeitures	75,000		75,000		30,409		(44,591)
Miscellaneous	75,000		75,000		19,412		(55,588)
Total revenues	3,603,741		3,603,741		3,466,397		(137,344)
Expenditures							
Public safety:							
Personal services	20,880,047		21,354,246		20,729,570		624,676
Operating expenditures	3,685,315		3,586,002		3,441,330		144,672
Capital outlay	300,131		369,928		518,167		(148,239)
Court related:							
Personal services	816,679		821,349		805,199		16,150
Operating expenditures	18,885		13,225		11,500		1,725
Debt service:							
Principal	255,000		255,000		518,793		(263,793)
Interest	13,644		13,644		9,410		4,234
Total expenditures	25,969,701		26,413,394		26,033,969		379,425
Excess of revenues over (under)							
expenditures	(22,365,960)		(22,809,653)		(22,567,572)		242,081
Other financing sources (uses)							
Appropriation from board of county commissioners	22,340,960		22,784,653		22,571,777		(212,876)
Reversion to board of county commissioners	-		-		(14,199)		(14,199)
Sale of capital assets	25,000		25,000		9,994		(15,006)
Total other financing sources (uses)	22,365,960		22,809,653		22,567,572		(242,081)
Net change in fund balances							-
Fund balances - beginning of year	 						
Fund balances - end of year	\$ -	\$	-	\$	-	\$	-

Notes to schedule:

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



Combining Balance Sheet – Nonmajor Governmental Funds September 30, 2017

					F	ederal		Total
		Inmate		Police		ıuitable	ı	Nonmajor
	\	Nelfare	Ed	ucation	S	haring	Go	vernmental
		Fund		Fund		Fund		Funds
Assets								
Cash and equivalents	\$	12,876	\$	427	\$	1,177	\$	14,480
Due from other funds		200		-		-		200
Accounts receivable		18,374		-		-		18,374
Total assets	\$	31,450	\$	427	\$	1,177	\$	33,054
Fund balances								
Restricted				427		1,177		1,604
Committed		31,450		427				31,450
Total fund balances		31,450		427		1,177		33,054
Tatal liabilities								
Total liabilities		24.450		407	_	4 4 7 7		22.054
and fund balances	\$	31,450	Ş	427	Ş	1,177	Ş	33,054

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

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

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

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

Additional Elements Required by the Rules of the Auditor General





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MANAGEMENT LETTER

The Honorable Rick Staly Sheriff Flagler County, Florida

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

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

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

Other Matters

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

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

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

Palatka, Florida July 27, 2018

Can, Rigge & Ingram, L.L.C.





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

The Honorable Rick Staly Sheriff Flagler County, Florida

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

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

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

The Office's Response to Finding

Cau, Rigge & Ingram, L.L.C.

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

Purpose of this Report

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

Palatka, Florida

July 27, 2018





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

The Honorable Rick Staly Sheriff Flagler County, Florida

We have examined the office of the Flagler County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Palatka, Florida

Caux Rigge & Ingram, L.L.C.

Schedule of Findings

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

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

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

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

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

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

2017-002

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

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

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

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

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



Rick Staly, Sheriff FLAGLER COUNTY SHERIFF'S OFFICE

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

July 27, 2018

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

Dear Ms. Norman:

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

2017-001 Condition: As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist with the preparation of the Office's financial statements.

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

Resolution: We are restructuring our Financial Services Unit and evaluating our current financial software system in order to preclude this situation from occurring again.

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

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

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Sherill F. Norman, CPA July 27, 2018 Page two

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

Sincerely,

Rick Staly

Sheriff



Audit Report

September 30, 2017



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INDEPENDENT AUDITOR'S REPORT

The Honorable Suzanne Johnston Tax Collector Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2017, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Palatka, Florida June 27, 2018

Balance Sheet – Governmental Funds September 30, 2017

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

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

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

Statement of Fiduciary Net Position September 30, 2017

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

Notes to Financial Statements

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.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash

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

Use of Estimates

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

Notes to Financial Statements

NOTE 2 – INTERFUND BALANCES

The following interfund balances arose during the normal course of operations of the Office.

