

# Flagler County

*Surrounded by Water*



Flagler County, Florida

Annual Financial Report  
September 30, 2013



Flagler County is truly surrounded by water. From the 19 miles of pristine beaches to the Intracoastal Waterway that runs right through our back yard. When exiting on highway 100, travelers on I-95 are only 3 miles from our beaches. This is the closest exit to the beach from Maine to Miami! Further attesting to the fact that Flagler County has a wealth of “wet” resources.

Whether it’s boating, kayaking, swimming, fishing or the numerous other water related activities; when it comes to water, we’ve got you covered.

Flagler County residents and guests are the beneficiaries of over a dozen parks and recreation areas located in, on or around water.

A drive down A1A yields breath taking ocean views on the east with the occasional dolphin or whale sighting. The Intracoastal Waterway situated to the west is often the winter home of dozens of manatees.

Our County of approximately 100,000 also features fresh water treasures such as the many estuaries, creeks and coves just a short canoe ride off the Intracoastal. These natural areas are host to untold numbers of local game and wildlife. There are also a number of lakes in the County often found as a destination for anglers from around the world.

Our residents and guests are often happiest just sitting and relaxing while enjoying one of our stunning sunrises or sunsets, all framed by the wonder that is Flagler County.



**FLAGLER COUNTY, FLORIDA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**FLAGLER COUNTY, FLORIDA  
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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, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 16 to the financial statements, the County has restated the beginning net position of the governmental activities for the transfer of land that was previously not reported. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements. The combining financial statements, individual fund schedules, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Gainesville, Florida  
May 5, 2014



## Management's Discussion and Analysis

The County's management discussion and analysis presents an overview and analysis of the County's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the County's financial statements beginning on page 13.

### Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities at September 30, 2013 (fiscal year end) by \$254,769,009 (net position) for governmental activities, representing an increase of \$2,716,870.
- The amount reported as unrestricted net position, \$5,724,481, increased \$679,126 over the previous year. This amount is a measure of the County's resources to meet the County's ongoing obligations to its citizens and creditors.
- Flagler County, Florida entered into an interlocal agreement with the City of Bunnell on February 6, 2013 to purchase and operate a potable water and sanitary wastewater utility system, with the understanding that ownership and operation of the utility would be handled on a joint basis between the two parties. This joint venture, known as the Bunnell Flagler County Utility ("BFCU"), purchased the assets of the existing water treatment plant on September 16, 2013 and received the wastewater assets through donation at the closing. The City and the County have equally shared legal responsibility for all aspects of the BFCU, to include but not limited to: meeting all financial, regulatory, environmental and liability requirements; providing water, sewer and reuse service within the designated service area; and operating all other aspects of the BFCU, regardless of whichever party is authorized to act. Additional information on the County's investment in joint venture can be found in Note 15 on pages 52 - 53 of this report.

### Overview of the Financial Statements

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

#### Government-wide financial statements

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

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

The statement of activities presents information showing how the County's net position changed during the fiscal year ended September 30, 2013. 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, and interest on long-term debt. The business-type activities of the County include the airport, landfill, utilities and waste management.

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

### **Fund financial statements**

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

### **Governmental funds**

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

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

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

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

The governmental fund financial statements can be found on pages 15 - 18 of this report.

## **Proprietary funds**

The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to airport operations, refuse disposal, water and sewer utility service 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 sanitary landfill, airport operations, water and waste water services and waste management fund, the County's only non-major proprietary fund. Internal service funds have been reported in an aggregated presentation with the proprietary fund financial statements.

The basic proprietary financial statements can be found on pages 19 -22 of this report.

## **Fiduciary funds**

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

The basic fiduciary fund financial statements can be found on page 23 of this report.

## **Notes to the financial statements**

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

The notes to the financial statements can be found on pages 24 - 53 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 funds with adopted budgets. This also includes the County's progress in funding of its Other Postemployment Benefits (OPEB) obligation. Required supplementary information can be found on pages 54 – 57 of this report.

## Government-wide Financial Analysis

### FLAGLER COUNTY, FLORIDA NET POSITION (in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 52,761	\$ 56,569	\$ 5,961	\$ 5,826	\$ 58,722	\$ 62,395
Capital assets	292,694	293,864	16,844	23,555	309,538	317,419
<b>Total Assets</b>	<b>345,455</b>	<b>350,433</b>	<b>22,805</b>	<b>29,381</b>	<b>368,260</b>	<b>379,814</b>
<b>Deferred Outflows</b>	<b>791</b>	<b>555</b>	<b>154</b>	<b>106</b>	<b>945</b>	<b>661</b>
Non-current liabilities	78,089	76,565	1,253	6,886	79,342	83,451
Other liabilities	16,105	19,654	4,040	1,940	20,145	21,594
<b>Total Liabilities</b>	<b>94,194</b>	<b>96,219</b>	<b>5,293</b>	<b>8,826</b>	<b>99,487</b>	<b>105,045</b>
Net position						
Net investment in capital						
assets	213,606	216,373	11,134	14,817	224,740	231,190
Restricted	33,401	32,672	2,685	2,752	36,086	35,424
Unrestricted	5,045	5,724	3,847	3,092	8,892	8,816
<b>Total net position</b>	<b>\$ 252,052</b>	<b>\$ 254,769</b>	<b>\$ 17,666</b>	<b>\$ 20,661</b>	<b>\$ 269,718</b>	<b>\$ 275,430</b>

Net position may serve over time as a useful indicator of the County's financial position. Total assets and deferred outflows of the County exceeded liabilities by \$275,430,430 as of the fiscal year ended September 30, 2013.

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

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

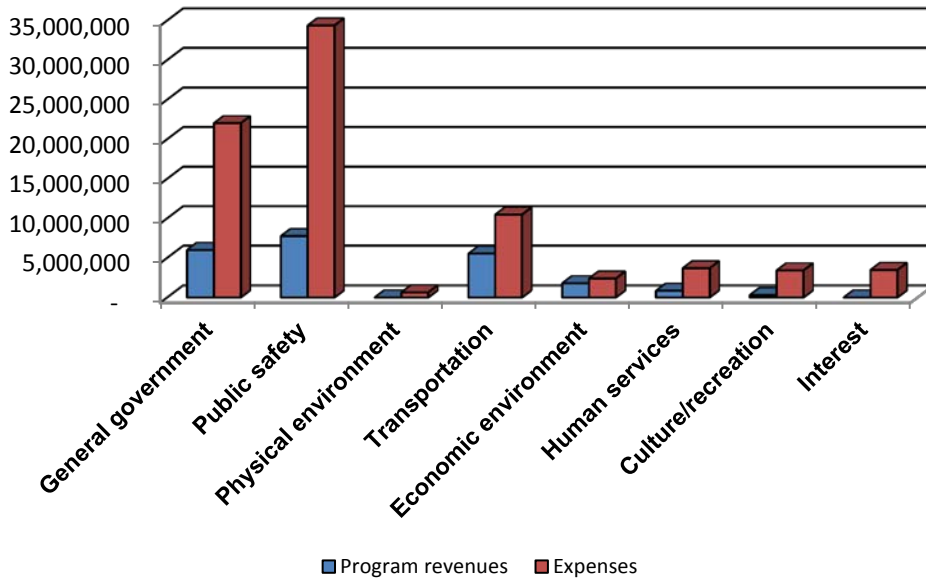
At September 30, 2013 the County is able to report positive balances in all three categories of net position for governmental activities and positive balances for all three categories of net position for business-type activities.



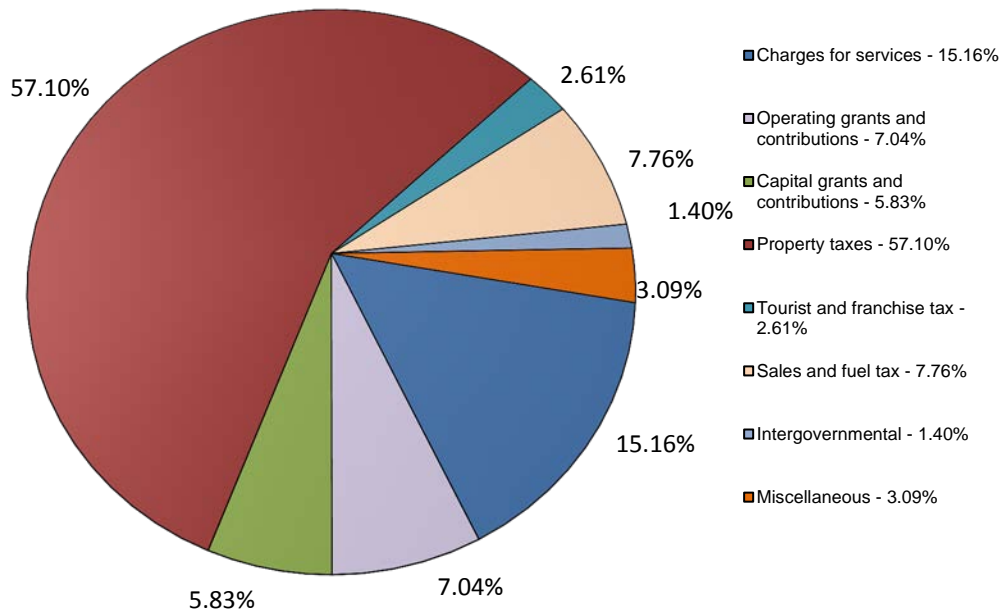
**FLAGLER COUNTY, FLORIDA**  
**CHANGES IN NET POSITION**  
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2013	2012	2013	2012	2013
<b>Revenues</b>						
Program revenues						
Fines & Charges for Svcs	\$ 10,957	\$ 12,160	\$ 3,191	\$ 3,612	\$ 14,148	\$ 15,772
Operating grants and contributions	5,869	5,444	71	71	5,940	5,515
Capital grants and contributions	3,474	4,671	2,785	3,943	6,259	8,614
General revenues						
Property taxes	43,172	45,786	-	-	43,172	45,786
Other taxes	7,481	8,321	141	133	7,622	8,454
Change in investment in joint venture	-	-	-	(69)	-	(69)
Miscellaneous	2,120	3,605	29	57	2,149	3,662
<b>Total revenues</b>	<b>73,073</b>	<b>79,987</b>	<b>6,217</b>	<b>7,747</b>	<b>79,290</b>	<b>87,734</b>
<b>Expenses</b>						
General government	21,044	22,028	-	-	21,044	22,028
Public safety	34,782	34,382	-	-	34,782	34,382
Physical environment	1,004	648	-	-	1,004	648
Transportation	7,439	10,477	-	-	7,439	10,477
Economic environment	1,537	2,402	-	-	1,537	2,402
Human services	4,268	3,706	-	-	4,268	3,706
Culture/recreation	4,008	3,426	-	-	4,008	3,426
Interest/charges on long-term debt	3,725	3,488	-	-	3,725	3,488
Sanitary landfill	-	-	99	169	99	169
Airport	-	-	2,405	2,567	2,405	2,567
Utilities	-	-	374	511	374	511
Waste management	-	-	1,460	1,354	1,460	1,354
<b>Total expenses</b>	<b>77,807</b>	<b>80,557</b>	<b>4,338</b>	<b>4,601</b>	<b>82,145</b>	<b>85,158</b>
<b>Transfers</b>	<b>(10)</b>	<b>151</b>	<b>10</b>	<b>(151)</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in net position</b>	<b>(4,744)</b>	<b>(419)</b>	<b>1,889</b>	<b>2,995</b>	<b>(2,855)</b>	<b>2,576</b>
<b>Net position, beginning</b>	<b>256,796</b>	<b>252,052</b>	<b>15,777</b>	<b>17,666</b>	<b>272,573</b>	<b>269,718</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>3,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,136</b>
<b>Net position, ending</b>	<b>\$ 252,052</b>	<b>\$ 254,769</b>	<b>\$ 17,666</b>	<b>\$ 20,661</b>	<b>\$ 269,718</b>	<b>\$ 275,430</b>

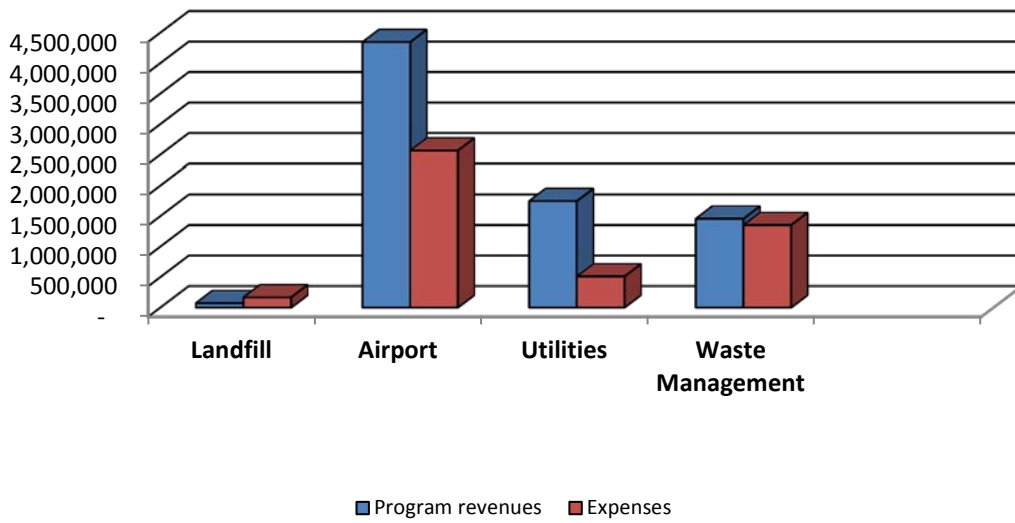
### Expenses and Program Revenues - Governmental Activities



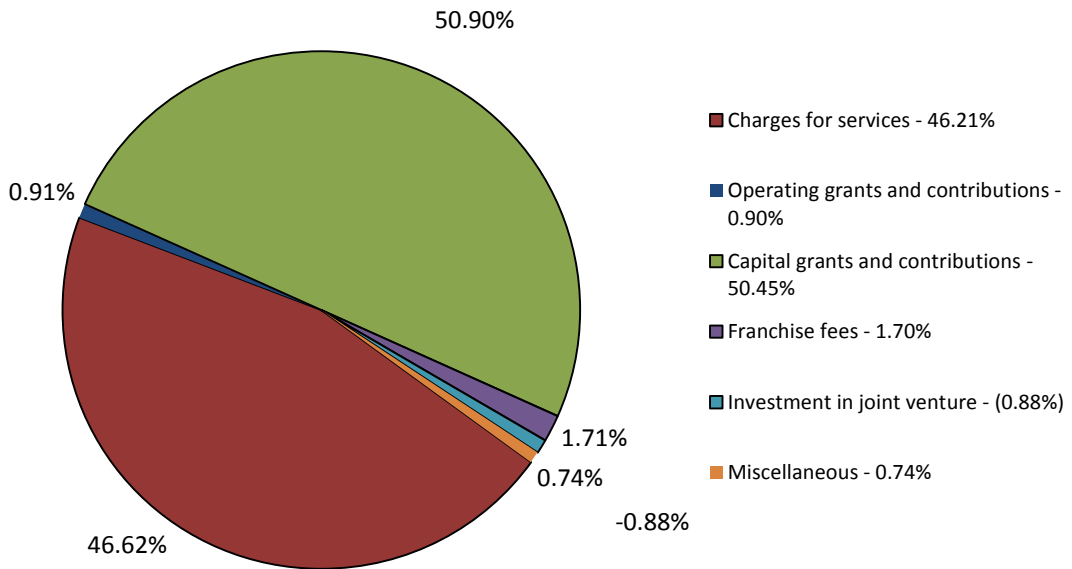
### Revenues by Source - Governmental Activities



### Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



### **Governmental activities**

Governmental activities decreased the County's net position by \$418,810. Taxes and fees have been established to fund current operating needs in addition to other activities, debt repayment and asset acquisition in future years.

### **Business-type activities**

Business-type activities increased the County's net position in the amount of \$2,995,754 for the fiscal year ended September 30, 2013.

## **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, 2013, the County's governmental funds reported combined ending fund balances of \$40,332,340 an increase of \$198,073. Assigned and unassigned fund balance of \$6,812,009 in the general fund is available for spending at the County's discretion; \$26,179,728 of restricted fund balances of other governmental funds are available for spending at the County's discretion within the limitations of the funds' revenue source. The amount reported as restricted for debt service was \$4,560,661.

The General Fund is the operating fund of the County. At September 30, 2013, assigned and unassigned fund balance of this fund was \$6,812,009 while the total fund balance amounted to \$11,225,690. 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 \$3,545,789 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 13/14 budget.

The fund balance of the County's general fund increased by \$864,544 during the fiscal year ended September 30, 2013.

### **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 \$3,091,607 at September 30, 2013.

### **Capital Asset and Debt Administration**

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$317,418,303 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure and construction in progress. The total net increase in the County's investment in capital assets for the fiscal year ended September 30, 2013 was \$7,880,285 (\$1,169,717 net increase for governmental activities and a net increase of \$6,710,568 for business-type activities). The net increase in the governmental activities is due in part to a prior period adjustment in the amount of \$3,135,680 to record land transferred to the County in FY 2008 not added to the capital assets listing in the proper period.



Additional information on the county's capital assets can be found in Notes 5 and 6 on pages 37 - 38 of this report.

### **Long-term debt**

The County entered into a \$2,300,000 loan through the Florida Local Government Finance Commission Pooled Commercial Paper Loan Program in order to finance various capital improvements within the County and within the Flagler Bunnell Utilities joint venture.

Additional information on the County's debt can be found in Note 7 on pages 39 - 46 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 has decreased significantly over the past 5 years.

The Board of County Commissioners approved a General Fund millage rate of 7.9906 mills, a debt service millage rate of 0.3347 mills and an ESL millage rate of .25 mills for the fiscal year 2014.

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

### **Requests for Information**

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

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,876,670	\$ 1,443,572	\$ 18,320,242
Cash with fiscal agent	530,133	-	530,133
Restricted cash	-	1,661,196	1,661,196
Investments	28,625,352	3,501,919	32,127,271
Internal balances	1,847,374	(1,847,374)	-
Due from other governmental agencies	5,531,426	951,611	6,483,037
Accounts receivable, net	1,638,232	112,286	1,750,518
Note receivable	211,118	-	211,118
Investment in joint venture	-	(68,558)	(68,558)
Unamortized bond issuance costs	836,452	31,887	868,339
Inventory	256,457	39,924	296,381
Other assets	216,097	350	216,447
Capital assets			
Land and work in process	98,690,242	8,118,070	106,808,312
Capital assets being depreciated, net	195,173,470	15,436,521	210,609,991
Total capital assets, net of depreciation	293,863,712	23,554,591	317,418,303
<b>TOTAL ASSETS</b>	<b>350,433,023</b>	<b>29,381,404</b>	<b>379,814,427</b>
<b>DEFERRED OUTFLOWS</b>			
Derivative instruments - interest rate swaps	554,938	106,475	661,413
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	7,174,305	1,565,153	8,739,458
Due to other governmental agencies	2,873,317	19,439	2,892,756
Deposits	2,273,443	74,810	2,348,253
Unearned revenue	864,049	325	864,374
Long-term liabilities:			
Due within one year:			
Notes and bonds payable	3,674,087	234,340	3,908,427
Compensated absences	2,627,578	46,450	2,674,028
Capital leases	166,647	-	166,647
Due in more than one year:			
Notes and bonds payable	74,542,675	6,623,054	81,165,729
Arbitrage liability	7,445	-	7,445
OPEB liability	1,460,468	22,075	1,482,543
Payable from restricted cash:			
Landfill closure and postclosure care	-	134,337	134,337
Derivative liabilities	554,938	106,475	661,413
<b>TOTAL LIABILITIES</b>	<b>96,218,952</b>	<b>8,826,458</b>	<b>105,045,410</b>
<b>NET POSITION</b>			
Net investment in capital assets	216,372,923	14,817,197	231,190,120
Restricted for:			
Debt service	4,560,661	-	4,560,661
Capital projects	18,396,422	1,225,758	19,622,180
Other purposes	9,714,522	1,526,859	11,241,381
Unrestricted	5,724,481	3,091,607	8,816,088
<b>TOTAL NET POSITION</b>	<b>\$ 254,769,009</b>	<b>\$ 20,661,421</b>	<b>\$ 275,430,430</b>

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

**FLAGLER COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental activities							
General government	\$ 22,027,704	\$ 4,725,086	\$ 1,283,148	\$ -	\$ (16,019,470)	\$ -	\$ (16,019,470)
Public safety	34,381,551	6,437,972	1,326,514	-	(26,617,065)	-	(26,617,065)
Physical environment	648,364	1,709	-	-	(646,655)	-	(646,655)
Transportation	10,476,921	633,123	992,369	3,916,824	(4,934,605)	-	(4,934,605)
Economic environment	2,401,918	2,991	1,066,893	728,582	(603,452)	-	(603,452)
Human services	3,705,985	98,245	726,341	24,949	(2,856,450)	-	(2,856,450)
Culture and recreation	3,426,442	260,942	48,584	1,041	(3,115,875)	-	(3,115,875)
Interest on long term debt	3,487,841	-	-	-	(3,487,841)	-	(3,487,841)
<b>Total governmental activities</b>	<b>80,556,726</b>	<b>12,160,068</b>	<b>5,443,849</b>	<b>4,671,396</b>	<b>(58,281,413)</b>	<b>-</b>	<b>(58,281,413)</b>
Business-type activities							
Landfill	169,182	2,721	70,588	-	-	(95,873)	(95,873)
Airport	2,567,228	1,617,467	-	2,728,495	-	1,778,734	1,778,734
Utilities	510,606	532,878	-	1,215,068	-	1,237,340	1,237,340
Waste management	1,354,381	1,458,893	-	-	-	104,512	104,512
<b>Total business-type activities</b>	<b>4,601,397</b>	<b>3,611,959</b>	<b>70,588</b>	<b>3,943,563</b>	<b>-</b>	<b>3,024,713</b>	<b>3,024,713</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 85,158,123</b>	<b>\$ 15,772,027</b>	<b>\$ 5,514,437</b>	<b>\$ 8,614,959</b>	<b>(58,281,413)</b>	<b>3,024,713</b>	<b>(55,256,700)</b>
<b>GENERAL REVENUES</b>							
Property taxes					45,785,795	-	45,785,795
Tourist and franchise taxes					2,096,962	132,843	2,229,805
Sales and fuel taxes					6,224,280	-	6,224,280
Intergovernmental					1,125,939	-	1,125,939
Change in investment in joint venture					-	(68,558)	(68,558)
Miscellaneous					2,478,766	57,617	2,536,383
Transfers					150,861	(150,861)	-
<b>Total general revenues and transfers</b>					<b>57,862,603</b>	<b>(28,959)</b>	<b>57,833,644</b>
Change in net position					(418,810)	2,995,754	2,576,944
<b>NET POSITION, BEGINNING OF YEAR</b>					<b>252,052,139</b>	<b>17,665,667</b>	<b>269,717,806</b>
Prior period adjustment, Land transfer					3,135,680	-	3,135,680
<b>NET POSITION, BEGINNING BALANCE AS RESTATED</b>					<b>255,187,819</b>	<b>17,665,667</b>	<b>272,853,486</b>
<b>NET POSITION, END OF YEAR</b>					<b>\$ 254,769,009</b>	<b>\$ 20,661,421</b>	<b>\$ 275,430,430</b>

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

**FLAGLER COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Constitutional Gas Tax</u>	<u>Road Impact Fees- Palm Coast</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,294,388	\$ 229,297	\$ 71,051	\$ 5,722,347	\$ 15,317,083
Cash with fiscal agent	-	-	-	530,133	530,133
Investments	645,016	2,032,908	3,598,467	19,278,339	25,554,730
Accounts receivable (net of allowance for uncollectibles)	1,566,563	2,395	3,790	28,750	1,601,498
Notes receivable		211,118	-	-	211,118
Due from other funds	1,127,954	-	-	131,694	1,259,648
Advances to other funds	1,880,000	-	-	-	1,880,000
Due from other governments	1,880,457	2,623,262	-	1,027,707	5,531,426
Inventory	256,457	-	-	-	256,457
Other assets	162,370	-	-	43,485	205,855
<b>TOTAL ASSETS</b>	<u>\$ 16,813,205</u>	<u>\$ 5,098,980</u>	<u>\$ 3,673,308</u>	<u>\$ 26,762,455</u>	<u>\$ 52,347,948</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,497,662	\$ 1,592,322	\$ 26,480	\$ 273,123	\$ 4,389,587
Deposits	1,318,796	-	-	947,869	2,266,665
Due to other funds	321,418	497,143	-	473,713	1,292,274
Due from other governments	1,202,296	-	1,500,000	171,021	2,873,317
Deferred revenue	247,343	356,649	-	589,773	1,193,765
<b>TOTAL LIABILITIES</b>	<u>5,587,515</u>	<u>2,446,114</u>	<u>1,526,480</u>	<u>2,455,499</u>	<u>12,015,608</u>
<b>FUND BALANCES</b>					
Nonspendable					
Inventories	256,457	-	-	-	256,457
Parks and recreation	-	-	-	600,000	600,000
Prepays	-	-	-	43,485	43,485
Advances to other funds	1,880,000	-	-	-	1,880,000
Restricted for					
Bond covenants or debt service	-	-	-	4,560,661	4,560,661
Grant programs and projects	-	-	-	282,683	282,683
Federal and state law	125,462	2,652,866	-	8,356,301	11,134,629
Capital projects and acquisitions	1,862,293	-	-	3,611,606	5,473,899
ESL acquisitions	-	-	-	2,288,294	2,288,294
Impact fees	-	-	2,146,828	3,698,211	5,845,039
Other purposes	289,469	-	-	865,715	1,155,184
Assigned					
FY 2014 cash carry-forward	3,545,789	-	-	-	3,545,789
Unassigned	3,266,220	-	-	-	3,266,220
<b>TOTAL FUND BALANCES</b>	<u>11,225,690</u>	<u>2,652,866</u>	<u>2,146,828</u>	<u>24,306,956</u>	<u>40,332,340</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 16,813,205</u>	<u>\$ 5,098,980</u>	<u>\$ 3,673,308</u>	<u>\$ 26,762,455</u>	<u>\$ 52,347,948</u>

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



**FLAGLER COUNTY, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

Total fund balances- governmental funds \$ 40,332,340

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	393,782,080	
Accumulated depreciation	(99,919,978)	
	293,862,102	293,862,102

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

Bonds payable	(77,470,541)	
Compensated absences	(2,627,578)	
OPEB liability	(1,460,468)	
Arbitrage liability	(7,445)	
Capital leases payable	(166,647)	
	(81,732,679)	(81,732,679)

Certain assets and liabilities reported in governmental activities do not provide or use current financial resources and therefore are not reported in the funds:

Unamortized bond premium		(746,221)
Unamortized bond issuance costs		836,452
Noncurrent receivables		379,742
Accrued interest payable		(1,114,829)

Internal service funds are reported as proprietary activities on the fund level statements, but as governmental activities on the county-wide statements. This amount represents unrestricted net position of the internal service funds.

2,952,102

Net position of governmental activities	\$ 254,769,009
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The accompanying notes are an integral part of this statement

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Constitutional Gas Tax</u>	<u>Road Impact Fees- Palm Coast</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 42,535,410	\$ -	\$ -	\$ 7,763,985	\$ 50,299,395
Special assessments/Impact fees	-	-	-	275,774	275,774
Licenses and permits	47,587	-	-	559,832	607,419
Intergovernmental	6,498,035	3,481,671	-	4,941,040	14,920,746
Charges for services	9,045,756	-	-	1,169,230	10,214,986
Fines and forfeitures	149,782	-	-	767,979	917,761
Miscellaneous revenue	2,033,415	-	-	76,326	2,109,741
Investment income	58,448	5,181	7,431	50,645	121,705
<b>TOTAL REVENUES</b>	<u>60,368,433</u>	<u>3,486,852</u>	<u>7,431</u>	<u>15,604,811</u>	<u>79,467,527</u>
<b>EXPENDITURES</b>					
Current					
General government	15,626,057	-	-	99,048	15,725,105
Public safety	30,162,199	-	-	986,584	31,148,783
Physical environment	300,767	-	-	103,804	404,571
Transportation	1,979,734	59,722	1,925,925	1,996,653	5,962,034
Economic environment	393,686	-	-	1,982,874	2,376,560
Human services	3,578,866	-	-	46,882	3,625,748
Culture and recreation	2,667,183	-	-	21,924	2,689,107
Court related	1,051,929	-	-	2,119,038	3,170,967
Capital Outlay	3,475,769	3,076,882	12,502	2,562,126	9,127,279
Debt service					
Principal retirement	980,810	-	-	3,410,000	4,390,810
Interest and fiscal charges	324,512	-	-	3,213,498	3,538,010
<b>TOTAL EXPENDITURES</b>	<u>60,541,512</u>	<u>3,136,604</u>	<u>1,938,427</u>	<u>16,542,431</u>	<u>82,158,974</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(173,079)</u>	<u>350,248</u>	<u>(1,930,996)</u>	<u>(937,620)</u>	<u>(2,691,447)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,101,787	-	-	77,004	1,178,791
Transfers out	(64,164)	(493,907)	-	(31,200)	(589,271)
Long term debt issued	-	-	-	2,300,000	2,300,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,037,623</u>	<u>(493,907)</u>	<u>-</u>	<u>2,345,804</u>	<u>2,889,520</u>
<b>NET CHANGE IN FUND BALANCES</b>	864,544	(143,659)	(1,930,996)	1,408,184	198,073
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>10,361,146</u>	<u>2,796,525</u>	<u>4,077,824</u>	<u>22,898,772</u>	<u>40,134,267</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 11,225,690</u>	<u>\$ 2,652,866</u>	<u>\$ 2,146,828</u>	<u>\$ 24,306,956</u>	<u>\$ 40,332,340</u>

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

**FLAGLER COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances- total governmental funds \$ 198,073

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	7,363,069	
Current year depreciation	(9,725,982)	
Loss on disposal of fixed assets	(45,527)	
Contributions of capital assets	<u>451,634</u>	
		(1,956,806)

Governmental funds report certain bond transactions as resources, uses, or expenditures. However, in the statement of activities these transactions are reported as expenses over the life of the debt:

Unamortized bond issuance costs		(47,044)
Unamortized bond premium		35,985

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

Principal repayment	4,390,810	
Debt issued	<u>(2,300,000)</u>	
		2,090,810

Because certain receivables will not be collected for several months after the close of the County's fiscal year end, they are not considered as "available" revenues in the governmental funds. In the statement of activities, presented on the accrual basis, these revenues are recognized in the fiscal year they are earned. (213,504)

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	(43,824)	
OPEB liability	(273,656)	
Accrued interest payable	<u>61,228</u>	
		(256,252)

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	10,416	
Loss from operations	<u>(280,488)</u>	
		(270,072)

Change in net position of governmental activities		<u>\$ (418,810)</u>
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The accompanying notes are an integral part of this statement

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Airport Fund</b>	<b>Landfill Fund</b>	<b>Utility</b>	<b>NonMajor Enterprise Fund</b>		
<b>ASSETS</b>						
Current assets						
Cash and equivalents	\$ 733,428	\$ 119,187	\$ 590,957	\$ -	\$ 1,443,572	\$ 1,559,587
Investments	455	1,996,762	180,113	1,324,589	3,501,919	3,070,622
Accounts receivable, net	58,801	3,425	44,168	5,892	112,286	36,734
Due from other funds	6,941	4,190	9,351	12,904	33,386	-
Due from other governments	186,331	42,638	722,642	-	951,611	-
Inventory	39,924	-	-	-	39,924	-
Other current assets	-	-	350	-	350	10,242
<b>Total current assets</b>	<b>1,025,880</b>	<b>2,166,202</b>	<b>1,547,581</b>	<b>1,343,385</b>	<b>6,083,048</b>	<b>4,677,185</b>
Noncurrent assets						
Deferred closing costs	13,889	-	17,998	-	31,887	-
Investment in joint venture	-	-	(68,558)	-	(68,558)	-
Restricted cash	-	1,661,196	-	-	1,661,196	-
Land and construction in progress	1,874,897	203,404	6,039,769	-	8,118,070	-
Other capital assets, net of accumulated depreciation	14,505,276	70,202	861,043	-	15,436,521	1,610
<b>Total noncurrent assets</b>	<b>16,394,062</b>	<b>1,934,802</b>	<b>6,850,252</b>	<b>-</b>	<b>25,179,116</b>	<b>1,610</b>
<b>TOTAL ASSETS</b>	<b>17,419,942</b>	<b>4,101,004</b>	<b>8,397,833</b>	<b>1,343,385</b>	<b>31,262,164</b>	<b>4,678,795</b>
<b>DEFERRED OUTFLOWS</b>	<b>106,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,475</b>	<b>-</b>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and accrued expenses	\$ 93,738	\$ 4,348	\$ 793,929	\$ 673,138	\$ 1,565,153	\$ 1,669,889
Deposits	39,420	-	35,390	-	74,810	6,778
Due to other funds	456	-	245	59	760	-
Due to other governments	6,937	68	12,434	-	19,439	-
Deferred revenue	325	-	-	-	325	50,026
Compensated absences	22,440	11,592	11,051	1,367	46,450	-
Current portion of long term debt	234,340	-	-	-	234,340	-
<b>Total current liabilities</b>	<b>397,656</b>	<b>16,008</b>	<b>853,049</b>	<b>674,564</b>	<b>1,941,277</b>	<b>1,726,693</b>
Noncurrent liabilities						
Payable from restricted cash	-	134,337	-	-	134,337	-
Landfill closure and postclosure care	-	-	1,880,000	-	1,880,000	-
Advances from other funds	-	-	-	-	-	-
OPEB liability	11,476	4,729	5,055	815	22,075	-
Derivative liability	106,475	-	-	-	106,475	-
Notes payable	3,369,054	-	3,254,000	-	6,623,054	-
<b>Total noncurrent liabilities</b>	<b>3,487,005</b>	<b>139,066</b>	<b>5,139,055</b>	<b>815</b>	<b>8,765,941</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,884,661</b>	<b>155,074</b>	<b>5,992,104</b>	<b>675,379</b>	<b>10,707,218</b>	<b>1,726,693</b>
<b>NET POSITION</b>						
Net investment in capital assets	12,776,779	273,606	1,766,812	-	14,817,197	1,610
Restricted for						
Landfill postclosure care	-	1,526,859	-	-	1,526,859	-
Future capital outlay	-	1,225,758	-	-	1,225,758	-
Unrestricted	864,977	919,707	638,917	668,006	3,091,607	2,950,492
<b>TOTAL NET POSITION</b>	<b>\$ 13,641,756</b>	<b>\$ 3,945,930</b>	<b>\$ 2,405,729</b>	<b>\$ 668,006</b>	<b>\$ 20,661,421</b>	<b>\$ 2,952,102</b>

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

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Airport Fund</b>	<b>Landfill Fund</b>	<b>Utility</b>	<b>NonMajor Enterprise Fund</b>		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,617,467	\$ 2,721	\$ 532,878	\$ 1,458,893	\$ 3,611,959	\$ -
Employee and employer contributions	-	-	-	-	-	6,675,721
Miscellaneous	28,605	-	10,903	-	39,508	52,020
<b>Total operating revenues</b>	<u>1,646,072</u>	<u>2,721</u>	<u>543,781</u>	<u>1,458,893</u>	<u>3,651,467</u>	<u>6,727,741</u>
<b>OPERATING EXPENSES</b>						
Personal services	274,306	141,835	137,808	30,891	584,840	-
Vehicle fuel	11,649	3,268	11,481	-	26,398	-
Aviation fuel	845,987	-	-	-	845,987	-
Contractual services	48,685	21,551	39,315	1,321,782	1,431,333	-
Repairs and maintenance	39,965	2,764	29,905	-	72,634	291
Professional services	283,857	104,546	27,267	948	416,618	1,031,739
Employee claims	-	-	-	-	-	5,397,406
Utilities	76,848	3,338	135,722	140	216,048	478
Insurance	60,106	2,967	12,575	-	75,648	550,965
Rentals and leases	14,610	512	2,840	-	17,962	-
Depreciation	728,794	15,532	32,462	-	776,788	9,156
Miscellaneous	53,573	2,717	23,070	620	79,980	18,194
Provision for closure and postclosure care	-	(129,848)	-	-	(129,848)	-
<b>Total operating expenses</b>	<u>2,438,380</u>	<u>169,182</u>	<u>452,445</u>	<u>1,354,381</u>	<u>4,414,388</u>	<u>7,008,229</u>
Operating income/(loss)	<u>(792,308)</u>	<u>(166,461)</u>	<u>91,336</u>	<u>104,512</u>	<u>(762,921)</u>	<u>(280,488)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental	-	70,588	-	-	70,588	-
Franchise fees	-	-	-	132,843	132,843	-
Change in investment in joint venture	-	-	(68,558)	-	(68,558)	-
Interest income	1,057	9,432	4,882	2,738	18,109	10,416
Interest expense	(128,848)	-	(58,161)	-	(187,009)	-
<b>Total nonoperating revenues (expenses)</b>	<u>(127,791)</u>	<u>80,020</u>	<u>(121,837)</u>	<u>135,581</u>	<u>(34,027)</u>	<u>10,416</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(920,099)</u>	<u>(86,441)</u>	<u>(30,501)</u>	<u>240,093</u>	<u>(796,948)</u>	<u>(270,072)</u>
Capital grants	2,728,495	-	1,215,068	-	3,943,563	-
Capital contribution	438,659	-	-	-	438,659	-
Transfers in	-	-	-	10,480	10,480	-
Transfers out	-	-	-	(600,000)	(600,000)	-
<b>CHANGE IN NET POSITION</b>	<u>2,247,055</u>	<u>(86,441)</u>	<u>1,184,567</u>	<u>(349,427)</u>	<u>2,995,754</u>	<u>(270,072)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>11,394,701</u>	<u>4,032,371</u>	<u>1,221,162</u>	<u>1,017,433</u>	<u>17,665,667</u>	<u>3,222,174</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 13,641,756</u>	<u>\$ 3,945,930</u>	<u>\$ 2,405,729</u>	<u>\$ 668,006</u>	<u>\$ 20,661,421</u>	<u>\$ 2,952,102</u>

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

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Major Proprietary Funds			Nonmajor Proprietary Fund	Total	Internal Service
	Airport	Landfill	Utility			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 1,630,914	\$ 34,590	\$ 530,984	\$ 1,460,039	\$ 3,656,527	\$ 6,739,275
Payments to suppliers	(1,909,746)	(142,910)	(378,925)	(749,200)	(3,180,781)	(6,873,375)
Payments to employees	(277,440)	(141,387)	(137,479)	(30,992)	(587,298)	-
Increase (decrease) in due from other funds	(1,575)	(2,139)	(7,576)	1,053	(10,237)	-
Increase (decrease) in due to other funds	(3,553)	(6)	(1,190)	(80)	(4,829)	-
Other receipts	28,605	-	10,903	-	39,508	52,020
<b>Net cash provided (used) by operating activities</b>	<u>(532,795)</u>	<u>(251,852)</u>	<u>16,717</u>	<u>680,820</u>	<u>(87,110)</u>	<u>(82,080)</u>
<b>NON-CAPITAL FINANCING ACTIVITIES</b>						
Franchise fees	-	-	-	132,843	132,843	-
Transfers in	-	-	-	10,480	10,480	-
Transfers out	-	-	-	(600,000)	(600,000)	-
<b>Net cash provided(used) by non-capital financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(456,677)</u>	<u>(456,677)</u>	<u>-</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,656,669)	-	(3,693,053)	-	(6,349,722)	-
Debt issuance	-	-	3,254,000	-	3,254,000	-
Payments on long term debt	(226,244)	-	-	-	(226,244)	-
Capital grants	4,170,078	-	498,739	-	4,668,817	-
Interest paid	(122,896)	-	(76,159)	-	(199,055)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>1,164,269</u>	<u>-</u>	<u>(16,473)</u>	<u>-</u>	<u>1,147,796</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>						
Interest on investments	1,057	9,432	4,882	2,738	18,109	10,416
<b>Net cash provided by investing activities</b>	<u>1,057</u>	<u>9,432</u>	<u>4,882</u>	<u>2,738</u>	<u>18,109</u>	<u>10,416</u>
<b>Net increase(decrease) in cash and equivalents</b>	632,531	(242,420)	5,126	226,881	622,118	(71,664)
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>101,352</u>	<u>4,019,565</u>	<u>765,944</u>	<u>1,097,708</u>	<u>5,984,569</u>	<u>4,701,873</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u>\$ 733,883</u>	<u>\$ 3,777,145</u>	<u>\$ 771,070</u>	<u>\$ 1,324,589</u>	<u>\$ 6,606,687</u>	<u>\$ 4,630,209</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>						
Unrestricted	\$ 733,428	\$ 119,187	\$ 590,957	\$ -	\$ 1,443,572	\$ 1,559,587
Restricted	-	1,661,196	-	-	1,661,196	-
Investments - unrestricted	455	1,996,762	180,113	1,324,589	3,501,919	3,070,622
	<u>\$ 733,883</u>	<u>\$ 3,777,145</u>	<u>\$ 771,070</u>	<u>\$ 1,324,589</u>	<u>\$ 6,606,687</u>	<u>\$ 4,630,209</u>

Continued

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Page 2

	Major Proprietary Funds			Nonmajor Proprietary Fund	Total	Internal Service
	Airport	Landfill	Utility			
<b>RECONCILIATION OF OPERATING (LOSS)</b>						
<b>INCOME TO NET CASH (USED) PROVIDED</b>						
<b>BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (792,308)	\$ (166,461)	\$ 91,336	\$ 104,512	\$(762,921)	\$(280,488)
Adjustment to reconcile operating loss to net cash used in operations						
Depreciation	728,794	15,532	32,462	-	776,788	9,156
Loss on disposal of capital assets	22,017	-	-	-	22,017	-
Provision for closure and postclosure	-	(129,848)	-	-	(129,848)	-
Changes in assets and liabilities						
Accounts receivable	14,933	668	(1,894)	1,146	14,853	63,553
Inventory	14,640	-	-	-	14,640	-
Due from other governments	(1,486)	31,201	-	-	29,715	-
Accounts payable and accrued expenses	(513,121)	(1,280)	(107,623)	574,290	(47,734)	124,894
Deferred revenue	305	-	-	-	305	(3,321)
Due to other governments	650	33	6,298	-	6,981	-
Due from other funds	(1,575)	-	(7,576)	1,053	(8,098)	-
Due to other funds	(3,553)	(2,139)	(1,190)	(80)	(6,962)	-
Deposits	1,043	(6)	4,575	-	5,612	4,126
Compensated absences	(5,089)	(483)	(605)	(294)	(6,471)	-
OPEB liability	1,955	931	934	193	4,013	-
<b>NET CASH(USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ (532,795)</u>	<u>\$ (251,852)</u>	<u>\$ 16,717</u>	<u>\$ 680,820</u>	<u>\$ (87,110)</u>	<u>\$ (82,080)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Land contribution received	\$ 438,659	-	-	-	\$ 438,659	-
Capital assets purchased with payables	-	-	\$ 720,992	-	\$ 720,992	-
<b>NONCASH INVESTING ACTIVITIES</b>						
Interest in joint venture	-	-	\$ (68,558)	-	\$ (68,558)	-

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



**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2013**

		<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	6,777,493
Accounts receivable		52,026
Due from other governments		129
<b>Total assets</b>		6,829,648
<b>LIABILITIES</b>		
Due to other governments		159,985
Deposits		6,654,563
Other liabilities		15,100
<b>Total liabilities</b>		6,829,648
<b>NET POSITION</b>	<b>\$</b>	<b>-</b>

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

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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

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

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

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

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

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

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

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

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

(a) **Reporting Entity** (continued)

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 fiscal year 2012-2013, the County entered into a joint venture. See Note 15 for further information.

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

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

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

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

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

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

(e) **Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheets.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(1) **Summary of Significant Accounting Policies:** (continued)  
(e) **Fund Financial Statements** (continued)

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 ad valorem revenues to be available if they are collected within 60 days after year end. Grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made and the County considers amounts received within one year as available. Non-exchange transaction revenues are recognized in the period in which the underlying transaction occurred. Expenditures are generally recognized when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

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

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

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

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

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

The County reports the following major governmental funds:

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

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(1) **Summary of Significant Accounting Policies:** (continued)  
(e) **Fund Financial Statements** (continued)

**Constitutional Gas Tax** - To account for 80 percent of the State two-cent gas tax used for the construction of roads and bridges.

**Road Impact Fees-Palm Coast** – To account for impact fees collected for the construction and improvement of roads within the City of Palm Coast.

The County reports the following major proprietary funds:

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

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

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

Additionally, 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.

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

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

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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

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

Infrastructure	20-50 years
Buildings and improvements	5-50 years
Furniture and equipment	3-15 years

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

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

(h) **Budgets and Budgetary Accounting** - The following procedures are utilized by the County in establishing and /or amending the budgetary information contained in the required supplementary information:

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

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

(h) **Budgets and Budgetary Accounting** (continued)

- (iv) Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are considered necessary, the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a Public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the proceeding year.
  - (v) Following successful completion of the above referenced Public hearings, the Board advertises and subsequently conducts a second Public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These Public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the adoption by resolution of the budget to the preceding year as an interim measure.
  - (vi) Pursuant to the provisions of Section 129.07, Florida Statutes, the County is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board or the County Administrator.
  - (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 level at which expenditures may not legally exceed appropriations is the category level.
  - (x) Budgets for the General, Special Revenue, Debt Service and Capital Projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
  - (xi) All appropriations lapse at the end of each fiscal year, although the County expects to honor purchase orders and contracts in-process, subject to authority provided in the subsequent year's budget.
- (i) **Cash and Cash Equivalents** - The County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agents and short-term investments, including restricted assets, with original maturities of three months or less from acquisition date. Investments are stated at fair value. The County allocates investment earnings of the cash and investment pool to each participating fund on a monthly basis in accordance with the funds average balance in the pool for the month.