	Due From	[Due To
	Other Funds	Oth	ner Funds
General fund	\$ 19,685	\$	-
Agency funds:			
Tax fund	-		19,685
Total	\$ 19,685	\$	19,685

NOTE 3 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

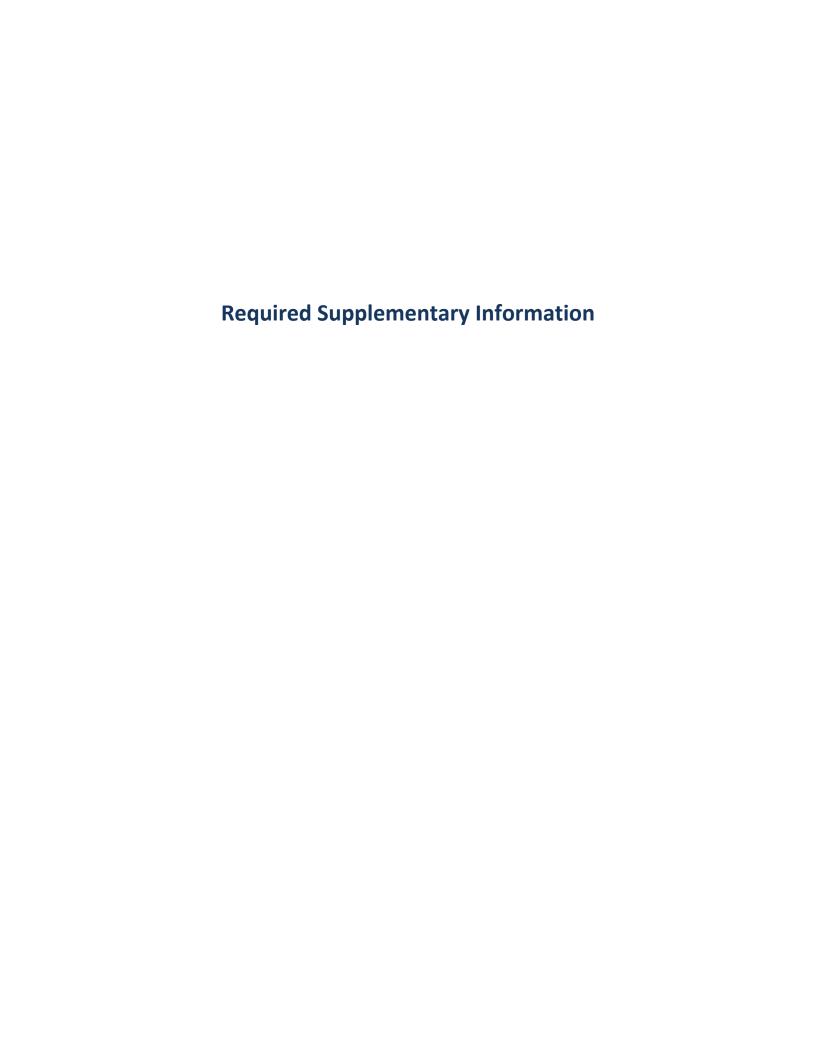
NOTE 4 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 5 – CONTINGENCIES

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



Flagler County Tax Collector

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

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

Notes to Schedule:

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



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 September 30, 2017

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

Additional Elements Required by the Rules of the Auditor General





MANAGEMENT LETTER

The Honorable Suzanne Johnston Tax Collector Flagler County, Florida

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

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

Prior Audit Findings

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

Other Matters

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

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

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

Palatka, Florida June 27, 2018

Can, Rigge & Ingram, L.L.C.

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

The Honorable Suzanne Johnston Tax Collector Flagler County, Florida

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

Can, Rigge & Ingram, L.L.C.

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

Palatka, Florida

June 27, 2018





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

The Honorable Suzanne Johnston Tax Collector Flagler County, Florida

We have examined the office of the Flagler County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Palatka, Florida

Can, Rigge & Ingram, L.L.C.