**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

(j) **Restricted Cash** - Restricted cash consists of cash held in escrow for the long term maintenance and care of sanitary landfills as required by Rule 62-701.630 of the Florida Administrative Code.

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

(l) **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.

(m) **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.

(n) **Inventory** - Inventory of the proprietary funds is valued at the lower of cost (first-in, first-out) or market. Inventory of the general fund is valued at cost, which approximates market value, 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.

(o) **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.

(p) **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.

(q) **Deferred Revenue** - Deferred revenues are recorded on the governmental fund balance sheet and the proprietary statement of net position in the amount of \$1,193,765 and \$50,351, respectively. The amount recorded on the governmental fund balance sheet represents amounts that are deferred because they are not yet considered to be available. Deferred revenue may also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualified expenditures. The amount recorded on the proprietary

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

statement of net position represents amounts that are deferred because they are not considered earned as of September 30, 2013.

(r) **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.

(s) **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.

**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.

(t) **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.

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

(u) **Future Accounting Changes** – The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address:

- i) Items previously reported as assets and liabilities;
- ii) Accounting and financial reporting for pensions;
- iii) Mergers, acquisitions and transfers of operations; and
- iv) Financial guarantees.

The County is currently evaluating the effects that these statements will have in its financial statements for the years ended September 30, 2014 and 2015.

(2) **Cash Deposits and Investments:**

**Deposits:**

At year end, the carrying amount of the County's deposits was \$27,289,064. The bank balances were \$28,704,637. 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, 2013, the County had the following cash deposits balances:

	<b>Maturity Date</b>	<b>Market Value</b>
Cash and cash equivalents	N/A	\$ 18,320,242
Restricted cash and cash equivalents	N/A	1,661,196
Cash and cash equivalents with trustee	N/A	6,777,493
Cash and cash equivalents with fiscal agent	N/A	530,133
Total		\$ 27,289,064

**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.

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(2) Cash Deposits and Investments:** (continued)

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

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

As of September 30, 2013, the County had the following investment types and weighted average duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Federal Instrumentalities Notes	\$ 10,778,074	1.07
Federal Instrumentalities Discount Notes	3,999,560	0.37
U.S. Treasury Notes	2,988,948	0.54
Corporate Notes	949,959	1.25
PFM Funds - Prime Money Market Fund Institutional Class	2,688,720	56 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	10,722,010	34 days
<b>TOTAL</b>	<b>\$ 32,127,271</b>	<b>0.54</b>

\*. 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, 2013 Fund Fact Sheet. Bloomberg was the source for the Wells Fargo Advantage Heritage Money Market Fund's weighted average duration.

**A. Interest Rate Risk**

The County's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five (5) years requires the Clerks approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreements. The County utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2013, the investment portfolio had a weighted average duration of .54 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.

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(2) Cash Deposits and Investments:** (continued)

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

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

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

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

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.

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

As of September 30, 2013, the County had the following credit exposure as a percentage of total investments:

<b>Security Type</b>	<b>Credit Rating</b>	<b>Portfolio Asset Allocation</b>
Federal Instrumentalities Notes	AA+	33.55%
Federal Instrumentalities Discount Notes	A-1+	12.45%
U.S. Treasury Notes	AA+	9.30%
Corporate Notes	AA+	2.96%
PFM Funds - Prime Money Market Fund Institutional Class	AAAm	8.37%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	33.37%
<b>TOTAL</b>		<u><u>100.00%</u></u>

**C. 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, 2013, the County's investment portfolio and 2005 Capital Improvement Bond Portfolio were held with a third-party custodian as required by the County's investment policy.

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(2) Cash Deposits and Investments:** (continued)

**D. 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, 2013, the County had the following issuer concentration based on fair value:

<b>Security Type</b>	<b>Fair Value</b>	<b>Portfolio Asset Allocation</b>
Federal Instrumentalities Notes	\$ 10,778,074	33.55%
Federal Instrumentalities Discount Notes	3,999,560	12.45%
U.S. Treasury Notes	2,988,948	9.30%
Corporate Notes	949,959	2.96%
PFM Funds - Prime Money Market Fund Institutional Class	2,688,720	8.37%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	10,722,010	33.37%
<b>TOTAL</b>	<b>\$ 32,127,271</b>	<b>100.00%</b>

**(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.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**(3) Property Taxes:** (continued)

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

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

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

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

Key dates in the property tax cycle are as follows:

Assessment roll certified	October 15
Beginning of fiscal year for which taxes have been levied	October 1
Property taxes levied	October 1
Tax bills issued	November 1
Property taxes due by:	
For maximum discount	November 30
Delinquent after	March 31
Tax certificates (liens) sold on unpaid property taxes	May 31

**(4) Allowance for Doubtful Accounts:**

Account receivables are reported net of an allowance for uncollectible accounts of \$2,498,392 in the General Fund and, \$53,519, \$25,905 and \$126,257 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

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**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(5) Capital Assets - Governmental Activities:**

A summary of changes in capital assets follows:

	<u>Balance October 1, 2012</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2013</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 91,853,245	\$ 3,135,680	\$ 371,786	\$ 438,659	\$ 94,922,052
Fine art collection	123,700	-	-	-	123,700
Construction in process	3,167,155	-	2,347,907	1,870,572	3,644,490
Total capital assets, not being depreciated	95,144,100	3,135,680	2,719,693	2,309,231	98,690,242
Capital assets, being depreciated:					
Buildings	76,629,813	-	932,960	-	77,562,773
Improvements other than buildings	17,398,050	-	1,141,687	-	18,539,737
Equipment	35,462,844	-	1,341,693	2,319,346	34,485,191
Vehicles	15,648,915	-	1,977,416	1,052,010	16,574,321
Infrastructure	145,868,985	-	2,088,809	-	147,957,794
Total capital assets being depreciated	291,008,607	-	7,482,565	3,371,356	295,119,816
Less accumulated depreciation for:					
Buildings	11,042,871	-	1,524,931	-	12,567,802
Improvements other than buildings	10,332,277	-	1,064,851	-	11,397,128
Equipment	23,906,088	-	2,547,322	2,297,293	24,156,117
Vehicles	10,385,103	-	1,624,199	1,028,536	10,980,766
Infrastructure	37,792,373	-	3,052,160	-	40,844,533
Total accumulated depreciation	93,458,712	-	9,813,463	3,325,829	99,946,346
Total capital assets being depreciated, net	197,549,895	-	(2,330,898)	45,527	195,173,470
	<u>\$ 292,693,995</u>	<u>\$ 3,135,680</u>	<u>\$ 388,795</u>	<u>\$ 2,354,758</u>	<u>\$ 293,863,712</u>

A prior period adjustment in the amount of \$3,135,680 was reported in the adjustments column above to capture the transfer of property to the County that occurred FY 2008 but was not added to the capital assets roll in the proper period.

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

Governmental activities:	
General government	\$ 2,371,214
Public safety	2,959,304
Physical environment	47,954
Transportation	3,494,451
Economic environment	12,731
Human services	70,303
Culture/recreation	779,181
Total depreciation expense - governmental activities	<u>\$ 9,735,138</u>

Accumulated depreciation differs from additions to depreciation by \$78,325 due to the consolidation and transfer of fleet services.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(6) **Capital Assets – Business-type Activities:**

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 395,800	\$ 438,659	\$ -	\$ 834,459
Construction in process	4,534,912	5,455,604	2,706,905	7,283,611
Total capital assets, not being depreciated	<u>4,930,712</u>	<u>5,894,263</u>	<u>2,706,905</u>	<u>8,118,070</u>
Capital assets, being depreciated:				
Buildings	10,466,859	-	2,995	10,463,864
Improvements other than buildings	8,587,754	2,803,075	-	11,390,829
Equipment	1,128,470	6,979	72,032	1,063,417
Infrastructure	243,019	1,513,449	-	1,756,468
Total capital assets being depreciated	<u>20,426,102</u>	<u>4,323,503</u>	<u>75,027</u>	<u>24,674,578</u>
Less accumulated depreciation for:				
Buildings	1,891,718	218,627	2,995	2,107,350
Improvements other than buildings	5,513,252	520,111	-	6,033,363
Equipment	1,061,041	27,908	50,015	1,038,934
Infrastructure	46,780	11,630	-	58,410
Total accumulated depreciation	<u>8,512,791</u>	<u>778,276</u>	<u>53,010</u>	<u>9,238,057</u>
Total capital assets being depreciated, net	<u>11,913,311</u>	<u>3,545,227</u>	<u>22,017</u>	<u>15,436,521</u>
Business-type activities capital assets, net	<u>\$ 16,844,023</u>	<u>\$ 9,439,490</u>	<u>\$ 2,728,922</u>	<u>\$ 23,554,591</u>
Depreciation expense was charged as follows:				
Business-type activities:				
Airport	\$ 728,794			
Sanitary landfill	15,532			
Utilities - Beverly Beach	32,462			
Total depreciation expense - business-type activities	<u>\$ 776,788</u>			

Depreciation expense differs from accumulated depreciation additions due to governmental activities transfers in the amount of \$1,488.

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:**

The balance of bonds and notes payable at September 30, 2013, are as follows:

**Bonds and Notes Payable from Governmental Activities**

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

\$ 2,460,000

**General Obligation Bonds, Series 2005** with an original face value of \$32,990,000 were issued September, 2005 to finance the costs of the acquisition and construction of a new judicial center in the County. Interest is paid at 3.000 – 4.375%. The bonds are general obligations of the County. The payment of principal and interest on the bond is payable from and secured by a pledge of ad valorem taxes on all taxable property within the County. Principal payments are due on July 1. Interest payments are due on January 1 and July 1 of each year. Maturity is July 1, 2035.

27,775,000

**Capital Improvement Revenue Bonds, Series 2005** with an original face value of \$34,105,000, were issued in September 2005 to finance the costs of the acquisition and construction of certain capital improvements in the County and funding a deposit to the Reserve Account for the Series 2005 Capital Improvement Revenue Bonds. Interest is paid at 3.250 – 5.000%. The bonds are special obligations of the County. The payment of principal and interest on the bond is payable solely from and secured by a lien upon and pledge of all monies allocated for and distributed to the County from the Local Government Half-Cent Sales Tax, Discretionary Sales Surtax, Communication Services Tax and Revenue Sharing. Principal payments are due on Oct 1. Interest payments are due on April 1 and October 1 each year. Maturity is October 1, 2035. Principal and interest payments made during the fiscal year amounted to \$2,603,788. Total pledged revenues reported for the fiscal year amounted to \$3,702,853.

25,150,000

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

8,740,000

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

4,450,000

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

<p><b>Special Assessment Revenue Note, Series 2002</b> with an original face value of \$3,730,000 were issued December 2002 to refund the Special Assessment Revenue Bonds, Series 1991 which financed the construction of extensions and improvements to "Colbert Lane" along with two park access roads. Interest is payable at a fixed rate of 3.83% per annum. The principal and interest are payable solely from and secured by a prior lien upon and pledge of the proceeds of a special assessment levied against all property determined to be specifically benefited by the project. Maturity is July 1, 2014. Principal and interest payments made during the year amounted to \$333,746. Total unused pledged revenues carried from previous fiscal years were \$665,158.</p>	310,000
<p><b>Florida Local Government Finance Commission, Pooled Commercial Paper Note Series A-2</b> was issued September 11, 2013 in the amount of \$2,300,000 to finance various capital improvements within the County. Payments are to be made from legally available non ad valorem revenues of the County. Interest payments, at a variable rate, are made monthly. Four principal payments of \$153,560 each are due yearly in June with a final balloon payment of \$1,685,760 due in June of the fifth year. Maturity is June 5, 2018.</p>	2,300,000
<p><b>Note Payable</b> - was issued on September 28, 2005 in the amount of \$11,346,000. 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 \$924,246. Payments are to be made from legally available non ad valorem revenues of the County.</p>	5,907,000
<p><b>Note Payable</b> - non-interest bearing note was issued August 27, 2012 as a repayment of Medicaid retrospective billing in the amount of \$567,811. Payments are due monthly. Maturity date is October 1, 2017.</p>	378,541
<p>Bonds and notes payable from governmental activities</p>	77,470,541

**Bonds and Notes Payable from Business-Type Activities**

<p><b>Water and Sewer System Revenue Bond, Series 2013</b> - 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 is payable at a fixed rate of 3.5% per annum. The principal and interest are payable solely from revenues derived from the operation of the System. Payments are due yearly on September 1st. Maturity date is September 1, 2052. Payments made during the fiscal year were for interest only, in the amount of \$44,308. Pledged revenues reported for the fiscal year were \$532,878.</p>	3,254,000
<p><b>Note Payable</b> - was issued on November 30, 2004 in the amount of \$3,500,000. Payments of principal and interest at 4.43% are due on January 1, April 1, July 1 and October 1 each year. Maturity is October 1, 2023. The principal and interest are payable solely from revenues derived from the operations of the Airport. Pledged revenues reported for the fiscal year were \$1,617,467.</p>	928,176
<p><b>Note Payable</b> - non-interest bearing note was issued on June 28, 2008 as a repayment on a CDBG grant in the amount of \$413,905. Payments of principal only, are due quarterly on each January 1, April 1, July 1 and October 1. Maturity is January 1, 2015</p>	80,218
<p><b>Note Payable</b> - was issued on January 27, 2011 in the amount of \$2,800,000. Interest is paid at a rate of 3.270%. Principal payments are due February 1. Interest payments are due on August 1 and February 1 of each year. Maturity is February 1, 2016. Payments are to be made from legally available non ad valorem revenues of the County.</p>	2,595,000
<p>Bonds and notes payable from business-type activities</p>	6,857,394

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

**Capital Lease Obligation**

Represents an agreement with a financial institution for vehicles and equipment with an interest rate of 1.9%. The aggregate historical cost of the vehicles is \$500,000. 166,647

**Accrued Compensated Absences**

Governmental Activities 2,627,578  
Business-Type Activities 46,450

**OPEB Liability**

Governmental Activities 1,460,468  
Business-Type Activities 22,075

**Arbitrage Liability** 7,445

**Landfill closure and postclosure care** 134,337

**Add Unamortized Premium** 746,221

Total Long-Term Obligations \$ 89,539,156

As of September 30, 2013, all reserve requirements had been met through maintenance of reserve accounts.

Debt service requirements to maturity on the County's long-term obligations at September 30, 2013, are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	General long-term bonds		Notes payable		Total Long-Term Obligations and Interest
	Principal	Interest	Principal	Interest	
2014	\$ 2,425,000	\$ 3,069,164	\$ 1,249,087	\$ 304,384	\$ 7,047,635
2015	2,535,000	2,962,506	954,087	266,920	6,718,513
2016	2,645,000	2,851,881	987,087	231,547	6,715,515
2017	2,750,000	2,740,724	1,022,087	193,714	6,706,525
2018	2,440,000	2,627,680	2,495,192	154,662	7,717,534
2019-2023	13,885,000	11,470,292	2,188,001	157,664	27,700,957
2024-2028	17,195,000	8,120,400	-	-	25,315,400
2029-2033	16,030,000	4,075,389	-	-	20,105,389
2034-2037	8,670,000	625,218	-	-	9,295,218
Total principal and interest	68,575,000	38,543,254	8,895,541	1,308,891	117,322,686
Less interest to be paid	-	(38,543,254)	-	(1,308,891)	(39,852,145)
Total principal	68,575,000	-	8,895,541	-	77,470,541
Deferred amounts	746,221	-	-	-	746,221
Totals	<u><u>\$ 69,321,221</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,895,541</u></u>	<u><u>\$ -</u></u>	<u><u>78,216,762</u></u>

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(7) **Long-Term Debt:** (continued)

Business-type Activities:

<b>Fiscal Year Ending September 30,</b>	<b>Bonds</b>		<b>Notes payable</b>		<b>Total Long- Term Obligations and Interest</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2014	\$ -	\$ 113,890	\$ 234,340	\$ 123,576	\$ 471,806
2015	42,000	113,890	210,837	116,743	483,470
2016	44,000	112,420	2,452,389	72,825	2,681,634
2017	45,000	110,880	81,016	30,533	267,429
2018	47,000	109,305	84,716	26,584	267,605
2019-2023	260,000	520,800	485,237	71,644	1,337,681
2024-2028	310,000	471,800	54,859	816	837,475
2029-2033	366,000	413,805	-	-	779,805
2034-2038	435,000	345,100			780,100
2039-2043	517,000	263,480			780,480
2044-2048	614,000	166,390			780,390
2049-2053	574,000	51,100	-	-	625,100
Total principal and interest	3,254,000	2,792,860	3,603,394	442,721	10,092,975
Less interest to be paid	-	(2,792,860)	-	(442,721)	(3,235,581)
<b>Totals</b>	<b>\$ 3,254,000</b>	<b>\$ -</b>	<b>\$ 3,603,394</b>	<b>\$ -</b>	<b>\$ 6,857,394</b>

Governmental Activities Long-term obligations not included above:

Accrued compensated absences payable	2,627,578
OPEB liability	1,460,468
Arbitrage liability	7,445
Capitalized lease obligations	166,647

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

Accrued compensated absences payable	46,450
OPEB liability	22,075
Landfill closure and post closure care	134,337

Total long-term obligations \$ 89,539,156

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

Changes in long-term liabilities for the fiscal year ended September 30, 2013, are summarized as follows:

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance September 30, 2013</b>	<b>Due within one year</b>
<b>Governmental activities:</b>					
General long-term obligations:					
Bonds payable	71,675,000	-	3,100,000	68,575,000	2,425,000
Notes payable	7,722,811	2,300,000	1,127,270	8,895,541	1,249,087
Deferred amounts:					
Issuance premiums	782,206	-	35,985	746,221	-
Total bonds and notes payable	80,180,017	2,300,000	4,263,255	78,216,762	3,674,087
Accrued compensated absences	2,583,754	3,077,804	3,033,980	2,627,578	2,627,578
OPEB liability	1,186,812	273,656	-	1,460,468	-
Arbitrage liability	7,445	-	-	7,445	-
Capitalized lease obligations	330,187	-	163,540	166,647	166,647
Total governmental activity long-term obligations	84,288,215	5,651,460	7,460,775	82,478,900	6,468,312
<b>Business-type activities:</b>					
Bonds payable	-	3,254,000	-	3,254,000	-
Notes payable	3,829,638	-	226,244	3,603,394	234,340
Accrued compensated absences	52,921	40,707	47,178	46,450	46,450
OPEB liability	18,062	4,013	-	22,075	-
Landfill closure/postclosure care	264,185	-	129,848	134,337	-
Total business-type activity long-term obligations	4,164,806	3,298,720	403,270	7,060,256	280,790
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 88,453,021</b>	<b>\$ 8,950,180</b>	<b>\$ 7,864,045</b>	<b>\$ 89,539,156</b>	<b>\$ 6,749,102</b>

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

Future minimum lease payments under the capital leases as of September 30, 2013 and for the remaining terms are as follows:

<b>Fiscal Year Ending September 30</b>	<b>Amount</b>
2014	\$ 169,813
Total principal and interest	169,813
Less amounts representing interest	(3,166)
Total principal	\$ 166,647



**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

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:

	<b>Amount originally reserved</b>	<b>Amount used as of September 30, 2013</b>	<b>Remaining balance, September 30, 2013</b>
Monitoring of existing and future landfills	\$ 1,600,000	\$ (1,600,000)	\$ -
Future landfill capital purchases	1,380,000	(349,972)	1,030,028
Payments to the municipal corporations	1,250,000	(1,250,000)	-
Future purchase of fire suppression equipment and/or the construction of fire stations	2,314,654	(2,089,654)	225,000
Totals	<u>\$ 6,544,654</u>	<u>\$ (5,289,626)</u>	<u>\$ 1,255,028</u>

The County met the reserve requirement of monitoring of existing and future landfills. The balance on the escrow account was \$1,661,196 at September 30, 2013.

The remaining balance at September 30, 2013 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	<u>1,030,028</u>
Totals	<u>\$ 1,255,028</u>

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

**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, 2013 was \$928,176. 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, 2013, the underlying swaps had a negative fair value of \$106,475. This fair value was obtained from the counter-parties' market-to-market reports provided to the County. The fair value is reported in deferred outflow in the accompanying Statement of Net Position as required by GASB 53.

**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, 2013 was \$5,891,000. 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, 2013, the underlying swaps had a negative fair value of \$554,938. This fair value was obtained from the counter-parties' market-to-market reports provided to the County. The fair value is reported in deferred outflow in the accompanying Statement of Net Position as required by GASB 53.

Changes in the fair value of the derivative instruments for the fiscal year ended September 30, 2013 were as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at September 30, 2013</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
<b>Governmental activities</b>					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	235,661	Debt	(554,938)	\$ 5,891,000
<b>Business-type activities</b>					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	47,937	Debt	(106,475)	\$ 928,176

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(7) Long-Term Debt:** (continued)

**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, 2013, the outstanding arbitrage rebate liability was \$7,445.

**(8) 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.

In addition, an accrual has been made to recognize the estimated postclosure maintenance and monitoring requirements for the previously closed Old Kings Road Landfill and Old Bunnell Landfill. These remaining accrued costs at September 30, 2013 are \$134,337.

All amounts recognized are based on an estimate by the County's consulting engineers of the costs to perform all closure and postclosure care as of September 30, 2013. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations. The County is required by state and federal laws and regulations to establish escrow accounts for closure and postclosure costs of the three landfills. The County has complied with these requirements by depositing \$1,661,196 into landfill management escrow accounts. These monies are reported as a restricted asset in the accompanying financial statements on the Sanitary Landfill Enterprise Fund statement of net assets. The difference between the cash held in escrow and the landfill closure and postclosure care liability is recorded as net assets restricted for landfill postclosure care.

**(9) Operating Lease Commitments:**

The County has various operating leases for facilities, vehicles and equipment with maturities ranging from monthly to March 31, 2018. Monthly lease expense ranges from \$93 to \$8,597. During the year ended September 30, 2013, the lease payments totaled \$421,378. The future minimum lease payments for the remaining terms are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2014	\$ 320,607
2015	107,165
2016	90,645
2017	68,610
2018	<u>20,867</u>
	<u>\$ 607,894</u>

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(10) Pension Plans:**

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

That report may be obtained by writing to the:

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

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

The employer contribution rates are as follows:

	<b>October 1, 2012 - June 30, 2013</b>	<b>July 1, 2013 - September 30, 2013</b>
Regular employees	5.18%	6.95%
Special risk employees	14.90%	19.06%
Elected county officials	10.23%	33.03%
Senior management	6.30%	18.31%
Deferred retirement option employees	5.44%	12.84%

For the years ended September 30, 2013, 2012, and 2011, total contributions were \$3,092,960, \$2,590,995, and \$4,205,771, respectively. The County made actual contributions equal to the actuarially determined required contributions each year.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**(10) Pension Plans: (continued)**

**Defined Contribution Pension Plans -**

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

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

For the years ended September 30, 2013, 2012, and 2011, total contributions were \$166,142, \$268,559, and \$442,704 respectively. The County made actual contributions equal to the actuarially determined required contributions each year.

**Deferred Compensation Plan –**

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

**(11) 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 \$1,669,889 at September 30, 2013 is based on historical experience, current trends and an actuarial study performed by an actuarial firm.

The self-insurance plan is accounted for in the Group Medical Benefit Internal Service Fund. The self-insurance plan includes the Constitutional Officers who contributed a total of \$3,716,981 to the plan for the year ended September 30, 2013.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(11) **Risk Management:** (Continued)

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

	<u>Liability at October 1</u>	<u>Claims incurred</u>	<u>Claims paid</u>	<u>Liability at September 30</u>
2012 - 2013	1,544,995	5,397,406	5,272,512	1,669,889
2011 - 2012	1,626,053	5,706,717	5,787,775	1,544,995

(12) **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, 2013, interfund balances consisted of:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General fund	\$ 1,127,954	\$ 321,418
General fund advances	1,880,000	-
Constitutional gas tax	-	497,143
Nonmajor governmental funds	131,694	473,713
Airport	6,941	456
Landfill	4,190	-
Utility	9,351	245
Utility fund advances	-	1,880,000
Nonmajor business-type funds	12,904	59
	<u>\$ 3,173,034</u>	<u>\$ 3,173,034</u>

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

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

	<u>Transfer in</u>	<u>Transfer out</u>
General fund	\$ 1,101,787	\$ 64,164
Constitutional gas tax	-	493,907
Nonmajor governmental funds	77,004	31,200
Nonmajor business-type funds	10,480	600,000
Total transfers	<u>\$ 1,189,271</u>	<u>\$ 1,189,271</u>

There was a capital asset transfer of land in the amount of \$438,659 from governmental activities to the Airport fund.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**(13) 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.

**(14) Other Postemployment Benefits:**

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

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

The 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.

**FLAGLER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

(14) **Other Postemployment Benefits:** (continued)

Fiscal year ending	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Normal cost (service cost for one year)	\$ 282,244	\$ 293,386	\$ 279,098
Amortization of UAAL	142,405	117,998	106,844
Interest on normal cost and amortization	16,986	16,455	15,438
Annual required contribution (ARC)	<u>441,635</u>	<u>427,839</u>	<u>401,380</u>
 NOO at beginning of year	 1,204,874	 868,782	 653,918
Annual required contribution (ARC)	441,635	427,839	401,380
Interest on NOO	48,195	35,062	26,157
Adjustment to ARC	<u>(41,769)</u>	<u>(30,387)</u>	<u>(22,669)</u>
Annual OPEB cost	<u>448,061</u>	<u>432,514</u>	<u>404,868</u>
Employer contribution	<u>(170,392)</u>	<u>(96,422)</u>	<u>(190,004)</u>
Increase in NOO	<u>277,669</u>	<u>336,092</u>	<u>214,864</u>
 NOO at end of year	 <u>\$ 1,482,543</u>	 <u>\$ 1,204,874</u>	 <u>\$ 868,782</u>

The schedule of employer contributions was as follows:

<u>Year End</u> <u>September 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2011	\$ 404,868	\$ 190,004	47%	\$ 868,782
2012	432,514	96,422	22%	1,204,874
2013	448,061	170,392	38%	1,482,543

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

Based on historical and expected returns of the Employer's short-term investment portfolio, a discount rate of 4% was used. An inflation rate of 3.5% was assumed. In addition, the Entry Age Normal actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at October 1, 2012 is 28 years. Health insurance trends start at 8.5% for the fiscal year ending in 2012 and 8.5% for 2013, grading down to 4.0% - the ultimate trend rate in 2019.



**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(15) Joint Venture**

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

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

The results of operations and cash flows are accounted for in total within the financial statement of the joint venture. The County's interest in equity is reported in the County's Utility Fund. As of September 30, 2013, the County's investment loss in the joint venture was \$68,558. Complete financial statements for the joint venture may be obtained from the County at: Flagler County Clerk of Court and Comptroller, 1769 East Moody Boulevard – Building #1, Bunnell FL 32110.

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

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

<b>ASSETS</b>	<b>\$</b>	<u>7,426,795</u>
<b>LIABILITIES</b>		<u>7,563,911</u>
<b>NET POSITION</b>		
Net investment in capital assets,		36,286
Unrestricted		<u>(173,402)</u>
<b>TOTAL NET POSITION</b>	<b>\$</b>	<u><u>(137,116)</u></u>

**STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2013**

<b>REVENUES</b>	<b>\$</b>	55,657
<b>EXPENSES</b>		<u>192,893</u>
<b>OPERATING INCOME</b>		(137,236)
<b>NONOPERATING REVENUES (EXPENSES), NET</b>		<u>120</u>
<b>CHANGE IN NET POSITION</b>		(137,116)
<b>NET POSITION BEGINNING OF YEAR</b>		-
<b>NET POSITION END OF YEAR</b>	<b>\$</b>	<u><u>(137,116)</u></u>

**FLAGLER COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

(15) **Joint Venture:** (Continued)

As of September 30, 2013, the County's portion of contributions and net position in the joint venture are as follows:

County investment, at September 30, 2012	\$ -
ADD: 2013 County share of net loss	<u>(68,558)</u>
County investment in joint venture at September 30, 2013	<u>\$ (68,558)</u>

(16) **Prior Period Adjustment:**

The beginning net position of the governmental activities was restated to capture the transfer of property to the County that occurred in FY 2008, but was not added to the capital assets roll in the proper period. Also see Note 5.

Beginning net position, as previously reported	\$ 252,052,139
Transfer of property	<u>3,135,680</u>
Beginning net position, as restated	<u>\$ 255,187,819</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 43,801,956	\$ 43,801,956	\$ 42,535,410	\$ (1,266,546)
Licenses and permits	34,000	34,000	32,922	(1,078)
Intergovernmental	6,443,171	6,915,348	6,084,901	(830,447)
Charges for services	8,699,650	9,043,744	8,860,859	(182,885)
Fines and forfeitures	154,500	154,500	149,762	(4,738)
Miscellaneous revenue	340,325	735,712	2,024,842	1,289,130
Investment income	25,000	32,000	57,740	25,740
<b>TOTAL REVENUES</b>	<u>59,498,602</u>	<u>60,717,260</u>	<u>59,746,436</u>	<u>(970,824)</u>
<b>EXPENDITURES</b>				
Current				
General government	15,890,479	16,205,818	15,271,411	934,407
Public safety	31,426,036	31,152,128	30,042,170	1,109,958
Physical environment	260,171	352,422	300,767	51,655
Transportation	1,814,430	1,939,460	1,979,734	(40,274)
Economic environment	1,007,838	1,097,368	393,686	703,682
Human services	3,838,020	4,790,850	3,578,866	1,211,984
Culture and recreation	2,627,324	2,859,353	2,667,183	192,170
Court related	1,213,018	1,210,827	1,051,929	158,898
Capital Outlay	3,015,159	3,884,680	3,471,509	413,171
Debt service				
Principal retirement	814,000	6,006,000	980,810	5,025,190
Interest and fiscal charges	302,566	324,059	324,512	(453)
<b>TOTAL EXPENDITURES</b>	<u>62,209,041</u>	<u>69,822,965</u>	<u>60,062,577</u>	<u>9,760,388</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,710,439)</u>	<u>(9,105,705)</u>	<u>(316,141)</u>	<u>8,789,564</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,452,480	2,299,370	1,101,787	(1,197,583)
Transfers out	(109,073)	(175,165)	(42,129)	133,036
Long term debt issued	-	5,123,000	-	(5,123,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,343,407</u>	<u>7,247,205</u>	<u>1,059,658</u>	<u>(6,187,547)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,367,032)	(1,858,500)	743,517	2,602,017
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,367,032	1,858,500	10,116,156	8,257,656
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>10,859,673</u>	<u>\$ 10,859,673</u>
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	366,017	
<b>FUND BALANCE, END OF YEAR - GAAP BASIS</b>			<u>\$ 11,225,690</u>	

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL-**  
**CONSTITUTIONAL GAS TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 17,639,876	17,998,917	\$ 3,481,671	\$ (14,517,246)
Investment income	2,000	2,000	5,181	3,181
<b>TOTAL REVENUES</b>	<u>17,641,876</u>	<u>18,000,917</u>	<u>3,486,852</u>	<u>(14,514,065)</u>
<b>EXPENDITURES</b>				
Current				
Transportation	8,666,672	7,296,444	59,722	7,236,722
Capital Outlay	11,305,142	12,534,411	3,076,882	9,457,529
<b>TOTAL EXPENDITURES</b>	<u>19,971,814</u>	<u>19,830,855</u>	<u>3,136,604</u>	<u>16,694,251</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,329,938)	(1,829,938)	350,248	2,180,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(500,000)	(493,907)	6,093
<b>NET CHANGE IN FUND BALANCES</b>	(2,329,938)	(2,329,938)	(143,659)	2,186,279
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>2,329,938</u>	<u>2,329,938</u>	<u>2,796,525</u>	<u>466,587</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,652,866</u>	<u>\$ 2,652,866</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ROAD IMPACT FEES- PALM COAST**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 398,308	\$ 14,602,570	\$ -	\$ (14,602,570)
Investment income	16,000	16,000	7,431	(8,569)
<b>TOTAL REVENUES</b>	<u>414,308</u>	<u>14,618,570</u>	<u>7,431</u>	<u>(14,611,139)</u>
<b>EXPENDITURES</b>				
Current				
Transportation	415,700	12,824,185	1,925,925	10,898,260
Capital outlay	4,220,607	6,170,607	12,502	6,158,105
<b>TOTAL EXPENDITURES</b>	<u>4,636,307</u>	<u>18,994,792</u>	<u>1,938,427</u>	<u>17,056,365</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,221,999)	(4,376,222)	(1,930,996)	2,445,226
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>4,221,999</u>	<u>4,376,222</u>	<u>4,077,824</u>	<u>(298,398)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,146,828</u>	<u>\$ 2,146,828</u>

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - OTHER POST  
EMPLOYMENT BENEFITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Schedule of Funding Progress**

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

**Schedule of Employer Contribution**

<b>Year End September 30,</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage of Annual OPEB cost Contributed</b>	<b>Net OPEB Obligation</b>
2011	\$ 404,868	\$ 190,004	47%	\$ 868,782
2012	432,514	96,422	22%	1,204,874
2013	448,061	170,392	38%	1,482,543

FLAGLER COUNTY, FLORIDA  
 COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

Special Revenue Funds

	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
<b>ASSETS</b>					
Cash and cash equivalents	\$ 381,883	\$ 8,275	\$ 97,991	\$ 16,012	\$ 32,003
Cash with fiscal agent	-	-	-	-	-
Investments	100,705	-	-	-	1,093,351
Accounts receivable	1,045	-	-	15	1,155
Due from other funds	38,018	930	18,000	1,015	20,836
Due from other governments	213,030	-	-	-	-
Other assets	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 734,681</b>	<b>\$ 9,205</b>	<b>\$ 115,991</b>	<b>\$ 17,042</b>	<b>\$ 1,147,345</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 45,814	\$ 11,324	\$ 91	\$ 215	\$ 22,651
Deposits	47,869	-	-	-	-
Due to other funds	-	-	5,552	-	169
Due to other governments	49	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>93,732</b>	<b>11,324</b>	<b>5,643</b>	<b>215</b>	<b>22,820</b>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	640,949	(2,119)	110,348	16,827	1,124,525
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>640,949</b>	<b>(2,119)</b>	<b>110,348</b>	<b>16,827</b>	<b>1,124,525</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 734,681</b>	<b>\$ 9,205</b>	<b>\$ 115,991</b>	<b>\$ 17,042</b>	<b>\$ 1,147,345</b>

**Special Revenue Funds (Continued)**

<b>Tourist Development Tax Capital</b>	<b>Tourist Development Tax Promotion</b>	<b>Tourist Development Tax- Beach Restoration</b>	<b>Environmentally Sensitive Lands</b>	<b>Environmentally Sensitive Lands 2008 Referendum</b>	<b>Utility Regulatory Authority</b>
\$ 340,478	\$ 474,596	\$ 164,555	\$ 10,876	\$ 15,869	\$ 21,560
-	-	-	-	-	-
1,371,723	825,846	426,140	626,917	1,012,693	-
1,626	1,095	539	657	1,070	18
-	-	-	-	1,863	-
35,332	104,034	17,666	-	-	-
-	-	-	-	-	-
<u>\$ 1,749,159</u>	<u>\$ 1,405,571</u>	<u>\$ 608,900</u>	<u>\$ 638,450</u>	<u>\$ 1,031,495</u>	<u>\$ 21,578</u>
\$ 4,769	\$ 38,079	\$ 99	\$ 443	\$ 543	\$ -
-	-	-	-	-	-
-	3,750	-	84	118	-
-	6	-	-	-	-
-	-	-	-	-	-
<u>4,769</u>	<u>41,835</u>	<u>99</u>	<u>527</u>	<u>661</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,744,390	1,363,736	608,801	-	-	-
-	-	-	-	-	-
-	-	-	637,923	1,030,834	-
-	-	-	-	-	-
-	-	-	-	-	21,578
<u>1,744,390</u>	<u>1,363,736</u>	<u>608,801</u>	<u>637,923</u>	<u>1,030,834</u>	<u>21,578</u>
<u>\$ 1,749,159</u>	<u>\$ 1,405,571</u>	<u>\$ 608,900</u>	<u>\$ 638,450</u>	<u>\$ 1,031,495</u>	<u>\$ 21,578</u>



FLAGLER COUNTY, FLORIDA  
 COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	<u>800 MGHZ Expansion</u>	<u>Transportation Impact Fees East</u>	<u>Transportation Impact Fees West</u>	<u>New Transportation Impact Fees- East</u>	<u>Daytona North Service District</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,836	\$ 43,150	\$ 45,166	\$ 37,860	\$ -
Cash with fiscal agent	-	-	-	-	-
Investments	897,705	2,643,238	85,613	735,387	536,208
Accounts receivable	929	2,771	126	792	624
Due from other funds	-	-	-	-	6,490
Due from other governments	-	-	-	-	10,020
Other assets	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 903,470</u>	<u>\$ 2,689,159</u>	<u>\$ 130,905</u>	<u>\$ 774,039</u>	<u>\$ 553,342</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 100	\$ 346	\$ 63	\$ 132	\$ 8,676
Deposits	900,000	-	-	-	-
Due to other funds	-	-	-	-	91
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>900,100</u>	<u>346</u>	<u>63</u>	<u>132</u>	<u>8,767</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	3,370	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	2,688,813	130,842	773,907	-
Other purposes	-	-	-	-	544,575
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>3,370</u>	<u>2,688,813</u>	<u>130,842</u>	<u>773,907</u>	<u>544,575</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 903,470</u>	<u>\$ 2,689,159</u>	<u>\$ 130,905</u>	<u>\$ 774,039</u>	<u>\$ 553,342</u>

**Special Revenue Funds (Continued)**

<b>Park Impact Fees</b>	<b>Economic Development</b>	<b>State Housing Initiative</b>	<b>CDBG Disaster Recovery</b>	<b>CDBG Neighborhood Stabilization</b>	<b>Bimini Gardens Municipal Service</b>
\$ 104,638	\$ 233,501	\$ 401,175	\$ -	\$ 237,152	\$ 13,858
-	-	-	-	-	-
86	-	2,500	-	-	12
-	-	-	-	-	43
-	-	62	-	329,769	-
-	-	-	-	-	-
<u>\$ 104,724</u>	<u>\$ 233,501</u>	<u>\$ 403,737</u>	<u>\$ -</u>	<u>\$ 566,921</u>	<u>\$ 13,913</u>
\$ 75	\$ 240	\$ 252	\$ -	\$ 62,811	\$ 37
-	-	-	-	-	-
-	240	279	-	405,884	-
-	-	-	-	-	-
-	-	353,544	-	98,226	-
<u>75</u>	<u>480</u>	<u>354,075</u>	<u>-</u>	<u>566,921</u>	<u>37</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	233,021	49,662	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
104,649	-	-	-	-	-
-	-	-	-	-	13,876
<u>104,649</u>	<u>233,021</u>	<u>49,662</u>	<u>-</u>	<u>-</u>	<u>13,876</u>
<u>\$ 104,724</u>	<u>\$ 233,501</u>	<u>\$ 403,737</u>	<u>\$ -</u>	<u>\$ 566,921</u>	<u>\$ 13,913</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	<u>Espanola Mosquito Control</u>	<u>Rima Ridge Mosquito Control</u>	<u>Building Department</u>	<u>Domestic Violence</u>	<u>Alcohol and Other Drug Trust Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,272	\$ 62,264	\$ 196,885	\$ 3,885	\$ 11,723
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	502,977	-	-
Accounts receivable	11	21	2,975	3	10
Due from other funds	23	18	4,561	509	140
Due from other governments	-	-	7,962	-	-
Other assets	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 30,306</u>	<u>\$ 62,303</u>	<u>\$ 715,360</u>	<u>\$ 4,397</u>	<u>\$ 11,873</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 37	\$ 37	\$ 8,612	\$ -	\$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	118	-	-
Due to other governments	-	-	7,568	-	-
Deferred revenue	16,795	37,499	-	-	-
<b>TOTAL LIABILITIES</b>	<u>16,832</u>	<u>37,536</u>	<u>16,298</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	699,062	4,397	11,873
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	13,474	24,767	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>13,474</u>	<u>24,767</u>	<u>699,062</u>	<u>4,397</u>	<u>11,873</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 30,306</u>	<u>\$ 62,303</u>	<u>\$ 715,360</u>	<u>\$ 4,397</u>	<u>\$ 11,873</u>

**Special Revenue Funds (Continued)**

<b>Court Technology</b>	<b>Juvenile Diversion</b>	<b>Crime Prevention</b>	<b>Court Innovations</b>	<b>Teen Court</b>	<b>E-911</b>
\$ 11,634	\$ 3,253	\$ 34,175	\$ 10,571	\$ 5,128	\$ 272,009
-	-	-	-	-	-
674,725	-	44,667	10,292	-	501,049
717	10	57	18	-	754
17,072	1,040	1,418	1,082	2,140	151
-	-	-	-	-	53,892
-	-	-	-	-	-
<u>\$ 704,148</u>	<u>\$ 4,303</u>	<u>\$ 80,317</u>	<u>\$ 21,963</u>	<u>\$ 7,268</u>	<u>\$ 827,855</u>
\$ 20,036	\$ 52	\$ 47	\$ 13,505	\$ 1,109	\$ 5,079
-	-	-	-	-	-
-	-	1,538	-	7	1
588	-	3,750	-	-	35
-	-	-	-	-	83,709
<u>20,624</u>	<u>52</u>	<u>5,335</u>	<u>13,505</u>	<u>1,116</u>	<u>88,824</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
683,524	4,251	74,982	8,458	6,152	739,031
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>683,524</u>	<u>4,251</u>	<u>74,982</u>	<u>8,458</u>	<u>6,152</u>	<u>739,031</u>
<u>\$ 704,148</u>	<u>\$ 4,303</u>	<u>\$ 80,317</u>	<u>\$ 21,963</u>	<u>\$ 7,268</u>	<u>\$ 827,855</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	<u>Court Operations</u>	<u>Court Technology</u>	<u>Records Modernization</u>	<u>Law Enforcement Automation</u>	<u>Federal Equitable Sharing Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 218,580	\$ 197,631	\$ 104,902	\$ 90,400	\$ 14,577
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	363	-	-	-	-
Due from other funds	974	-	-	-	-
Due from other governments	12,340	-	-	-	-
Other assets	-	43,076	409	-	-
<b>TOTAL ASSETS</b>	<u>\$ 232,257</u>	<u>\$ 240,707</u>	<u>\$ 105,311</u>	<u>\$ 90,400</u>	<u>\$ 14,577</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 22,055	\$ 754	\$ 290	\$ -	\$ -
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	159,025	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>181,080</u>	<u>754</u>	<u>290</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	43,076	409	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	51,177	196,877	104,612	90,400	14,577
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>51,177</u>	<u>239,953</u>	<u>105,021</u>	<u>90,400</u>	<u>14,577</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 232,257</u>	<u>\$ 240,707</u>	<u>\$ 105,311</u>	<u>\$ 90,400</u>	<u>\$ 14,577</u>

**Special Revenue Funds (Continued)**

**Debt Service Funds**

<b>Law Enforcement Education</b>	<b>Five Point Star Fund</b>	<b>Inmate Welfare</b>	<b>Total</b>	<b>Colbert Lane</b>	<b>Reserve Colbert Lane</b>
\$ 427	\$ 11,332	\$ 58,844	\$ 4,023,926	\$ 9,067	\$ 877
-	-	-	-	-	-
-	-	-	12,089,236	322,881	-
-	-	-	19,999	388	-
-	-	200	116,523	1,109	-
-	-	-	784,107	-	-
-	-	-	43,485	-	-
<u>\$ 427</u>	<u>\$ 11,332</u>	<u>\$ 59,044</u>	<u>\$ 17,077,276</u>	<u>\$ 333,445</u>	<u>\$ 877</u>
\$ -	\$ -	\$ -	\$ 268,373	\$ 149	\$ -
-	-	-	947,869	-	-
-	-	-	417,831	5	877
-	-	-	171,021	-	-
-	-	-	589,773	-	-
-	-	-	2,394,867	154	877
-	-	-	-	-	-
-	-	-	43,485	-	-
-	-	-	-	333,291	-
-	-	-	282,683	-	-
427	-	59,044	8,356,301	-	-
-	-	-	3,370	-	-
-	-	-	1,668,757	-	-
-	-	-	3,698,211	-	-
-	11,332	-	629,602	-	-
<u>427</u>	<u>11,332</u>	<u>59,044</u>	<u>14,682,409</u>	<u>333,291</u>	<u>-</u>
<u>\$ 427</u>	<u>\$ 11,332</u>	<u>\$ 59,044</u>	<u>\$ 17,077,276</u>	<u>\$ 333,445</u>	<u>\$ 877</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

Debt Service Funds (Continued)

	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,263	\$ 1,299,978	\$ 2,601	\$ 5,285	\$ 1,323,071
Cash with fiscal agent	-	-	-	451,693	451,693
Investments	342,723	1,993,756	40,080	25,034	2,724,474
Accounts receivable	377	722	91	52	1,630
Due from other funds	4,731	66	2,728	2,784	11,418
Due from other governments	-	105,064	-	-	105,064
Other assets	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 353,094</b>	<b>\$ 3,399,586</b>	<b>\$ 45,500</b>	<b>\$ 484,848</b>	<b>\$ 4,617,350</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 94	\$ 448	\$ 59	\$ 57	\$ 807
Deposits	-	-	-	-	-
Due to other funds	-	-	-	55,000	55,882
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>94</b>	<b>448</b>	<b>59</b>	<b>55,057</b>	<b>56,689</b>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted for					
Bond covenants or debt service	353,000	3,399,138	45,441	429,791	4,560,661
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	-	-	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>353,000</b>	<b>3,399,138</b>	<b>45,441</b>	<b>429,791</b>	<b>4,560,661</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 353,094</b>	<b>\$ 3,399,586</b>	<b>\$ 45,500</b>	<b>\$ 484,848</b>	<b>\$ 4,617,350</b>