June 27, 2018



SUZANNE JOHNSTON, C.F.C.

Flagler County Tax Collector

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June 27, 2018

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

Dear Honorable Norman:

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

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

Sincerely

Suzanne Johnston

Flagler County Tax Collector

Audit Report

September 30, 2017



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2018 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Offices' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Palatka, Florida August 17, 2018

Caux Rigge & Ingram, L.L.C.

Balance Sheet – Governmental Funds September 30, 2017

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

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

	General
	Fund
Revenues	
Charges for services	\$ 65,687
Miscellaneous revenue	20,934
Total revenues	86,621
Expenditures	
General government:	
Personal services	2,013,579
Operating expenditures	287,690
Capital outlay	5,250
Total expenditures	2,306,519
Excess of revenues under expenditures	(2,219,898)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,263,257
Reversion to board of county commissioners	(43,359)
Total other financing sources (uses)	2,219,898
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	\$ -

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

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

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

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Use of Estimates

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

NOTE 2 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE 3 – LEASE COMMITMENTS

The Office has eight vehicle operating leases. During the year ended September 30, 2017, the lease payments on all vehicle operating leases were \$22,785.

Notes to Financial Statements

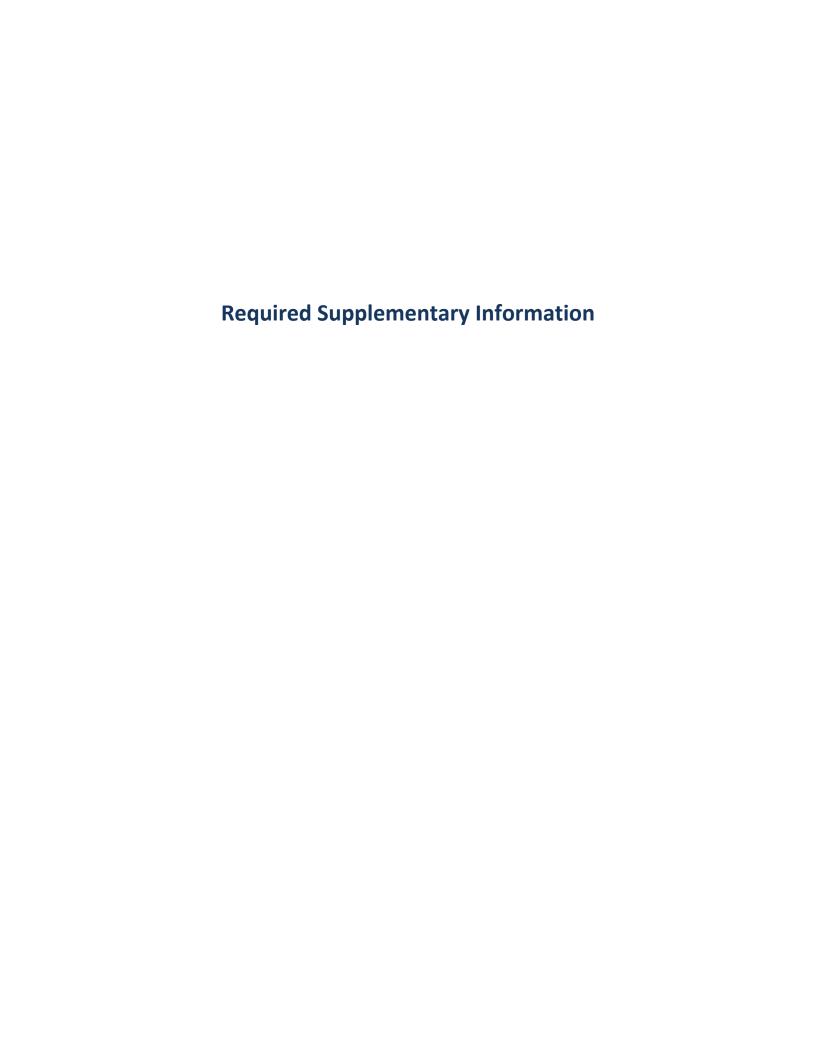
NOTE 3 – LEASE COMMITMENTS (CONTINUED)

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

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

NOTE 4 – CONTINGENCIES AND COMMITMENTS

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.