**Capital Projects Funds**

<b>Beach Front Parks</b>	<b>Park Maintenance Trust</b>	<b>Capital Projects</b>	<b>2008 ESL Referendum</b>	<b>Total</b>	<b>Total Non-Major Governmental Funds</b>
\$ 4,372	\$ 4,295	\$ 348,783	\$ 17,900	\$ 375,350	\$ 5,722,347
-	-	-	78,440	78,440	530,133
1,115,209	831,122	1,995,550	522,748	4,464,629	19,278,339
1,158	863	4,545	555	7,121	28,750
-	-	3,746	7	3,753	131,694
-	-	138,536	-	138,536	1,027,707
-	-	-	-	-	43,485
<u>\$ 1,120,739</u>	<u>\$ 836,280</u>	<u>\$ 2,491,160</u>	<u>\$ 619,650</u>	<u>\$ 5,067,829</u>	<u>\$ 26,762,455</u>
\$ 234	\$ 167	\$ 3,429	\$ 113	\$ 3,943	\$ 273,123
-	-	-	-	-	947,869
-	-	-	-	-	473,713
-	-	-	-	-	171,021
-	-	-	-	-	589,773
<u>234</u>	<u>167</u>	<u>3,429</u>	<u>113</u>	<u>3,943</u>	<u>2,455,499</u>
-	600,000	-	-	600,000	600,000
-	-	-	-	-	43,485
-	-	-	-	-	4,560,661
-	-	-	-	-	282,683
-	-	-	-	-	8,356,301
1,120,505	-	2,487,731	-	3,608,236	3,611,606
-	-	-	619,537	619,537	2,288,294
-	-	-	-	-	3,698,211
-	236,113	-	-	236,113	865,715
<u>1,120,505</u>	<u>836,113</u>	<u>2,487,731</u>	<u>619,537</u>	<u>5,063,886</u>	<u>24,306,956</u>
<u>\$ 1,120,739</u>	<u>\$ 836,280</u>	<u>\$ 2,491,160</u>	<u>\$ 619,650</u>	<u>\$ 5,067,829</u>	<u>\$ 26,762,455</u>



FLAGLER COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Special Revenue Funds

	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
<b>REVENUES</b>					
Taxes	\$ 790,217	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	733,253	-	-	-	-
Charges for services	274,790	-	-	-	-
Fines and forfeitures	-	14,055	49,621	14,134	243,704
Miscellaneous revenue	58,808	-	-	-	-
Investment income	644	(2)	260	62	1,969
<b>TOTAL REVENUES</b>	<b>1,857,712</b>	<b>14,053</b>	<b>49,881</b>	<b>14,196</b>	<b>245,673</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	-	69,755	-	-
Physical environment	-	-	-	-	-
Transportation	1,779,439	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,245	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	16,479	175,972
Capital Outlay	23,670	-	-	-	52,976
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,803,109</b>	<b>45,245</b>	<b>69,755</b>	<b>16,479</b>	<b>228,948</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>54,603</b>	<b>(31,192)</b>	<b>(19,874)</b>	<b>(2,283)</b>	<b>16,725</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	23,500	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>23,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>54,603</b>	<b>(7,692)</b>	<b>(19,874)</b>	<b>(2,283)</b>	<b>16,725</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>586,346</b>	<b>5,573</b>	<b>130,222</b>	<b>19,110</b>	<b>1,107,800</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 640,949</b>	<b>\$ (2,119)</b>	<b>\$ 110,348</b>	<b>\$ 16,827</b>	<b>\$ 1,124,525</b>

**Special Revenue Funds (Continued)**

<b>Tourist Development Tax Capital</b>	<b>Tourist Development Tax Promotion</b>	<b>Tourist Development Tax- Beach Restoration</b>	<b>Environmentally Sensitive Lands</b>	<b>Environmentally Sensitive Lands 2008 Referendum</b>	<b>Utility Regulatory Authority</b>
\$ 371,753	\$ 1,094,606	\$ 185,876	\$ -	\$ 3,337	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,700	2,049	1,018	1,152	1,963	71
<u>374,453</u>	<u>1,096,655</u>	<u>186,894</u>	<u>1,152</u>	<u>5,300</u>	<u>71</u>
-	-	-	-	-	-
-	-	50,472	10,255	15,619	-
-	-	-	-	-	-
-	878,374	-	-	-	-
18,154	-	-	-	-	-
-	-	-	-	-	-
-	-	-	398	63,570	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,154</u>	<u>878,374</u>	<u>50,472</u>	<u>10,653</u>	<u>79,189</u>	<u>-</u>
<u>356,299</u>	<u>218,281</u>	<u>136,422</u>	<u>(9,501)</u>	<u>(73,889)</u>	<u>71</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>356,299</u>	<u>218,281</u>	<u>136,422</u>	<u>(9,501)</u>	<u>(73,889)</u>	<u>71</u>
<u>1,388,091</u>	<u>1,145,455</u>	<u>472,379</u>	<u>647,424</u>	<u>1,104,723</u>	<u>21,507</u>
<u>\$ 1,744,390</u>	<u>\$ 1,363,736</u>	<u>\$ 608,801</u>	<u>\$ 637,923</u>	<u>\$ 1,030,834</u>	<u>\$ 21,578</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	800 MGHZ Expansion	Transportation Impact Fees East	Transportation Impact Fees West	New Transportation Impact Fees- East	Daytona North Service District
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 64,516
Special assessments/Impact fees	-	-	-	5,580	259,133
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	1,282	4,767	299	1,345	1,120
<b>TOTAL REVENUES</b>	<b>1,282</b>	<b>4,767</b>	<b>299</b>	<b>6,925</b>	<b>324,769</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	24,114
Public safety	557	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	1,914	248	659	212,912
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>557</b>	<b>1,914</b>	<b>248</b>	<b>659</b>	<b>237,026</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>725</b>	<b>2,853</b>	<b>51</b>	<b>6,266</b>	<b>87,743</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	1,890
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,890</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>725</b>	<b>2,853</b>	<b>51</b>	<b>6,266</b>	<b>89,633</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>2,645</b>	<b>2,685,960</b>	<b>130,791</b>	<b>767,641</b>	<b>454,942</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 3,370</b>	<b>\$ 2,688,813</b>	<b>\$ 130,842</b>	<b>\$ 773,907</b>	<b>\$ 544,575</b>

**Special Revenue Funds (Continued)**

<b>Park Impact Fees</b>	<b>Economic Development</b>	<b>State Housing Initiative</b>	<b>CDBG Disaster Recovery</b>	<b>CDBG Neighborhood Stabilization</b>	<b>Bimini Gardens Municipal Service</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,042	-	-	-	-	5,793
-	-	-	-	-	-
-	-	35,602	929,131	1,020,291	-
-	-	191	-	-	-
-	-	-	-	-	-
-	-	11,000	-	-	-
362	496	317	-	-	43
<u>1,404</u>	<u>496</u>	<u>47,110</u>	<u>929,131</u>	<u>1,020,291</u>	<u>5,836</u>
-	-	-	-	-	177
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,481
-	961	83,248	-	1,020,291	-
283	-	-	-	-	-
-	-	-	-	-	-
-	-	-	929,131	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>283</u>	<u>961</u>	<u>83,248</u>	<u>929,131</u>	<u>1,020,291</u>	<u>1,658</u>
<u>1,121</u>	<u>(465)</u>	<u>(36,138)</u>	<u>-</u>	<u>-</u>	<u>4,178</u>
-	-	-	-	-	42
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	42
1,121	(465)	(36,138)	-	-	4,220
<u>103,528</u>	<u>233,486</u>	<u>85,800</u>	<u>-</u>	<u>-</u>	<u>9,656</u>
<u>\$ 104,649</u>	<u>\$ 233,021</u>	<u>\$ 49,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,876</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	1,405	2,445	-	-	-
Licenses and permits	-	-	559,832	-	-
Intergovernmental	627	231	-	-	-
Charges for services	-	-	562	-	-
Fines and forfeitures	-	-	5,098	3,501	2,358
Miscellaneous revenue	-	-	1,377	-	-
Investment income	42	80	2,030	7	35
<b>TOTAL REVENUES</b>	<b>2,074</b>	<b>2,756</b>	<b>568,899</b>	<b>3,508</b>	<b>2,393</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	-	461,364	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	1,000	637	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	4,482	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,000</b>	<b>637</b>	<b>465,846</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,074</b>	<b>2,119</b>	<b>103,053</b>	<b>3,508</b>	<b>2,393</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10	18	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,084</b>	<b>2,137</b>	<b>103,053</b>	<b>3,508</b>	<b>2,393</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>12,390</b>	<b>22,630</b>	<b>596,009</b>	<b>889</b>	<b>9,480</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 13,474</b>	<b>\$ 24,767</b>	<b>\$ 699,062</b>	<b>\$ 4,397</b>	<b>\$ 11,873</b>

**Special Revenue Funds (Continued)**

<b>Court Technology</b>	<b>Juvenile Diversion</b>	<b>Crime Prevention</b>	<b>Court Innovations</b>	<b>Teen Court</b>	<b>E-911</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	470,945
-	-	-	-	-	-
255,376	14,218	20,364	14,184	24,823	-
-	-	-	-	-	-
1,487	23	291	132	(21)	1,285
<u>256,863</u>	<u>14,241</u>	<u>20,655</u>	<u>14,316</u>	<u>24,802</u>	<u>472,230</u>
-	-	-	-	-	-
-	-	25,601	-	-	346,786
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,418	191	-	101,512	63,934	-
257,863	-	-	-	-	-
-	-	-	-	-	-
<u>315,281</u>	<u>191</u>	<u>25,601</u>	<u>101,512</u>	<u>63,934</u>	<u>346,786</u>
<u>(58,418)</u>	<u>14,050</u>	<u>(4,946)</u>	<u>(87,196)</u>	<u>(39,132)</u>	<u>125,444</u>
-	-	-	10,000	30,208	-
-	(10,000)	(20,323)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>(10,000)</u>	<u>(20,323)</u>	<u>10,000</u>	<u>30,208</u>	<u>-</u>
(58,418)	4,050	(25,269)	(77,196)	(8,924)	125,444
<u>741,942</u>	<u>201</u>	<u>100,251</u>	<u>85,654</u>	<u>15,076</u>	<u>613,587</u>
<u>\$ 683,524</u>	<u>\$ 4,251</u>	<u>\$ 74,982</u>	<u>\$ 8,458</u>	<u>\$ 6,152</u>	<u>\$ 739,031</u>

FLAGLER COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Special Revenue Funds (Continued)

	Court Operations	Court Technology	Records Modernization	Law Enforcement Automation	Federal Equitable Sharing Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	1,006,826	-	-	90,400	-
Charges for services	469,586	242,607	82,308	-	-
Fines and forfeitures	32,297	59,623	-	-	14,623
Miscellaneous revenue	-	-	-	-	-
Investment income	5,568	774	519	-	-
<b>TOTAL REVENUES</b>	<u>1,514,277</u>	<u>303,004</u>	<u>82,827</u>	<u>90,400</u>	<u>14,623</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	69,823	-	-
Public safety	-	-	-	-	46
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	1,508,813	194,719	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,508,813</u>	<u>194,719</u>	<u>69,823</u>	<u>-</u>	<u>46</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,464</u>	<u>108,285</u>	<u>13,004</u>	<u>90,400</u>	<u>14,577</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,456	-	-	-	-
Transfers out	-	-	-	-	-
Long term debt issued	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,920	108,285	13,004	90,400	14,577
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>35,257</u>	<u>131,668</u>	<u>92,017</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ 51,177</u>	<u>\$ 239,953</u>	<u>\$ 105,021</u>	<u>\$ 90,400</u>	<u>\$ 14,577</u>

Special Revenue Funds (Continued)

Debt Service Funds

Law Enforcement Education	Five Point Star Fund	Inmate Welfare	Total	Colbert Lane	Reserve Colbert Lane
\$ -	\$ -	\$ -	\$ 2,510,305	\$ -	\$ -
-	-	-	275,398	376	-
-	-	-	559,832	-	-
-	-	-	4,287,306	-	-
30,000	-	69,186	1,169,230	-	-
-	-	-	767,979	-	-
-	5,141	-	76,326	-	-
-	-	-	34,169	1,415	-
<u>30,000</u>	<u>5,141</u>	<u>69,186</u>	<u>9,680,545</u>	<u>1,791</u>	<u>-</u>
-	-	-	94,114	790	-
30,000	6,976	42,070	983,155	-	-
-	-	-	76,346	-	-
-	-	-	1,996,653	-	-
-	-	-	1,982,874	-	-
-	-	-	46,882	-	-
-	-	-	18,437	-	-
-	-	-	2,119,038	-	-
-	-	-	1,332,090	-	-
-	-	-	-	310,000	-
-	-	-	-	23,746	-
<u>30,000</u>	<u>6,976</u>	<u>42,070</u>	<u>8,649,589</u>	<u>334,536</u>	<u>-</u>
-	(1,835)	27,116	1,030,956	(332,745)	-
-	-	-	76,124	880	-
-	-	-	(30,323)	-	(877)
-	-	-	-	-	-
-	-	-	45,801	880	(877)
-	(1,835)	27,116	1,076,757	(331,865)	(877)
<u>427</u>	<u>13,167</u>	<u>31,928</u>	<u>13,605,652</u>	<u>665,156</u>	<u>877</u>
<u>\$ 427</u>	<u>\$ 11,332</u>	<u>\$ 59,044</u>	<u>\$ 14,682,409</u>	<u>\$ 333,291</u>	<u>\$ -</u>



FLAGLER COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Debt Service Funds (Continued)

	ESL Bond Sinking	Capital Construction	Capital Construction GO Issue	ESL 2008 Referendum	Total
<b>REVENUES</b>					
Taxes	\$ 511,111	\$ 356,863	\$ 1,976,710	\$ 986,498	\$ 3,831,182
Special assessments/Impact fees	-	-	-	-	376
Licenses and permits	-	-	-	-	-
Intergovernmental	-	653,734	-	-	653,734
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	1,617	6,495	1,974	1,521	13,022
<b>TOTAL REVENUES</b>	<b>512,728</b>	<b>1,017,092</b>	<b>1,978,684</b>	<b>988,019</b>	<b>4,498,314</b>
<b>EXPENDITURES</b>					
Current					
General government	590	2,719	494	341	4,934
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	565,000	1,420,000	745,000	370,000	3,410,000
Interest and fiscal charges	107,431	1,184,538	1,233,028	664,755	3,213,498
<b>TOTAL EXPENDITURES</b>	<b>673,021</b>	<b>2,607,257</b>	<b>1,978,522</b>	<b>1,035,096</b>	<b>6,628,432</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(160,293)</b>	<b>(1,590,165)</b>	<b>162</b>	<b>(47,077)</b>	<b>(2,130,118)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	880
Transfers out	-	-	-	-	(877)
Long term debt issued	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(160,293)</b>	<b>(1,590,165)</b>	<b>162</b>	<b>(47,077)</b>	<b>(2,130,115)</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>513,293</b>	<b>4,989,303</b>	<b>45,279</b>	<b>476,868</b>	<b>6,690,776</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 353,000</b>	<b>\$ 3,399,138</b>	<b>\$ 45,441</b>	<b>\$ 429,791</b>	<b>\$ 4,560,661</b>

**Capital Projects Funds**

<b>Beach Front Parks</b>	<b>Park Maintenance Trust</b>	<b>Capital Projects</b>	<b>2008 ESL Referendum</b>	<b>Total</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ 1,422,498	\$ -	\$ 1,422,498	\$ 7,763,985
-	-	-	-	-	275,774
-	-	-	-	-	559,832
-	-	-	-	-	4,941,040
-	-	-	-	-	1,169,230
-	-	-	-	-	767,979
-	-	-	-	-	76,326
2,007	1,500	(1,302)	1,249	3,454	50,645
2,007	1,500	1,421,196	1,249	1,425,952	15,604,811
-	-	-	-	-	99,048
-	-	3,429	-	3,429	986,584
-	-	-	27,458	27,458	103,804
-	-	-	-	-	1,996,653
-	-	-	-	-	1,982,874
-	-	-	-	-	46,882
1,132	1,813	-	542	3,487	21,924
-	-	-	-	-	2,119,038
-	-	1,230,036	-	1,230,036	2,562,126
-	-	-	-	-	3,410,000
-	-	-	-	-	3,213,498
1,132	1,813	1,233,465	28,000	1,264,410	16,542,431
875	(313)	187,731	(26,751)	161,542	(937,620)
-	-	-	-	-	77,004
-	-	-	-	-	(31,200)
-	-	2,300,000	-	2,300,000	2,300,000
-	-	2,300,000	-	2,300,000	2,345,804
875	(313)	2,487,731	(26,751)	2,461,542	1,408,184
1,119,630	836,426	-	646,288	2,602,344	22,898,772
<u>\$ 1,120,505</u>	<u>\$ 836,113</u>	<u>\$ 2,487,731</u>	<u>\$ 619,537</u>	<u>\$ 5,063,886</u>	<u>\$ 24,306,956</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 749,085	\$ 749,085	\$ 790,217	\$ 41,132
Intergovernmental	720,376	720,376	733,253	12,877
Charges for services	213,600	213,600	274,790	61,190
Miscellaneous revenue	5,500	5,500	58,808	53,308
Investment income	694	694	644	(50)
<b>TOTAL REVENUES</b>	<u>1,689,255</u>	<u>1,689,255</u>	<u>1,857,712</u>	<u>168,457</u>
<b>EXPENDITURES</b>				
Current				
Transportation	2,022,576	2,022,576	1,779,439	243,137
Capital outlay	25,000	25,000	23,670	1,330
<b>TOTAL EXPENDITURES</b>	<u>2,047,576</u>	<u>2,047,576</u>	<u>1,803,109</u>	<u>244,467</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(358,321)	(358,321)	54,603	412,924
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>358,321</u>	<u>358,321</u>	<u>586,346</u>	<u>228,025</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,949</u>	<u>\$ 640,949</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 17,000	\$ 17,000	\$ 14,055	\$ (2,945)
Investment income	10	10	(2)	(12)
<b>TOTAL REVENUES</b>	17,010	17,010	14,053	(2,957)
<b>EXPENDITURES</b>				
Current				
Human services	45,276	45,276	45,245	31
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(28,266)	(28,266)	(31,192)	(2,926)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	23,500	23,500	23,500	-
<b>NET CHANGE IN FUND BALANCES</b>	(4,766)	(4,766)	(7,692)	(2,926)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	4,766	4,766	5,573	807
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ (2,119)	\$ (2,119)

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 49,621	\$ 14,621
Investment income	250	250	260	10
<b>TOTAL REVENUES</b>	35,250	35,250	49,881	14,631
<b>EXPENDITURES</b>				
Current				
Public safety	149,529	149,529	69,755	79,774
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(114,279)	(114,279)	(19,874)	94,405
<b>FUND BALANCES, BEGINNING OF YEAR</b>	114,279	114,279	130,222	15,943
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,348</u>	<u>\$ 110,348</u>

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With 8181</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 16,844	\$ 16,844	\$ 14,134	\$ (2,710)
Miscellaneous revenue	-	-		
Investment income	40	40	62	22
<b>TOTAL REVENUES</b>	16,884	16,884	14,196	(2,688)
<b>EXPENDITURES</b>				
Current				
Court related	34,861	34,861	16,479	18,382
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(17,977)	(17,977)	(2,283)	15,694
<b>FUND BALANCES, BEGINNING OF YEAR</b>	17,977	17,977	19,110	1,133
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,827</u>	<u>\$ 16,827</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 243,704	\$ 43,704
Investment income	1,000	1,000	1,969	969
<b>TOTAL REVENUES</b>	201,000	201,000	245,673	44,673
<b>EXPENDITURES</b>				
Current				
Court related	1,265,308	1,208,372	175,972	1,032,400
Capital Outlay		56,936	52,976	3,960
<b>TOTAL EXPENDITURES</b>	1,265,308	1,265,308	228,948	1,036,360
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,064,308)	(1,064,308)	16,725	1,081,033
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,064,308	1,064,308	1,107,800	43,492
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 1,124,525	\$ 1,124,525

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- CAPITAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 289,607	\$ 289,607	\$ 371,753	\$ 82,146
Investment income	1,000	1,000	2,700	1,700
<b>TOTAL REVENUES</b>	<u>290,607</u>	<u>290,607</u>	<u>374,453</u>	<u>83,846</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	31,470	1,297,114	18,154	1,278,960
Capital Outlay	1,291,804	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,323,274</u>	<u>1,297,114</u>	<u>18,154</u>	<u>1,278,960</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,032,667)	(1,006,507)	356,299	1,362,806
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(182,210)	(208,370)	-	208,370
<b>NET CHANGE IN FUND BALANCES</b>	(1,214,877)	(1,214,877)	356,299	1,571,176
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,214,877</u>	<u>1,214,877</u>	<u>1,388,091</u>	<u>173,214</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744,390</u>	<u>\$ 1,744,390</u>



**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- PROMOTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 852,731	\$ 852,731	\$ 1,094,606	\$ 241,875
Investment income	2,000	2,000	2,049	49
<b>TOTAL REVENUES</b>	854,731	854,731	1,096,655	241,924
<b>EXPENDITURES</b>				
Current				
Economic environment	1,712,094	1,712,094	878,374	833,720
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(857,363)	(857,363)	218,281	1,075,644
<b>FUND BALANCES, BEGINNING OF YEAR</b>	857,363	857,363	1,145,455	288,092
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,363,736</u>	<u>\$ 1,363,736</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- BEACH RESTORATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 144,803	\$ 144,803	\$ 185,876	\$ 41,073
Intergovernmental	42,300	42,300	-	(42,300)
Investment income	1,000	1,000	1,018	18
<b>TOTAL REVENUES</b>	188,103	188,103	186,894	(1,209)
<b>EXPENDITURES</b>				
Current				
Physical environment	1,193,618	1,193,618	50,472	1,143,146
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,005,515)	(1,005,515)	136,422	1,141,937
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,005,515	1,005,515	472,379	(533,136)
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 608,801	\$ 608,801

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 1,152	\$ 152
<b>EXPENDITURES</b>				
Current				
Physical environment	5,800	31,800	10,255	21,545
Capital outlay	645,246	619,246	398	618,848
<b>TOTAL EXPENDITURES</b>	<u>651,046</u>	<u>651,046</u>	<u>10,653</u>	<u>640,393</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(650,046)	(650,046)	(9,501)	640,545
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>650,046</u>	<u>650,046</u>	<u>647,424</u>	<u>(2,622)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,923</u>	<u>\$ 637,923</u>

**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 3,337	\$ 3,337
Intergovernmental	117,500	112,070	-	(112,070)
Investment income	-	-	1,963	1,963
<b>TOTAL REVENUES</b>	117,500	112,070	5,300	(106,770)
<b>EXPENDITURES</b>				
Current				
Physical environment	450,500	462,500	15,619	446,881
Culture and recreation	255,000	500	-	500
Capital outlay	617,580	878,610	63,570	815,040
<b>TOTAL EXPENDITURES</b>	1,323,080	1,341,610	79,189	1,262,421
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,205,580)	(1,229,540)	(73,889)	1,155,651
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	68,500	68,500	-	(68,500)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,137,080	1,161,040	1,104,723	(56,317)
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 1,030,834	\$ 1,030,834

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 30	\$ 30	\$ 71	\$ 41
<b>EXPENDITURES</b>				
Current				
Physical environment	21,465	21,465	-	21,465
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(21,435)	(21,435)	71	21,506
<b>FUND BALANCES, BEGINNING OF YEAR</b>	21,435	21,435	21,507	72
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,578</u>	<u>\$ 21,578</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 1,282	\$ 1,282
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>600,000</u>	<u>600,000</u>	<u>557</u>	<u>599,443</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(600,000)	(600,000)	725	600,725
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>600,000</u>	<u>600,000</u>	<u>2,645</u>	<u>(597,355)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,370</u>	<u>\$ 3,370</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- TRANSPORTATION IMPACT FEES EAST**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,300	\$ 1,300	\$ 4,767	\$ 3,467
<b>TOTAL REVENUES</b>	1,300	1,300	4,767	3,467
<b>EXPENDITURES</b>				
Current				
Transportation	2,684,560	2,684,560	1,914	2,682,646
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,683,260)	(2,683,260)	2,853	2,686,113
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,683,260	2,683,260	2,685,960	2,700
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 2,688,813	\$ 2,688,813

**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 17,500	\$ 17,500	\$ -	\$ (17,500)
Investment income	75	75	299	224
<b>TOTAL REVENUES</b>	17,575	17,575	299	(17,276)
<b>EXPENDITURES</b>				
Current				
Transportation	143,810	143,810	248	143,562
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(126,235)	(126,235)	51	126,286
<b>FUND BALANCES, BEGINNING OF YEAR</b>	126,235	126,235	130,791	4,556
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 130,842	\$ 130,842



**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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 60,000	\$ 60,000	\$ 5,580	\$ (54,420)
Investment income	175	175	1,345	1,170
<b>TOTAL REVENUES</b>	60,175	60,175	6,925	(53,250)
<b>EXPENDITURES</b>				
Current				
Transportation	766,255	766,255	659	765,596
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(706,080)	(706,080)	6,266	712,346
<b>FUND BALANCES, BEGINNING OF YEAR</b>	706,080	706,080	767,641	61,561
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,907</u>	<u>\$ 773,907</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- DAYTONA NORTH SERVICE DISTRICT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 60,748	\$ 60,748	\$ 64,516	\$ 3,768
Special assessments	265,080	265,080	259,133	(5,947)
Investment income	1,600	1,600	1,120	(480)
<b>TOTAL REVENUES</b>	<u>327,428</u>	<u>327,428</u>	<u>324,769</u>	<u>(2,659)</u>
<b>EXPENDITURES</b>				
Current				
General government	29,700	29,700	24,114	5,586
Transportation	818,428	818,428	212,912	605,516
<b>TOTAL EXPENDITURES</b>	<u>848,128</u>	<u>848,128</u>	<u>237,026</u>	<u>611,102</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(520,700)	(520,700)	87,743	608,443
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,900	1,900	1,890	(10)
<b>NET CHANGE IN FUND BALANCES</b>	(518,800)	(518,800)	89,633	608,433
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>518,800</u>	<u>518,800</u>	<u>454,942</u>	<u>(63,858)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 544,575</u></u>	<u><u>\$ 544,575</u></u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 16,524	\$ 5,964	\$ 1,042	\$ (4,922)
Intergovernmental	360,000	360,000	-	(360,000)
Investment income	635	635	362	(273)
<b>TOTAL REVENUES</b>	<u>377,159</u>	<u>366,599</u>	<u>1,404</u>	<u>(365,195)</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	58,829	58,829	283	58,546
Capital outlay	430,000	450,000	-	450,000
<b>TOTAL EXPENDITURES</b>	<u>488,829</u>	<u>508,829</u>	<u>283</u>	<u>508,546</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(111,670)	(142,230)	1,121	143,351
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	42,500	-	(42,500)
<b>NET CHANGE IN FUND BALANCES</b>	(111,670)	(99,730)	1,121	100,851
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>111,670</u>	<u>99,730</u>	<u>103,528</u>	<u>3,798</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,649</u>	<u>\$ 104,649</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 350	\$ 350	\$ 496	\$ 146
<b>EXPENDITURES</b>				
Current				
Economic environment	<u>233,582</u>	<u>233,582</u>	<u>961</u>	<u>232,621</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(233,232)	(233,232)	(465)	232,767
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>233,232</u>	<u>233,232</u>	<u>233,486</u>	<u>254</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 233,021</u></u>	<u><u>\$ 233,021</u></u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 35,602	\$ 35,602
Charges for services	-	-	191	191
Miscellaneous revenue	-	-	11,000	11,000
Investment income	-	-	317	317
<b>TOTAL REVENUES</b>	-	-	47,110	47,110
<b>EXPENDITURES</b>				
Current				
Economic environment	310,833	310,833	83,248	227,585
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(310,833)	(310,833)	(36,138)	274,695
<b>FUND BALANCES, BEGINNING OF YEAR</b>	310,833	310,833	85,800	(225,033)
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,662</u>	<u>\$ 49,662</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CDBG DISASTER RECOVERY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,009,657	\$ 939,867	\$ 929,131	\$ (10,736)
<b>EXPENDITURES</b>				
Capital outlay	<u>1,009,657</u>	<u>939,867</u>	<u>929,131</u>	<u>10,736</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,000,000	\$ 1,150,000	\$ 1,020,291	\$ (129,709)
<b>EXPENDITURES</b>				
Current				
Economic environment	<u>1,000,000</u>	<u>1,150,000</u>	<u>1,020,291</u>	<u>129,709</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- BIMINI GARDENS MUNICIPAL SERVICE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Special assessments	\$ 5,800	\$ 5,800	\$ 5,793	\$ (7)
Investment income	10	10	43	33
<b>TOTAL REVENUES</b>	<u>5,810</u>	<u>5,810</u>	<u>5,836</u>	<u>26</u>
<b>EXPENDITURES</b>				
Current				
General government	190	190	177	13
Transportation	8,250	8,250	1,481	6,769
<b>TOTAL EXPENDITURES</b>	<u>8,440</u>	<u>8,440</u>	<u>1,658</u>	<u>6,782</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,630)	(2,630)	4,178	6,808
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	40	40	42	2
<b>NET CHANGE IN FUND BALANCES</b>	(2,590)	(2,590)	4,220	6,810
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>2,590</u>	<u>2,590</u>	<u>9,656</u>	<u>7,066</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,876</u>	<u>\$ 13,876</u>



**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 1,335	\$ 1,335	\$ 1,405	\$ 70
Intergovernmental	4,000	4,000	627	(3,373)
Investment income			42	42
<b>TOTAL REVENUES</b>	5,335	5,335	2,074	(3,261)
<b>EXPENDITURES</b>				
Current				
Human services	15,505	15,505	1,000	14,505
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,170)	(10,170)	1,074	11,244
#REF!				
#REF!	10	10	10	-
<b>NET CHANGE IN FUND BALANCES</b>	(10,160)	(10,160)	1,084	11,244
<b>FUND BALANCES, BEGINNING OF YEAR</b>	10,160	10,160	12,390	2,230
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 13,474	\$ 13,474

**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 2,400	\$ 2,400	\$ 2,445	\$ 45
Intergovernmental	4,000	4,000	231	(3,769)
Investment income			80	80
<b>TOTAL REVENUES</b>	6,400	6,400	2,756	(3,644)
<b>EXPENDITURES</b>				
Current				
Human services	21,150	21,150	637	20,513
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(14,750)	(14,750)	2,119	16,869
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	18	18
<b>NET CHANGE IN FUND BALANCES</b>	(14,750)	(14,750)	2,137	16,887
<b>FUND BALANCES, BEGINNING OF YEAR</b>	14,750	14,750	22,630	7,880
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,767</u>	<u>\$ 24,767</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- BUILDING FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses and permits	\$ 274,150	\$ 274,150	\$ 559,832	\$ 285,682
Charges for services	2,000	2,000	562	(1,438)
Fines and forfeitures	1,000	1,000	5,098	4,098
Miscellaneous revenue	500	500	1,377	877
Investment income	1,000	1,000	2,030	1,030
<b>TOTAL REVENUES</b>	<u>278,650</u>	<u>278,650</u>	<u>568,899</u>	<u>290,249</u>
<b>EXPENDITURES</b>				
Current				
Public safety	735,424	730,934	461,364	269,570
Capital outlay	0	4,490	4,482	8
<b>TOTAL EXPENDITURES</b>	<u>735,424</u>	<u>735,424</u>	<u>465,846</u>	<u>269,578</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(456,774)	(456,774)	103,053	559,827
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>456,774</u>	<u>456,774</u>	<u>596,009</u>	<u>139,235</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699,062</u>	<u>\$ 699,062</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 3,501	\$ 3,501
Investment income	-	-	7	7
<b>TOTAL REVENUES</b>	-	-	3,508	3,508
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	3,508	3,508
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	889	889
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 4,397	\$ 4,397

**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, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 3,200	\$ 3,200	\$ 2,358	\$ (842)
Investment income	20	20	35	15
<b>TOTAL REVENUES</b>	3,220	3,220	2,393	(827)
<b>EXPENDITURES</b>				
Current				
Court related	13,321	13,321	-	13,321
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,101)	(10,101)	2,393	12,494
<b>FUND BALANCES, BEGINNING OF YEAR</b>	10,101	10,101	9,480	(621)
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,873</u>	<u>\$ 11,873</u>

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 168,000	\$ 168,000	\$ 255,376	\$ 87,376
Investment income	2,000	2,000	1,487	(513)
<b>TOTAL REVENUES</b>	<u>170,000</u>	<u>170,000</u>	<u>256,863</u>	<u>86,863</u>
<b>EXPENDITURES</b>				
Current				
Court related	782,021	533,764	57,418	476,346
Capital outlay	16,334	264,591	257,863	6,728
<b>TOTAL EXPENDITURES</b>	<u>798,355</u>	<u>798,355</u>	<u>315,281</u>	<u>483,074</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(628,355)	(628,355)	(58,418)	569,937
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>628,355</u>	<u>628,355</u>	<u>741,942</u>	<u>113,587</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,524</u>	<u>\$ 683,524</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Budget</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 19,500	\$ 19,500	\$ 14,218	\$ (5,282)
Investment income	120	120	23	(97)
<b>TOTAL REVENUES</b>	19,620	19,620	14,241	(5,379)
<b>EXPENDITURES</b>				
Current				
Court related	22,366	22,366	191	22,175
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,746)	(2,746)	14,050	16,796
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
<b>NET CHANGE IN FUND BALANCES</b>	(12,746)	(12,746)	4,050	16,796
<b>FUND BALANCES, BEGINNING OF YEAR</b>	12,746	12,746	201	(12,545)
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,251</u>	<u>\$ 4,251</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 20,364	\$ (4,636)
Investment income	300	300	291	(9)
<b>TOTAL REVENUES</b>	25,300	25,300	20,655	(4,645)
<b>EXPENDITURES</b>				
Current				
Public safety	97,083	97,083	25,601	71,482
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(71,783)	(71,783)	(4,946)	66,837
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(28,483)	(28,483)	(20,323)	8,160
<b>NET CHANGE IN FUND BALANCES</b>	(100,266)	(100,266)	(25,269)	74,997
<b>FUND BALANCES, BEGINNING OF YEAR</b>	100,266	100,266	100,251	(15)
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 74,982	\$ 74,982



**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 14,184	\$ (5,816)
Investment income	500	500	132	(368)
<b>TOTAL REVENUES</b>	20,500	20,500	14,316	(6,184)
<b>EXPENDITURES</b>				
Current				
Court related	113,254	113,254	101,512	11,742
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(92,754)	(92,754)	(87,196)	5,558
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,000	10,000	10,000	-
<b>NET CHANGE IN FUND BALANCES</b>	(82,754)	(82,754)	(77,196)	5,558
<b>FUND BALANCES, BEGINNING OF YEAR</b>	82,754	82,754	85,654	2,900
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,458</u>	<u>\$ 8,458</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 25,560	\$ 25,560	\$ 24,823	\$ (737)
Investment income	25	25	(21)	(46)
<b>TOTAL REVENUES</b>	25,585	25,585	24,802	(783)
<b>EXPENDITURES</b>				
Current				
Court related	64,734	64,734	63,934	800
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(39,149)	(39,149)	(39,132)	17
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,208	30,208	30,208	-
<b>NET CHANGE IN FUND BALANCES</b>	(8,941)	(8,941)	(8,924)	17
<b>FUND BALANCES, BEGINNING OF YEAR</b>	8,941	8,941	15,076	6,135
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,152</u>	<u>\$ 6,152</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- E-911**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 484,757	\$ 514,804	\$ 470,945	\$ (43,859)
Investment income	500	500	1,285	785
<b>TOTAL REVENUES</b>	485,257	515,304	472,230	(43,074)
<b>EXPENDITURES</b>				
Current				
Public safety	949,308	912,746	346,786	565,960
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(464,051)	(397,442)	125,444	522,886
<b>FUND BALANCES, BEGINNING OF YEAR</b>	464,051	397,442	613,587	216,145
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 739,031	\$ 739,031

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,112,337	\$ 1,159,362	\$ 1,006,826	\$ (152,536)
Charges for services	-	340,286	469,586	129,300
Fines and forfeitures	-	22,758	32,297	9,539
Investment income	-	-	5,568	5,568
<b>TOTAL REVENUES</b>	1,112,337	1,522,406	1,514,277	(8,129)
<b>EXPENDITURES</b>				
Current				
Court related	1,112,337	1,568,119	1,508,813	59,306
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(45,713)	5,464	51,177
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	10,456	10,456	-
<b>NET CHANGE IN FUND BALANCES</b>	-	(35,257)	15,920	51,177
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	35,257	35,257	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,177</u>	<u>\$ 51,177</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CLERK COURT TECHNOLOGY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 187,400	\$ 242,400	\$ 242,607	\$ 207
Fines and forfeitures	64,000	64,000	59,623	(4,377)
Investment income	-	-	774	774
<b>TOTAL REVENUES</b>	251,400	306,400	303,004	(3,396)
<b>EXPENDITURES</b>				
Current				
Court related	394,610	449,610	194,719	254,891
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(143,210)	(143,210)	108,285	251,495
<b>FUND BALANCES, BEGINNING OF YEAR</b>	143,210	143,210	131,668	(11,542)
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,953</u>	<u>\$ 239,953</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 65,000	\$ 65,000	\$ 82,308	\$ 17,308
Investment revenue	-		519	519
<b>TOTAL REVENUES</b>	65,000	65,000	82,827	17,827
<b>EXPENDITURES</b>				
Current				
General government	163,000	163,000	69,823	93,177
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(98,000)	(98,000)	13,004	111,004
<b>FUND BALANCES, BEGINNING OF YEAR</b>	98,000	98,000	92,017	(5,983)
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 105,021	\$ 105,021

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- COLBERT LANE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ -	\$ -	\$ 376	\$ 376
Investment income	1,700	1,700	1,415	(285)
<b>TOTAL REVENUES</b>	<u>1,700</u>	<u>1,700</u>	<u>1,791</u>	<u>91</u>
<b>EXPENDITURES</b>				
Current				
General government	12,894	12,861	790	12,071
Debt service				
Principal retirement	657,153	634,440	310,000	324,440
Interest and fiscal charges		<u>23,746</u>	<u>23,746</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>670,047</u>	<u>671,047</u>	<u>334,536</u>	<u>336,511</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(668,347)	(669,347)	(332,745)	336,602
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	1,000	880	(120)
<b>NET CHANGE IN FUND BALANCE</b>	(668,347)	(668,347)	(331,865)	336,482
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>668,347</u>	<u>668,347</u>	<u>665,156</u>	<u>(3,191)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,291</u>	<u>\$ 333,291</u>

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- RESERVE COLBERT LANE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	-	(1,000)	(877)	123
<b>NET CHANGE IN FUND BALANCE</b>	-	(1,000)	(877)	123
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	1,000	877	(123)
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 521,240	\$ 521,240	\$ 511,111	\$ (10,129)
Investment income	2,000	2,000	1,617	(383)
<b>TOTAL REVENUES</b>	<u>523,240</u>	<u>523,240</u>	<u>512,728</u>	<u>(10,512)</u>
<b>EXPENDITURES</b>				
Current				
General government	900	900	590	310
Debt service				
Principal retirement	921,765	921,765	565,000	356,765
Interest and fiscal charges	107,432	107,432	107,431	1
<b>TOTAL EXPENDITURES</b>	<u>1,030,097</u>	<u>1,030,097</u>	<u>673,021</u>	<u>357,076</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(506,857)	(506,857)	(160,293)	346,564
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>506,857</u>	<u>506,857</u>	<u>513,293</u>	<u>6,436</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,000</u>	<u>\$ 353,000</u>

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 185,000	\$ 185,000	\$ 356,863	\$ 171,863
Intergovernmental	635,000	635,000	653,734	18,734
Investment income	7,500	7,500	6,495	(1,005)
<b>TOTAL REVENUES</b>	<u>827,500</u>	<u>827,500</u>	<u>1,017,092</u>	<u>189,592</u>
<b>EXPENDITURES</b>				
Current				
General government	3,500	3,500	2,719	781
Debt service				
Principal retirement	4,471,788	4,471,788	1,420,000	3,051,788
Interest and fiscal charges	1,184,788	1,184,788	1,184,538	250
<b>TOTAL EXPENDITURES</b>	<u>5,660,076</u>	<u>5,660,076</u>	<u>2,607,257</u>	<u>3,052,819</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,832,576)	(4,832,576)	(1,590,165)	3,242,411
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>4,832,576</u>	<u>4,832,576</u>	<u>4,989,303</u>	<u>156,727</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,399,138</u>	<u>\$ 3,399,138</u>

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION GO ISSUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,043,062	\$ 2,043,062	\$ 1,976,710	\$ (66,352)
Investment income	500	500	1,974	1,474
<b>TOTAL REVENUES</b>	<u>2,043,562</u>	<u>2,043,562</u>	<u>1,978,684</u>	<u>(64,878)</u>
<b>EXPENDITURES</b>				
Current				
General government	2,000	2,000	494	1,506
Debt service				
Principal retirement	745,000	745,000	745,000	-
Interest and fiscal charges	1,233,300	1,233,300	1,233,028	272
<b>TOTAL EXPENDITURES</b>	<u>1,980,300</u>	<u>1,980,300</u>	<u>1,978,522</u>	<u>1,778</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	63,262	63,262	162	(63,100)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>(63,262)</u>	<u>(63,262)</u>	<u>45,279</u>	<u>108,541</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,441</u>	<u>\$ 45,441</u>

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,017,223	\$ 1,017,223	\$ 986,498	\$ (30,725)
Investment income	1,200	1,200	1,521	321
<b>TOTAL REVENUES</b>	<u>1,018,423</u>	<u>1,018,423</u>	<u>988,019</u>	<u>(30,404)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,000	1,000	341	659
Debt service				
Principal retirement	820,000	820,000	370,000	450,000
Interest and fiscal charges	666,856	666,856	664,755	2,101
<b>TOTAL EXPENDITURES</b>	<u>1,487,856</u>	<u>1,487,856</u>	<u>1,035,096</u>	<u>452,760</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(469,433)	(469,433)	(47,077)	422,356
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>469,433</u>	<u>469,433</u>	<u>476,868</u>	<u>7,435</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,791</u>	<u>\$ 429,791</u>

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 2,007	\$ 1,007
<b>EXPENDITURES</b>				
Current				
Culture and recreation	620,034	620,454	1,132	619,322
Capital outlay	442,930	446,747	-	446,747
<b>TOTAL EXPENDITURES</b>	1,062,964	1,067,201	1,132	1,066,069
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,061,964)	(1,066,201)	875	1,067,076
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,061,964	1,066,201	1,119,630	53,429
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 1,120,505	\$ 1,120,505

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 1,500	\$ 500
<b>EXPENDITURES</b>				
Current				
General government	400	400		400
Culture and recreation	844,753	844,753	1,813	842,940
<b>TOTAL EXPENDITURES</b>	<u>845,153</u>	<u>845,153</u>	<u>1,813</u>	<u>843,340</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(844,153)	(844,153)	(313)	843,840
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>844,153</u>	<u>844,153</u>	<u>836,426</u>	<u>(7,727)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 836,113</u></u>	<u><u>\$ 836,113</u></u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,458,914	\$ 1,422,498	\$ (36,416)
Investment income	-	-	(1,302)	(1,302)
<b>TOTAL REVENUES</b>	-	1,458,914	1,421,196	(37,718)
<b>EXPENDITURES</b>				
Current				
Public safety	-	2,005,500	3,429	2,002,071
Capital outlay	-	1,250,000	1,230,036	19,964
<b>TOTAL EXPENDITURES</b>	-	3,255,500	1,233,465	2,022,035
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(1,796,586)	187,731	1,984,317
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	(503,414)	-	503,414
Long term debt issued	-	2,300,000	2,300,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	1,796,586	2,300,000	503,414
<b>NET CHANGE IN FUND BALANCES</b>	-	-	2,487,731	2,487,731
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,487,731</u>	<u>\$ 2,487,731</u>

**FLAGLER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS - ESL 2009 SERIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 1,249	\$ 249
<b>EXPENDITURES</b>				
Current				
Physical environment	-	106,380	27,458	78,922
Culture and recreation	2,000	2,000	542	1,458
Capital outlay	536,912	538,907	-	538,907
Debt service				
Principal retirement	1,000,000	-	-	-
Interest and fiscal charges	85,000	-	-	-
<b>TOTAL EXPENDITURES</b>	1,623,912	647,287	28,000	619,287
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,622,912)	(646,287)	(26,751)	619,536
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,622,912	646,287	646,288	1
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 619,537	\$ 619,537