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

	Budgeted Amounts					Variance With Final		
	Original Final			Actual		Budget		
Revenues		.6						
Charges for services	\$	65,972	\$	65,972	\$	65,687	\$	(285)
Miscellaneous revenue		-		-		20,934		20,934
Total revenues		65,972		65,972		86,621		20,649
Expenditures								
General government:								
Personal services	2,	037,748		2,028,438	2	,013,579		14,859
Operating expenditures		290,550		299,860		287,690		12,170
Capital outlay		-		-		5,250		(5,250)
Total expenditures	2,	328,298		2,328,298	2	,306,519		21,779
Excess of revenues under expenditures	(2,	262,326)	((2,262,326)	(2	,219,898)		42,428
Other financing sources (uses)								
Appropriation from board of county commissioners	2	262,326		2,262,326	2	,263,257		931
Reversion to board of county commissioners	_,	-		-	_	(43,359)		(43,359)
Total other financing sources (uses)	2,	262,326		2,262,326	2	,219,898		(42,428)
Net change in fund balances		-		-		-		-
Fund balances - beginning of year		-		-		-		
Fund balances - end of year	\$	-	\$	-	\$	-	\$	-

Notes to schedule:

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

Additional Elements Required by the Rules of the Auditor General





MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated August 17, 2018. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

Palatka, Florida

Caux Rigge & Ingram, L.L.C.

August 17, 2018





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Property Appraiser (the "Office"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated August 17, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Palatka, Florida

Caux Rigge & Ingram, L.L.C.

August 17, 2018





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

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

We have examined the Flagler County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Palatka, Florida

August 17, 2018

Caux Rigge & Ingram, L.L.C.



Audit Report

September 30, 2017



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INDEPENDENT AUDITOR'S REPORT

The Honorable Kaiti Lenhart Supervisor of Elections Flagler County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Flagler County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2018, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Palatka, Florida July 9, 2018

Balance Sheet – Governmental Funds As of September 30, 2017

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

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

		neral Ind
Revenues		
Intergovernmental revenue	\$ 1	18,821
Charges for services		7,066
Miscellaneous revenue		1,194
Total revenues	-	27,081
Expenditures		
General government:		
Personal services	54	40,561
Operating expenditures	22	29,432
Total expenditures	76	69,993
Excess of revenues under expenditures	(74	42,912)
Other financing sources (uses)		
Appropriation from board of county commissioners	84	47,024
Reversion to board of county commissioners	(8)	82,464)
Total other financing sources (uses)	70	64,560
Net change in fund balance	:	21,648
Fund balance - October 1, 2016		7,712
Fund balance - September 30, 2017	\$ 2	29,360

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

Accounts are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no non-major funds.

The Office reports the following major governmental fund:

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

Fund Balance

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-term Liabilities

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

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

Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Use of Estimates

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

NOTE 2 – RISK MANAGEMENT

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

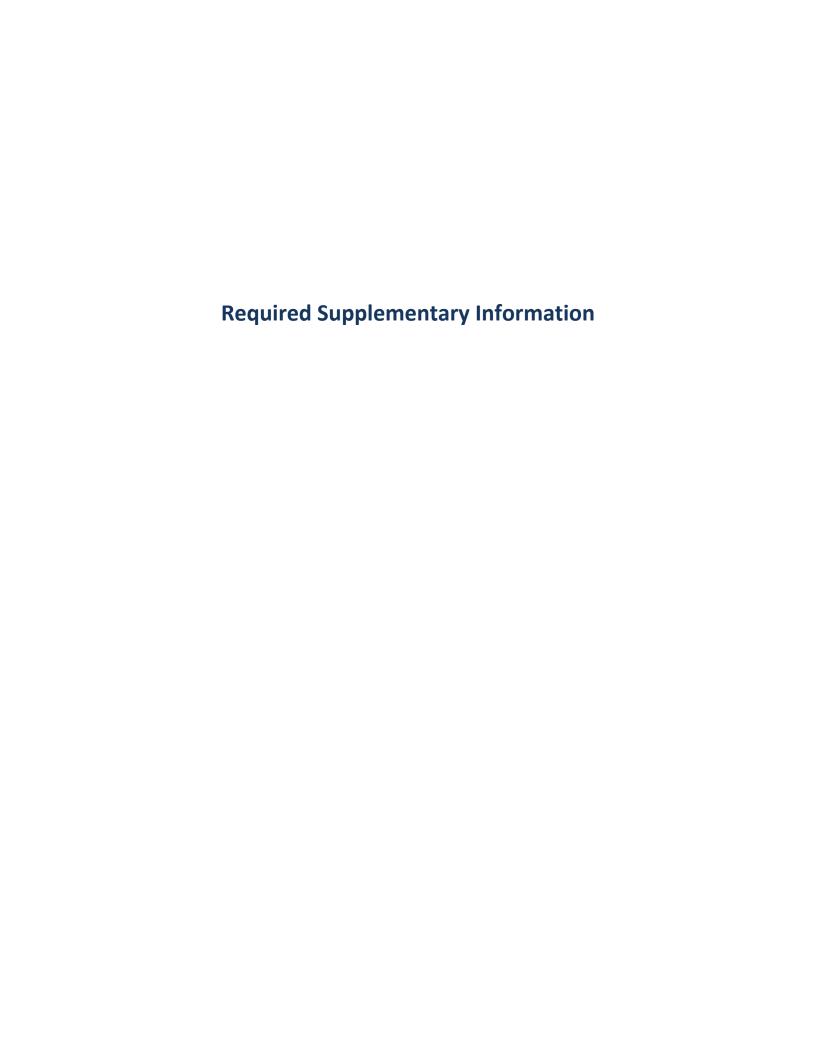
Notes to Financial Statements

NOTE 3 – LEASE COMMITMENTS

The Office leases equipment through operating leases with maturity dates ranging from January 2018 to May of 2022. The lease cost for the year ended September 30, 2017 was \$4,679.

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

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



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

	Budgeted Amounts						Variance With final		
	(<u>Buugetet</u> Original	ı AII	Final		Actual		Budget	
Bournes									
Revenues Intergovernmental revenue	\$	_	Ś	18,821	ċ	18,821	ċ		
Charges for services	Ą	_	Ų	10,021	٦	7,066	ې	7,066	
Miscellaneous revenue		_		_		1,194		1,194	
						,		<u> </u>	
Total revenues		-		18,821		27,081		8,260	
Expenditures									
General government:									
Personal services		569,444		569,444		540,561		28,883	
Operating expenditures		267,332		296,689		229,432		67,257	
Reserve for contingencies		5,000		5,000		-		5,000	
Total expenditures		841,776		871,133		769,993		101,140	
Excess of revenues under expenditures		(841,776)		(852,312)		(742,912)		109,400	
Other financing sources (uses)									
Appropriation from board of county commissioners		841,776		844,600		847,024		2,424	
Reversion to board of county commissioners				-		(82,464)		(82,464)	
Total other financing sources (uses)		841,776		844,600		764,560		(80,040)	
Net change in fund balances		-		(7,712)		21,648		29,360	
Fund balances – October 1, 2016		-		7,712		7,712		-	
Fund balances – September 30, 2017	\$	-	\$	-	\$	29,360	\$	29,360	

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. The final budget shown above includes grant balances of \$7,712 carried forward from a prior year and \$18,821 grant award received during 2017 that were anticipated to be expended during 2017.

Additional Elements Required by the Rules of the Auditor General



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MANAGEMENT LETTER

The Honorable Kaiti Lenhart Supervisor of Elections Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2017, and have issued our report thereon dated July 9, 2018. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

Other Matters

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

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

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

Palatka, Florida July 9, 2018

Can, Rigge & Ingram, L.L.C.