**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2013**

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>			
<b><u>U.S. Department of Agriculture</u></b>			
Water or Waste System Grant	10.760		\$ 1,215,068
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b>Passed through Florida Department of Economic Opportunity:</b>			
CDBD - Disaster Recovery Program	14.228	10DB-K4-04-28-01-K11	627,857
CDBG - Disaster Recovery Enhancement	14.228	12DB-P5-04-28-01-K52	301,274
Neighborhood Stabilization Program	14.228	12DB-Q5-04-28-01-F03	1,020,291
			<u>1,949,422</u>
<b>Passed through Department of Children &amp; Families:</b>			
Emergency Shelter Grant	14.231	NPZ01	51,000
Emergency Solutions Grant	14.231	NPZ07	9,022
			<u>60,022</u>
<b><u>U.S. Department of Justice</u></b>			
<b>Direct Assistance:</b>			
Bullet Proof Vest Partnership	16.607		15,780
COPS Hiring	16.710	210UMW0071	353,610
Federal Equitable Sharing	16.922		5,635
Justice Assistance Grant	16.738	2012-DJ-BX-0798	13,597
<b>Passed through Florida Department of Law Enforcement:</b>			
Justice Assistance Grant	16.738	2011-DJ-BX-3334	1,416
Street Level Narcotics	16.738	2013-JAGC-FLAG-1-D7-083	47,856
			<u>62,869</u>
<b>Violence Against Women's Office</b>			
Safe Havens: Supervised Visitation and Safe Exchange	16.527	2011-CW-AX-K014	31,696
<b>Passed through Florida Office of the Attorney General:</b>			
Victims of Crime Act - VOCA	16.575	V12034	52,440
<b><u>U.S. Department of Transportation</u></b>			
<b>Direct Assistance:</b>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program Construct New Runway 11-29	20.106	3-12-0009-013-2011	11,182
Airport Master Plan Study	20.106	3-12-0009-014-2012	87,929
			<u>99,111</u>
<b>Federal Transit Administration</b>			
Section 5311 Operating Assistance	20.509	APD37; 422633-1-84-30	115,212
Section 5311 Operating Assistance	20.509	APD37; 422633-1-84-31	138,716
State of Good Repair and Bus Livability	20.509	AR522; 432845-1-94-01	263,416
			<u>517,344</u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR YEAR ENDED SEPTEMBER 30, 2013**

Federal/ State Agency Federal Program/ State Project	CFDA Number	Contract/ Grant Number	Expenditures
<b><u>FEDERAL AWARDS</u></b>			
New Freedom Grant - Section	20.521	AQA76; 430347-1-84-12	132,500
<b>Passed through the Florida Department of Transportation</b>			
CR 305 Box Culvert Replacement	20.205	AQJ00; 430276-1-38-01	60,000
Lehigh Trailhead at Colbert Lane	20.205	AQK20; 418207-1-58-01	483,497
Roberts Rd Bike & Pedestrian Path Design	20.205	AQL58; 428040-1-38-01	68,000
Construction of SR 5/ US 1 Sidewalks	20.205	AQN69; 417467-1-58-01	323,339
River to Sea Preservation Enhancements	20.205	AQO59; 430626-1-58-01	189,907
CR305 Bridge Replacement	20.205	AQO65; 407463-3-58-01	990,308
ARRA-Princess Place Styles Creek Bridge	20.205	AQ232; 428683-1-58-01	3,009
			2,118,060
<b><u>Department of Health and Human Services</u></b>			
<b>Passed through the Northeast Florida Agency on Aging</b>			
Older Americans Act Title III B	93.044	A112FCBCC	18,019
Older Americans Act Title III B	93.044	A013FCBCC	104,746
Older Americans Act Title III C1	93.045	A112FCBCC	19,048
Older Americans Act Title III C1	93.045	A013FCBCC	50,160
Older Americans Act Title III C2	93.045	A112FCBCC	38,743
Older Americans Act Title III C2	93.045	A013FCBCC	105,511
Nutrition Services Incentives	93.053	U012FCBCC	2,676
Nutrition Services Incentives	93.053	U013FCBCC	22,113
			361,016
Older Americans Act Title III E	93.052	A112FCBCC	8,945
Older Americans Act Title III E	93.052	A013FCBCC	27,100
			36,045
Emergency Home Energy Assistance	93.568	P012FCBCC	11,111
Emergency Home Energy Assistance	93.568	P013FCBCC	5,729
			16,840
<b>Passed through the Florida Department of Revenue</b>			
Title IV-D	93.563	CD318	74,225
<b>Passed through the Florida Commission for the Transportation Disadvantaged</b>			
Medical Assistance Program	93.778	BDM65; 41604318201	81,324
Medical Assistance Program	93.778	BDM65; 41604318201	28,959
			110,283
<b><u>Executive Office of The President</u></b>			
<b>Office of National Drug Control and Policy</b>			
<b>Passed through St. Johns County</b>			
High Intensity Drug Trafficking	95.001		11,848

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2013**

<u>Federal/ State Agency Federal Program/ State Project</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
<b><u>FEDERAL AWARDS</u></b>			
<b><u>Department of Homeland Security</u></b>			
<b>Passed through Florida Division of Emergency Management</b>			
EMPG Base Grant	97.042	13-FG-86-04-28-01-085	46,067
EMPG Base Grant	97.042	14-FG-1M-04-28-01-085	15,024
			<u>61,091</u>
State Homeland Security Grant Program	97.067	11-DS-9Z-04-28-01-333	42,540
State Homeland Security Grant Program	97.067	12-CI-A6-04-28-01-152	6,825
State Homeland Security Grant Program	97.067	11-DZ-9Z-13-00-16-436	363
			<u>49,728</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 7,334,633</u></u>

**FLAGLER COUNTY, FLORIDA**  
**SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR YEAR ENDED SEPTEMBER 30, 2013**

<u>Federal/ State Agency Federal Program/ State Project</u>	<u>CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>			
<b><u>Executive Office of the Governor</u></b>			
Emergency Management Program	31.063	13-BG-83-04-28-01-018	\$ 86,269
Emergency Management Program	31.063	14-BG-83-04-28-01-018	20,619
			<u>106,888</u>
<b><u>Department of Environmental Protection</u></b>			
Small County Consolidated Grant	37.012	307SC	70,588
<b><u>Department of Agriculture and Consumer Services</u></b>			
Mosquito Control	42.003	16082	858
<b><u>Department of State and Secretary of State</u></b>			
State Aid to Libraries	45.030	13-ST-10	31,659
<b><u>Florida Housing Finance Corporation</u></b>			
State Housing Initiative Partinership	52.901	2012-2013	35,602
<b><u>Florida Commission for the Transportation Disadvantaged</u></b>			
Trip and Equipment Grant Program	55.001	AQO32; 43202718401/ 43202818401	160,434
Trip and Equipment Grant Program	55.001	AR166; 43202718408/ 43202818401	69,274
Shirley Conroy Rural Area Capital Assisstance Grant	55.001	AQU08; 41065618401	65,854
			<u>295,562</u>
<b><u>Florida Department of Transportation</u></b>			
Aviation Development Grant	55.004	AP719; 40492029041	3,463
Aviation Development Grant	55.004	AP432; 41851619401	222,657
Aviation Development Grant	55.004	APY29; 40945419401	438,570
Aviation Development Grant	55.004	AQ549; 40496819401	1,028,134
Aviation Development Grant	55.004	AQH89; 41851519401	174,498
Aviation Development Grant	55.004	AQO67; 40496929401	74,209
Aviation Development Grant	55.004	AQO66; 40496919401	581,529
Aviation Development Grant	55.004	AQY44; 41851629401	104,200
			<u>2,627,260</u>
Small County Outreach Program	55.009	AQN99; 42435413801/ 42435415801	23,500
Small County Road Assistance Program	55.016	AQW86; 42844415801	45,360
County and School District Infrastructure Program	55.029	APW44; 428224138 & 5801/ 48224238 & 5801	345,912
County and School District Infrastructure Program	55.029	AQ948; 43026138 & 5801	7,000
County and School District Infrastructure Program	55.029	AQ945; 430263138 & 5801	155,970

**FLAGLER COUNTY, FLORIDA  
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2013**

<u>Federal/ State Agency Federal Program/ State Project</u>	<u>CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>			
County and School District Infrastructure Program	55.029	AQ947; 430265138 & 5801	315,231
County and School District Infrastructure Program	55.029	AQ946; 430264138 & 5801	285,683
			<u>1,109,796</u>
<b><u>Department of Children and Families</u></b>			
Criminal Justice, Mental Health, & Substance Abuse	60.115	LHZ34	153,792
<b><u>Florida Department of Health</u></b>			
County Grant Award	64.005	C1018	9,094
<b><u>Department of Elder Affairs</u></b>			
<b>Passed through the Northeast Florida Agency on Aging</b>			
Home Care for the Elderly	65.001	H012FCBCC	459
Alzheimer's Disease Initiative	65.004	Z012FCBCC	49,857
Community Care for the Elderly	65.010	C012FCBCC	118,916
<b><u>FL Fish and Wildlife Conservation Commission</u></b>			
Division of Marine Fisheries Artificial Reef Grants Program	77.007	FWC-12162	55,178
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 4,734,369</u></u>

**FLAGLER COUNTY, FLORIDA  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**(1) Basis of Presentation:**

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

**(2) Transfers to Subrecipients:**

During the year ended September 30, 2013, the following amounts were provided to subrecipients outside of Flagler County, Florida from each Federal and State Program:

Name of Federal Program:	CFDA	Amount
Criminal Justice, Mental Health and Substance Abuse Grant	60.115	\$153,792

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

The Honorable County Commissioners  
Flagler County, Florida

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

We have audited Flagler County, Florida's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2013. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2013.

### ***Report on Internal Control Over Compliance***

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

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

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

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

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

Gainesville, Florida  
May 5, 2014



Schedule of Findings and Questioned Costs

**PART I – SUMMARY OF AUDITOR'S RESULTS**

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

<u>Federal Programs</u>	<u>CFDA Number</u>
Water and Waste Disposal Systems for Rural Communities	10.760
Community Development Block Grant	14.228
Formula Grants for Rural Areas	20.509
 <u>State Project</u>	 <u>CSFA Number</u>
Aviation Development Grants	55.004

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

**PART II – FINANCIAL STATEMENT FINDINGS**

There were no findings relative to the financial statements.

**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 PROJECT**

There were no findings relative to the major state project.

**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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 5, 2014. Our report on the financial statements included a paragraph emphasizing that the County restated its beginning net position of the governmental activities.

***Internal Control Over Financial Reporting***

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

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

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

### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida

May 5, 2014



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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, 2013, and have issued our report thereon dated May 5, 2014. That report should be considered in conjunction with this management letter.

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

### ***Prior Audit Findings***

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

### ***Financial Condition***

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

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). 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, 2013, 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, 2013.

### ***Investment of Public Funds***

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

### ***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.

*Cary Riggs & Ingram, L.L.C.*

Gainesville, Florida  
May 5, 2014

**CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
**FLAGLER COUNTY, FLORIDA**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
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SEPTEMBER 30, 2013**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2013, 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, 2013, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Emphasis of Matter**

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

**Other Matters***Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

Gainesville, Florida  
March 24, 2014

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Court Operations</u>	<u>Court Technology</u>	<u>Records Modernization</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,053,949	\$ 218,580	\$ 197,631	\$ 104,902	\$ 2,575,062
Accounts receivable	1,323	363	-	-	1,686
Due from other funds	-	974	-	-	974
Due from Board of County Commissioners	367	-	-	-	367
Due from other governments	5,454	12,340	-	-	17,794
Prepaid expenses	-	-	43,076	409	43,485
Other assets	27,110	-	-	-	27,110
<b>TOTAL ASSETS</b>	<u>\$ 2,088,203</u>	<u>\$ 232,257</u>	<u>\$ 240,707</u>	<u>\$ 105,311</u>	<u>\$ 2,666,478</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 106,621	\$ 22,055	\$ 754	\$ 290	\$ 129,720
Due to Board of County Commissioners	239,137	-	-	-	239,137
Due to other governments	498,356	159,025	-	-	657,381
Deposits	1,244,069	-	-	-	1,244,069
Unearned revenue	20	-	-	-	20
<b>TOTAL LIABILITIES</b>	<u>2,088,203</u>	<u>181,080</u>	<u>754</u>	<u>290</u>	<u>2,270,327</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid expenses	-	-	43,076	409	43,485
Restricted for					
Foreclosure cases	-	51,177	-	-	51,177
Court related technology	-	-	196,877	-	196,877
Records modernization	-	-	-	104,612	104,612
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>51,177</u>	<u>239,953</u>	<u>105,021</u>	<u>396,151</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,088,203</u>	<u>\$ 232,257</u>	<u>\$ 240,707</u>	<u>\$ 105,311</u>	<u>\$ 2,666,478</u>

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>General Fund</u>	<u>Court Operations</u>	<u>Court Technology</u>	<u>Records Modernization</u>	<u>Governmental Funds</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 1,210,273	\$ -	\$ -	\$ 1,210,273
Charges for services	713,764	469,586	242,607	82,308	1,508,265
Fines and forfeitures	-	32,297	59,623	-	91,920
Miscellaneous revenue	6,515	-	-	-	6,515
Investment income	7,179	5,568	774	519	14,040
<b>TOTAL REVENUES</b>	<u>727,458</u>	<u>1,717,724</u>	<u>303,004</u>	<u>82,827</u>	<u>2,831,013</u>
<b>EXPENDITURES</b>					
Current					
General government					
Personal services	1,252,398	-	-	-	1,252,398
Operating expenses	283,323	-	-	69,823	353,146
Capital outlay	70,794	-	-	-	70,794
Court related					
Personal services	-	1,386,410	67,873	-	1,454,283
Operating expenses	15,278	122,403	126,846	-	264,527
<b>TOTAL EXPENDITURES</b>	<u>1,621,793</u>	<u>1,508,813</u>	<u>194,719</u>	<u>69,823</u>	<u>3,395,148</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(894,335)</u>	<u>208,911</u>	<u>108,285</u>	<u>13,004</u>	<u>(564,135)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in- Board of County Commissioners					
	1,116,029	10,456	-	-	1,126,485
Reversion to other governments					
	-	(203,447)	-	-	(203,447)
Reversion to Board of County Commissioners					
	(221,694)	-	-	-	(221,694)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>894,335</u>	<u>(192,991)</u>	<u>-</u>	<u>-</u>	<u>701,344</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	15,920	108,285	13,004	137,209
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>35,257</u>	<u>131,668</u>	<u>92,017</u>	<u>258,942</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 51,177</u>	<u>\$ 239,953</u>	<u>\$ 105,021</u>	<u>\$ 396,151</u>

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, 2013**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,090,031
Due from other governments	129
	5,090,160
<b>TOTAL ASSETS</b>	<b>\$ 5,090,160</b>
 <b>LIABILITIES</b>	
Accounts payable	\$ 15,100
Due to other funds	974
Due to Board of County Commissioners	34,228
Due to constitutional officers	1,649
Due to other governments	159,985
Deposits	4,878,224
	5,090,160
<b>TOTAL LIABILITIES</b>	<b>5,090,160</b>
 <b>NET POSITION</b>	<b>\$ -</b>

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

The Clerk, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Clerk’s Office is operationally autonomous from the Board of County Commissioners (the Board), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Flagler County, Florida. The Clerk’s special purpose financial statements do not intend to reflect the financial position or the results of operations of Flagler County, Florida, taken as a whole.

**Measurement Focus, Basis of Accounting, and Basis of Presentation** - The Clerk’s financial statements are issued separately to comply with Section 10.557(4)(c) *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 218.39(2), *Florida Statutes*. These special purpose financial statements are the fund financial statements specified in GASB Statement No. 34. In conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, the government-wide statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement, rather than duplicate, the notes included in the County’s countywide financial statements.

Fund financial statements report detailed information about the Clerk. The focus of fund financial statements is on major funds. Each major fund is reported in a separate column. For the year ended September 30, 2013, the Clerk reported the General, Court Operations, Court Technology and Records Modernization as major funds.

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

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

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

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

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

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

**Fund Accounting**

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

**General Fund** – The General Fund of the Clerk is used to account for and report all financial resources which are generated from 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 appropriations received from the State of Florida. Said resources are to be used specifically as noted in FS 28.35(3)(a).

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

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

Chapter 218, Florida Statutes provide that the amount by which the General Fund revenue and transfers exceed annual expenditures be remitted to the Board of County Commissioners immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. The amount of this distribution is recorded as a liability and as other financing uses in the accompanying financial statements.

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds at year end September 30, 2013 have been included in a fund liability, Due to Other Governments.

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

Additionally, the Clerk reports the following fund:

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

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

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

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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

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

**(2) Operating Leases:**

The Clerk has seven operating leases for office equipment. The leases expire at varying dates from May 31, 2014 to August 23, 2017. Monthly payments range from \$93 to \$1,646. Lease expense for the year ended September 30, 2013 was \$38,983. The future minimum lease payments for the next four years are as follows:

Year Ending September 30,	Amount
2014	\$ 30,021
2015	19,891
2016	19,751
2017	16,459
	<u>\$ 86,122</u>

**(3) Changes in Long-Term Liabilities:**

The Clerk estimates \$207,043 due within one year. A summary of changes in the Clerk's long-term liabilities as reported in the basic financial statements of Flagler County, Florida follows:

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2013</b>
Compensated absences	\$ 185,322	\$ 222,961	\$ 201,240	\$ 207,043



**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(4) Pension Plans:**

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

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

Regular members hired before July 1, 2011 are eligible for normal retirement after six years of service and attaining age sixty-two, or thirty years of service regardless of age. Regular members hired after July 1, 2011 are eligible for normal retirement after eight years of service and attaining age sixty-five, or thirty three years of service regardless of age. Early retirement may be taken any time after completion of six or eight years of service; however, there is a five percent benefit reduction for each year prior to normal retirement. For the period October 1, 2012 through September 30, 2013 the employee contribution rate was 3%. The employer contribution rates are as follows:

	<b>October 1, 2012 - June 30, 2013</b>	<b>July 1, 2013 - September 30, 2013</b>
Regular Employees	5.18%	6.95%
Elected County Officials	10.23%	33.03%
Senior Management	6.30%	18.31%
Deferred Retirement Option Programs Employees	5.44%	12.84%

The contribution rate of current year covered payroll is 6.19 percent. For the years ended September 30, 2013, 2012, and 2011, total contributions were \$124,854, \$96,063, and \$184,702, respectively. The Clerk made actual contributions equal to the actuarially determined required contributions each year.

**Defined Contribution Pension Plan** – As of June 1, 2002, the Florida Retirement System offers members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the State of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, *Florida Statutes*, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The Investment Plan provides for vesting of benefits after one year of credible service. Employees may make an election to participate in the Investment Plan instead of the Pension Plan.

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**(4) Pension Plans:** (Continued)

New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by “buying back” into the Pension Plan. For the period October 1, 2012 through September 30, 2013 the employee contribution rate was 3%. The employer contribution rates for the Investment Plan are the same as the Pension Plan.

For the year ended September 30, 2013, 11 employees of the Clerk were participating in the Investment Plan and the remaining employees were participating in the Pension Plan. The total contribution to the Investment Plan for the year ended September 30, 2013 was \$18,319.

**(5) Deposits:**

At fiscal year end, the carrying amount of the Clerk’s deposits and bank balances were \$7,665,093 and \$8,775,846, respectively. Bank balances are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). Any balance in excess of FDIC insurance is covered by collateral held by the Clerk’s custodial bank which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, of the *Florida Statutes*.

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

**(6) Interfund Balances:**

These balances represent loans between the borrower and the lender funds. These resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. At September 30, 2013, interfund balances consisted of:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Governmental funds:		
Court Operations	974	\$ -
Agency funds:		
Child Support	-	974
Totals	\$ 974	\$ 974

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

At September 30, 2013, the amounts due from/to entities of Flagler County consist of the following:

<u>General Fund</u>	
Board of County Commissioners	367
Due from entities of Flagler County	\$ 367

<u>General Fund</u>	
Board of County Commissioners	239,137
<u>Agency Funds</u>	
Sheriff	1,649
Board of County Commissioners	34,228
Due to entities of Flagler County	\$ 275,014

There were \$221,694 of excess revenues reverted to the Board of County Commissioners.

**(8) Risk Management:**

The Clerk participates in the Flagler County risk management program. The Board of County Commissioners maintains a Group Medical Benefit Internal Service Fund for life and health insurance. During the current year, the Clerk remitted \$469,436 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, 2013.

**(9) Other Postemployment Benefits:**

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

**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, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 518,000	\$ 713,875	\$ 713,764	\$ (111)
Miscellaneous revenue	4,300	6,425	6,515	90
Investment income	-	7,000	7,179	179
<b>TOTAL REVENUES</b>	<u>522,300</u>	<u>727,300</u>	<u>727,458</u>	<u>158</u>
<b>EXPENDITURES</b>				
Current				
General government				
Personal services	1,359,977	1,253,680	1,252,398	1,282
Operating expenses	201,887	310,113	283,323	26,790
Capital outlay	40,000	40,000	70,794	(30,794)
Court related				
Operating expenses	25,000	18,000	15,278	2,722
<b>TOTAL EXPENDITURES</b>	<u>1,626,864</u>	<u>1,621,793</u>	<u>1,621,793</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,104,564)</u>	<u>(894,493)</u>	<u>(894,335)</u>	<u>158</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in- Board of County Commissioners	1,104,564	1,116,029	1,116,029	-
Reversion to Board of County Commissioners	-	(221,536)	(221,694)	(158)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,104,564</u>	<u>894,493</u>	<u>894,335</u>	<u>(158)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note to schedule:

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- COURT OPERATIONS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,112,337	\$ 1,159,362	\$ 1,210,273	\$ 50,911
Charges for services	-	340,286	469,586	129,300
Fines and forfeitures	-	22,758	32,297	9,539
Investment income	-	-	5,568	5,568
<b>TOTAL REVENUES</b>	<u>1,112,337</u>	<u>1,522,406</u>	<u>1,717,724</u>	<u>195,318</u>
<b>EXPENDITURES</b>				
Court related				
Personal services	745,412	1,386,410	1,386,410	-
Operating expenses	366,925	122,403	122,403	-
<b>TOTAL EXPENDITURES</b>	<u>1,112,337</u>	<u>1,508,813</u>	<u>1,508,813</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>13,593</u>	<u>208,911</u>	<u>195,318</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in- Board of County Commissioners	-	10,456	10,456	-
Reversion to other governments	-	(59,306)	(203,447)	(144,141)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(48,850)</u>	<u>(192,991)</u>	<u>(144,141)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(35,257)	15,920	51,177
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>35,257</u>	<u>35,257</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,177</u>	<u>\$ 51,177</u>

Notes to schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. As such, the budgeted amounts reflected in this schedule are comprised of nine months from the State's 2013 fiscal year and three months from the State's 2014 fiscal year. The fund is the legal level of control.