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

The Honorable Kaiti Lenhart Supervisor of Elections Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Flagler County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated July 9, 2018.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

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

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Office's Response to Findings

Can, Rigge & Ingram, L.L.C.

The office's response to the findings identified in our audit is described in its accompanying letter of response. The office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Palatka, Florida July 9, 2018



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Kaiti Lenhart Supervisor of Elections Flagler County, Florida

We have examined the office of the Flagler County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide reasonable basis for our opinion.

Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Palatka, Florida July 9, 2018

Can, Rigge & Ingram, L.L.C.

Schedule of Findings

2017-001 (Similar item reported in previous audit reports 2016-001 and 2015-001)

Criteria: Financial statements must be presented in accordance with generally accepted accounting principles.

Condition: As part of the audit process, it was necessary for us to propose material adjustments to the Office's financial statements. The Office's calculation of excess fees for reversion included balance sheet accounts in error. Four opening general ledger balances were not in agreement with prior year ending general ledger balances. It was also necessary for us to assist with the preparation of the Office's financial statements.

Cause: The Office has a misunderstanding in how to calculate excess fees. Additionally, procedures for closing the year do not include verification of the general ledger opening balances against the prior year ending balances. Also, personnel are unable to prepare financial statements and related notes in accordance with generally accepted accounting principles.

Effect: Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with general accepted accounting principles.

Recommendation: The Office should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

2017-002

Criteria: Complete reconciliation and review of the bank account is necessary to identify all transactions for proper posting to the records and reduce risk of error or misappropriation.

Condition: The operating bank account was not completely reconciled to the general ledger throughout the year, including at fiscal year-end. In addition, there was no evidence of review and approval by someone other than the preparer for the months of August and September 2017.

Cause: Incomplete reconciliation and inconsistent reviews.

Effect: Unreconciled differences remain open, leaving increased risk of misappropriation or unrecorded transactions.

Recommendation: Ensure that bank accounts are completely and timely reconciled to the general ledger and consistently reviewed and approved by someone other than the preparer.

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Sherrill F. Norman, CPA Florida Auditor General 111 West Madison Street Tallahassee, FL 32399-1450

July 9, 2018

Dear Auditor General:

We are grateful to the accountants of Carr, Riggs & Ingram, LLC., for their assistance with the financial statements for this budget year which included a historic turnout for the 2016 General Election in November 2016. Let it be noted that we made every effort to be available during the audit period from December 2017 to July 2018 and have been highly responsive to the many requests made by the auditors during the course of their work.

2017-001 Condition: As part of the audit process, it was necessary for us to propose material adjustments to the Office's financial statements. The Office's calculation of excess fees for reversion included balance sheet accounts in error. Four opening general ledger balances were not in agreement with prior year ending general ledger balances. It was also necessary for us to assist with the preparation of the Office's financial statements.

Response:

During fiscal year 2017, we experienced accounting software errors and reported them immediately to our vendor. After receiving their technical assistance, it was determined that reinstallation of the software and manual re-input of data was required to resolve the issues. After following this recommendation, the account balances have been restored in our current accounts for fiscal year 2018.

After evaluating the financial statements from this fiscal year, we have gained the knowledge to make substantial improvements to prepare our financial statements in accordance with GAAP. In addition, we have consulted with a local accountant to improve the preparation of the financial statements and to assist with the calculation of excess fees for fiscal year 2018.



Kaiti Lenhart ★ flagler county supervisor of elections

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2017-002 Condition: The operating bank account was not completely reconciled to the general ledger throughout the year, including at fiscal year-end. In addition, there was no evidence of review and approval by someone other than the preparer for the months of August and September 2017.

Response:

We have consulted with a local accountant to review our monthly bank reconciliation procedures and to resolve the current unreconciled amount of \$30.15.

Sincerely,

Kaiti Lenhart

Flagler County Supervisor of Elections