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 187,400	\$ 242,400	\$ 242,607	\$ 207
Fines and forfeitures	64,000	64,000	59,623	(4,377)
Investment income	-	-	774	774
<b>TOTAL REVENUES</b>	<u>251,400</u>	<u>306,400</u>	<u>303,004</u>	<u>(3,396)</u>
<b>EXPENDITURES</b>				
Court related				
Personal services	145,377	226,231	67,873	158,358
Operating expenses	249,233	223,379	126,846	96,533
<b>TOTAL EXPENDITURES</b>	<u>394,610</u>	<u>449,610</u>	<u>194,719</u>	<u>254,891</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(143,210)</u>	<u>(143,210)</u>	<u>108,285</u>	<u>251,495</u>
<b>NET CHANGE IN FUND BALANCE</b>	(143,210)	(143,210)	108,285	251,495
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>143,210</u>	<u>143,210</u>	<u>131,668</u>	<u>(11,542)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,953</u>	<u>\$ 239,953</u>

Note to schedule:

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

**CLERK OF THE CIRCUIT COURT & COMPTROLLER  
FLAGLER COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 65,000	\$ 65,000	\$ 82,308	\$ 17,308
Investment income	-	-	519	519
<b>TOTAL REVENUES</b>	<u>65,000</u>	<u>65,000</u>	<u>82,827</u>	<u>17,827</u>
<b>EXPENDITURES</b>				
Current				
General government				
Operating expenses	76,676	76,676	69,823	6,853
Reserve for Contingency	86,324	86,324	-	86,324
<b>TOTAL EXPENDITURES</b>	<u>163,000</u>	<u>163,000</u>	<u>69,823</u>	<u>93,177</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(98,000)</u>	<u>(98,000)</u>	<u>13,004</u>	<u>111,004</u>
<b>NET CHANGE IN FUND BALANCE</b>	(98,000)	(98,000)	13,004	111,004
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>98,000</u>	<u>98,000</u>	<u>92,017</u>	<u>(5,983)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,021</u>	<u>\$ 105,021</u>

Note to schedule:

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



## MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Flagler County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2013, and have issued our report thereon dated March 24, 2014. 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.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Sections 28.35 and 28.36, Florida Statutes

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget pursuant to Section 28.36, Florida Statutes, and no reportable instances of noncompliance with the performance workload standards developed and certified pursuant to Section 28.35, Florida Statutes, except as reported in the Schedule of Findings as Finding 2013-001.

**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.

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

Gainesville, Florida  
March 24, 2014

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Flagler County Clerk of the Circuit Court (the “Office”), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated March 24, 2014.

**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*.

However, we noted a matter that we reported to management in the Schedule of Findings as item 2013-001.

## **The Office's Response to Findings**

The Office's response to the matter identified in the Schedule of Findings 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.

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

Gainesville, Florida  
March 24, 2014

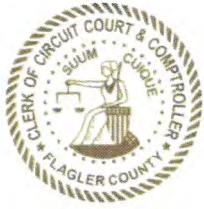
# Flagler County Clerk of the Circuit Court

## Schedule of Findings

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2013-001      *Finding* – The Office did not achieve the workload performance standards for the state year ended June 30, 2013 for collection performance standards for Circuit Criminal cases.

*Recommendation* – The Office should continue to pursue the goal of meeting its performance standards given the Office’s available resources.



## GAIL WADSWORTH, Clerk of the Circuit Court & Comptroller

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

March 24, 2014

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

Dear Mr. Martin,

Thank you for the opportunity to respond to the recommendations made by our independent auditors, Carr, Riggs and Ingram, CPAs and Advisors, LLC, in connection with their audit of the Flagler County Clerk of the Circuit Court & Comptroller for the fiscal year ending September 30, 2013. 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".

2013-001: Unsuccessful in achieving the collection performance standard for Circuit Criminal cases.

Recommendation: The Office should continue to pursue the goal of meeting its performance standards given the Office's available resources.

Response: This recommendation involves Florida Statute 28.35 which defines the duties of the Florida Clerks of Court Operations Corporation to include:

*"(d) Developing and certifying a uniform system of workload measures and applicable workload standards for court-related functions as developed by the corporation and clerk workload performance in meeting the workload performance standards. These workload measures and workload performance standards shall be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collections 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 no exception; they are one of the more vulnerable types and may be affected by factors outside of the Clerks' capacity including and not limited to: the economy, incarceration, and may be most skewed in their collection rate by the considerable assessments required under the law. For this audit period one circuit criminal case was the cause of the collection performance being under the benchmark standard.

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

Sincerely,

  
Gail Wadsworth, Clerk of Court & Comptroller

# Flagler County Sheriff

Audit Report

September 30, 2013

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## INDEPENDENT AUDITOR'S REPORT

The Honorable James L. Manfre  
Sheriff  
Flagler County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each 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, 2013, 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, 2013, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

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

### ***Other Matters***

#### *Required Supplementary Information*

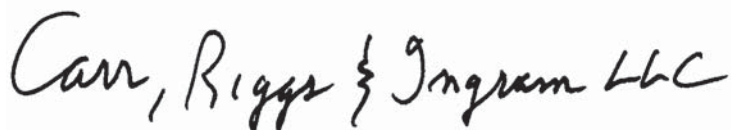
Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental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

#### *Other Information*

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Gainesville, Florida  
December 16, 2013

Balance Sheet – Governmental Funds

September 30,

2013

	General Fund	Law Enforcement Automation Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 517,319	\$ 90,400	\$ 85,180	\$ 692,899
Accounts receivable	36,225	-	-	36,225
Due from other funds	-	-	200	200
Due from other county agencies	46,902	-	-	46,902
Due from other governments	107,309	-	-	107,309
<b>Total assets</b>	<b>\$ 707,755</b>	<b>\$ 90,400</b>	<b>\$ 85,380</b>	<b>\$ 883,535</b>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 158,774	\$ -	\$ -	\$ 158,774
Accrued wages	424,324	-	-	424,324
Due to other county agencies	92,565	-	-	92,565
Due to other governments	32,092	-	-	32,092
<b>Total liabilities</b>	<b>707,755</b>	<b>-</b>	<b>-</b>	<b>707,755</b>
Fund balances:				
Restricted:				
Public safety equipment	-	90,400	-	90,400
Federal equitable sharing	-	-	14,577	14,577
Law enforcement education	-	-	427	427
Various donor purposes	-	-	11,332	11,332
Committed:				
Inmate benefits	-	-	59,044	59,044
<b>Total fund balances</b>	<b>-</b>	<b>90,400</b>	<b>85,380</b>	<b>175,780</b>
<b>Total liabilities and fund balances</b>	<b>\$ 707,755</b>	<b>\$ 90,400</b>	<b>\$ 85,380</b>	<b>\$ 883,535</b>

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

Flagler County Sheriff

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

Year ended September 30,

2013

	General Fund	Law Enforcement Automation Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental	\$ 522,630	\$ 90,400	\$ -	\$ 613,030
Charges for services	3,174,012	-	99,186	3,273,198
Fines and forfeitures	69,379	-	14,623	84,002
Miscellaneous	141,150	-	5,141	146,291
<b>Total revenues</b>	<b>3,907,171</b>	<b>90,400</b>	<b>118,950</b>	<b>4,116,521</b>
<b>Expenditures</b>				
Current:				
Public safety:				
Personal services	17,536,274	-	-	17,536,274
Operating expenditures	3,466,843	-	79,092	3,545,935
Capital outlay	673,413	-	-	673,413
Court related:				
Personal services	556,113	-	-	556,113
Operating expenditures	15,828	-	-	15,828
Capital outlay	2,358	-	-	2,358
Debt service:				
Principal	163,540	-	-	163,540
Interest	6,274	-	-	6,274
<b>Total expenditures</b>	<b>22,420,643</b>	<b>-</b>	<b>79,092</b>	<b>22,499,735</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(18,513,472)</b>	<b>90,400</b>	<b>39,858</b>	<b>(18,383,214)</b>
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	18,324,838	-	-	18,324,838
Reversion to board of county commissioners	(46,874)	-	-	(46,874)
Sale of capital assets	100,643	-	-	100,643
<b>Total other financing sources (uses)</b>	<b>18,378,607</b>	<b>-</b>	<b>-</b>	<b>18,378,607</b>
<b>Net change in fund balances</b>	<b>(134,865)</b>	<b>90,400</b>	<b>39,858</b>	<b>(4,607)</b>
<b>Fund balances - October 1, 2012</b>	<b>134,865</b>	<b>-</b>	<b>45,522</b>	<b>180,387</b>
<b>Fund balances - September 30, 2013</b>	<b>\$ -</b>	<b>\$ 90,400</b>	<b>\$ 85,380</b>	<b>\$ 175,780</b>

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

Flagler County Sheriff

Statement of Fiduciary Net Position

<i>September 30,</i>	2013
	Agency Funds
<b>Assets</b>	
Cash and equivalents	\$ 19,195
<b>Liabilities</b>	
Due to other funds	200
Due to other county agencies	11,256
Assets held for others	7,739
Total liabilities	19,195
<b>Net position</b>	\$ -

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Reporting Entity***

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

The Office reports the following major governmental funds:

*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.

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

The Office also reports the following nonmajor governmental funds:

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Police Education Fund* – This fund is used to account for its share of revenues pursuant to Florida Statutes 943.25 and expenditures related to law enforcement education.

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

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

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.

***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.

Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

***Measurement Focus/Basis of Accounting***

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

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

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

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

***Capital Assets and Long-Term Liabilities***

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

The Office defines capital assets as assets with an initial individual cost of \$1,000 or more, except for guns which are considered capital assets regardless of cost, and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Furniture & Equipment	5-10 years
Vehicles	5 years



Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash and Equivalents***

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

***Use of Estimates***

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

**NOTE 2 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Capital assets				
Equipment	\$5,547,967	\$ 8,474	\$ 691,171	\$4,865,270
Vehicles	4,764,113	695,092	573,109	4,886,096
<b>Total capital assets</b>	<b>10,312,080</b>	<b>703,566</b>	<b>1,264,280</b>	<b>9,751,366</b>
Less accumulated depreciation				
Equipment	4,372,437	245,225	680,521	3,937,141
Vehicles	3,456,570	857,634	551,591	3,762,613
<b>Total accumulated depreciation</b>	<b>7,829,007</b>	<b>1,102,859</b>	<b>1,232,112</b>	<b>7,699,754</b>
<b>Total capital assets, net</b>	<b>\$2,483,073</b>	<b>\$(399,293)</b>	<b>\$ 32,168</b>	<b>\$2,051,612</b>

Depreciation expense of \$1,102,859 applies to the public safety function.

Notes to Financial Statements

**NOTE 3 – CHANGES IN LONG-TERM DEBT**

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

	Balance October 1, 2012	Additions	Deductions	Balance September 30 2013	Due Within One Year
Compensated absences	\$ 722,500	\$1,363,100	\$1,355,000	\$ 730,600	\$ 730,600
Capital lease obligations	330,187	-	163,540	166,647	166,647
<b>Total</b>	<b>\$1,052,687</b>	<b>\$1,363,100</b>	<b>\$1,518,540</b>	<b>\$ 897,247</b>	<b>\$ 897,247</b>

The Office has an agreement with a financial institution for vehicles and equipment with an interest rate of 1.9%. The aggregate historical cost of the vehicles and equipment is \$500,000.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013 are as follows:

Year ending September 30,	Amount
2014	\$ 169,813
Less interest	(3,166)
	<b>\$ 166,647</b>

**NOTE 4 – OPERATING LEASES**

The Sheriff has multiple operating leases for both facilities and equipment with maturity dates ranging from monthly to March 31, 2018. Monthly rent expense ranges from \$3,478 to \$8,597. Rent expense under these leases for the year ended September 30, 2013 was \$195,569. The future minimum lease payments for the remaining terms are as follows:

Year ending September 30,	Amount
2014	\$ 100,555
2015	75,591
2016	65,019
2017	47,399
2018	20,867
	<b>\$ 309,431</b>

**NOTE 5 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (877) 377-1737.

*Funding Policy.* The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%; DROP Employees 12.84%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2013, 2012 and 2011 were approximately \$1,598,000, \$1,510,000, and \$2,291,800, respectively, equal to the required contributions for each year.

**NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

**NOTE 7 – RISK MANAGEMENT**

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement No. 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

**NOTE 8 – CONTINGENCIES AND COMMITMENTS**

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

## Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund

<i>Year ended September 30,</i>				2013
	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$ 491,837	\$ 561,837	\$ 522,630	\$ (39,207)
Charges for services	3,123,605	3,176,605	3,174,012	(2,593)
Fines and forfeitures	75,000	75,000	69,379	(5,621)
Miscellaneous	50,000	158,000	141,150	(16,850)
<b>Total revenues</b>	<b>3,740,442</b>	<b>3,971,442</b>	<b>3,907,171</b>	<b>(64,271)</b>
<b>Expenditures</b>				
Public safety:				
Personal services	17,742,776	17,827,424	17,536,274	291,150
Operating expenditures	3,501,707	3,621,707	3,466,843	154,864
Capital outlay	67,597	315,462	673,413	(357,951)
Court related:				
Personal services	560,638	564,938	556,113	8,825
Operating expenditures	21,614	21,614	15,828	5,786
Capital outlay	-	-	2,358	(2,358)
Debt service:				
Principal	170,000	170,000	163,540	6,460
Interest	-	-	6,274	(6,274)
<b>Total expenditures</b>	<b>22,064,332</b>	<b>22,521,145</b>	<b>22,420,643</b>	<b>100,502</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(18,323,890)</b>	<b>(18,549,703)</b>	<b>(18,513,472)</b>	<b>36,231</b>
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	18,323,890	18,324,838	18,324,838	-
Reversion to board of county commissioners	-	-	(46,874)	(46,874)
Sale of capital assets	-	90,000	100,643	10,643
<b>Total other financing sources (uses)</b>	<b>18,323,890</b>	<b>18,414,838</b>	<b>18,378,607</b>	<b>(36,231)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(134,865)</b>	<b>(134,865)</b>	<b>-</b>
<b>Fund balances - October 1, 2012</b>	<b>-</b>	<b>134,865</b>	<b>134,865</b>	<b>-</b>
<b>Fund balances - September 30, 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes to schedule:**

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

## Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds

September 30,

2013

	Inmate Welfare Fund	Police Education Fund	Five Point Star Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 58,844	\$ 427	\$ 11,332	\$ 14,577	\$ 85,180
Due from other funds	200	-	-	-	200
<b>Total assets</b>	<b>\$ 59,044</b>	<b>\$ 427</b>	<b>\$ 11,332</b>	<b>\$ 14,577</b>	<b>\$ 85,380</b>
<b>Liabilities and fund balances</b>					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Restricted	-	427	11,332	14,577	26,336
Committed	59,044	-	-	-	59,044
<b>Total fund balances</b>	<b>59,044</b>	<b>427</b>	<b>11,332</b>	<b>14,577</b>	<b>85,380</b>
<b>Total liabilities and fund balances</b>	<b>\$ 59,044</b>	<b>\$ 427</b>	<b>\$ 11,332</b>	<b>\$ 14,577</b>	<b>\$ 85,380</b>



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

Year ended September 30,

2013

	Inmate Welfare Fund	Police Education Fund	Five Point Star Fund	Federal Equitable Sharing Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Charges for services	\$ 69,186	\$ 30,000	\$ -	\$ -	\$ 99,186
Fines and forfeitures	-	-	-	14,623	14,623
Miscellaneous	-	-	5,141	-	5,141
<b>Total revenues</b>	<b>69,186</b>	<b>30,000</b>	<b>5,141</b>	<b>14,623</b>	<b>118,950</b>
<b>Expenditures</b>					
Current:					
Public safety:					
Operating expenditures	42,070	30,000	6,976	46	79,092
<b>Excess of revenues over (under) expenditures</b>	<b>27,116</b>	<b>-</b>	<b>(1,835)</b>	<b>14,577</b>	<b>39,858</b>
<b>Fund balances - October 1, 2012</b>	<b>31,928</b>	<b>427</b>	<b>13,167</b>	<b>-</b>	<b>45,522</b>
<b>Fund balances - September 30, 2013</b>	<b>\$ 59,044</b>	<b>\$ 427</b>	<b>\$ 11,332</b>	<b>\$ 14,577</b>	<b>\$ 85,380</b>

Combining Statement of Fiduciary Net Position  
Agency Funds

September 30,

2013

	Inmate Fund	Suspense Fund	Civil Processing Fund	Total Agency Funds
<b>Assets</b>				
Cash and equivalents	\$ 5,516	\$ 2,423	\$ 11,256	\$ 19,195
<b>Liabilities</b>				
Due to other funds	200	-	-	200
Due to other county agencies	-	-	11,256	11,256
Assets held for others	5,316	2,423	-	7,739
Total liabilities	5,516	2,423	11,256	19,195
<b>Net position</b>	\$ -	\$ -	\$ -	\$ -

Additional Elements Required by the  
Rules of the Auditor General

## MANAGEMENT LETTER

The Honorable James L. Manfre  
Sheriff  
Flagler County, Florida

We have audited the financial statements of the office of the Flagler County Sheriff (the "Office"), as of and for the year ended September 30, 2013, and have issued our report thereon dated December 16, 2013. 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.

### Investment of Public Funds

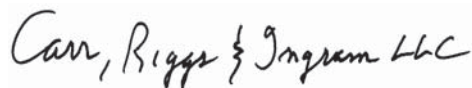
As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### 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.



Gainesville, Florida  
December 16, 2013

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

The Honorable James L. Manfre  
Sheriff  
Flagler County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each 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, 2013, 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 December 16, 2013.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

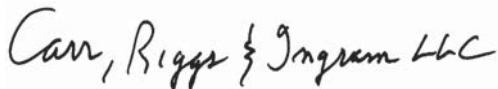
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2013-001.

### **The Office's Response to Finding**

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

### **Purpose of this Report**

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



Gainesville, Florida  
December 16, 2013

2013-001      Condition: Certain expenditures charged to the Office's credit card were not in accordance with allowable travel costs under Section 112.061, Florida Statutes. Upon further review of the expenditures, the unallowed charges had been reimbursed to the Office during the 2013 fiscal year.

Recommendation: Expenditures should be reviewed timely to ensure that there is an authorized public purpose to be served by the expenditure, and that the expenditure is necessary and reasonable in terms of the authorized public purpose.



Office of the Flagler County Sheriff

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James L. Manfre  
SHERIFF

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Accountability • Integrity • Respect

December 16, 2013

David W Martin, CPA  
State of Florida Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Subject: Flagler County Sheriff's Office Fiscal Year 2013 Response to Audit Recommendations

Dear Mr Martin,

Thank you for the opportunity to respond to the recommendation made by our independent auditors, Carr, Riggs & Ingram, LLC in connection with their audit of the Flagler County Sheriff's Office for the fiscal year ending September 30, 2013. This response is offered pursuant to the provisions of 2 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 taken".

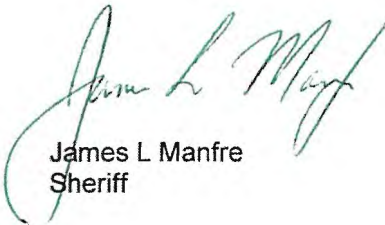
*2013-001 Certain expenditures charged to the Office's credit card were not in accordance with allowable travel costs under Section 112.061, Florida Statutes. Upon further review of the expenditures, the unallowable charges had been reimbursed to the Office during the 2013 fiscal year.*

Recommendation: Expenditures should be reviewed timely to ensure that there is an authorized public purpose to be served by the expenditure, and that the expenditure is necessary and reasonable in terms of the authorized public purpose.

Response: A policy has been addressed with the Fiscal Unit regarding the process to be followed to ensure that all charges and backup documentation to the charges will be reviewed on a monthly basis prior to the credit card statement being processed for payment. All discrepancies will be immediately addressed and resolved before the payment is made.

Should you have any further questions or require additional information please contact me or Linda Bolante, Director of Business Services for the Sheriff's Office, at 386-586-4830.

Sincerely,



James L Manfre  
Sheriff



*A State Accredited Law Enforcement Agency*



# Flagler County Tax Collector

Audit Report

September 30, 2013

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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, 2013, 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, 2013, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

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

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida  
March 5, 2014

Flagler County Tax Collector  
Balance Sheet – Governmental Funds

<i>As of September 30,</i>	2013
	General Fund
<b>Assets</b>	
Cash	\$ 1,379,990
Due from other funds	17,310
Due from other county agencies	38,138
Due from other governments	7,693
Total assets	\$ 1,443,131
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 8,627
Due to other county agencies	1,328,859
Due to other governments	105,645
Total liabilities	1,443,131
Fund balance	-
Total liabilities and fund balance	\$ 1,443,131

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

Flagler County Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds

<i>Year ended September 30,</i>	2013
	General Fund
<b>Revenues</b>	
Charges for services	\$ 3,221,099
Miscellaneous revenue	7,722
<b>Total revenues</b>	<b>3,228,821</b>
<b>Expenditures</b>	
General government services:	
Personal services	1,711,513
Operating expenditures	388,520
<b>Total expenditures</b>	<b>2,100,033</b>
<b>Excess of revenues over expenditures</b>	<b>1,128,788</b>
<b>Other financing uses</b>	
Reversion to board of county commissioners	(1,128,788)
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - October 1, 2012</b>	<b>-</b>
<b>Fund balance - September 30, 2013</b>	<b>\$ -</b>

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

Flagler County Tax Collector  
Statement of Fiduciary Net Position

<i>As of September 30,</i>	2013
	Agency Funds
<hr/>	
<b>Assets</b>	
Cash	\$ 1,894,207
Receivables	52,026
<hr/>	
Total assets	1,946,233
<hr/>	
<b>Liabilities</b>	
Assets held for others	1,768,600
Due to other funds	17,310
Due to other county agencies	160,323
<hr/>	
Total liabilities	1,946,233
<hr/>	
<b>Net position</b>	<b>\$ -</b>
<hr/> <hr/>	

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Reporting Entity***

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

*Agency Funds* – Agency Funds are used to account for assets held in a custodial capacity.



Flagler County Tax Collector  
Notes to Financial Statements

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance***

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

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

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

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

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

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

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

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

***Measurement Focus/Basis of Accounting***

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

***Capital Assets and Long-Term Liabilities***

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

***Cash***

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

***Use of Estimates***

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

**NOTE 2 – INTERFUND BALANCES**

The following interfund balances arose during the normal course of operations of the Office.

	Due From Other Funds	Due To Other Funds
General fund	\$ 17,310	\$ -
Agency funds:		
Tax fund	-	17,310
<b>Total</b>	<b>\$ 17,310</b>	<b>\$ 17,310</b>

**NOTE 3 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	\$ 42,000	\$60,000	\$55,000	\$ 47,000	\$29,000

**NOTE 4 – PENSION PLAN**

***Plan Description***

The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

***Funding Policy***

The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%; DROP 12.84%. Employees are required to contribute 3%. The contribution

**NOTE 4 – PENSION PLAN (CONTINUED)**

requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2013, 2012 and 2011 were approximately \$90,700, \$72,800 and \$137,100, respectively, equal to the required contributions for each year.

***Defined Contribution Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled \$2,923.

**NOTE 5 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

**NOTE 6 – RISK MANAGEMENT**

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

**NOTE 7 – CONTINGENCIES**

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

## Required Supplementary Information

Flagler County Tax Collector

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund

<i>Year ended September 30,</i>				2013
	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Charges for services	\$3,230,762	\$3,230,762	\$3,221,099	\$ (9,663)
Miscellaneous revenues	5,616	5,616	7,722	2,106
<b>Total revenues</b>	<b>3,236,378</b>	<b>3,236,378</b>	<b>3,228,821</b>	<b>(7,557)</b>
<b>Expenditures</b>				
General government services:				
Personal services	1,769,680	1,783,532	1,711,513	72,019
Operating expenditures	439,485	439,485	388,520	50,965
<b>Total expenditures</b>	<b>2,209,165</b>	<b>2,223,017</b>	<b>2,100,033</b>	<b>122,984</b>
<b>Excess of revenues over expenditures</b>	<b>1,027,213</b>	<b>1,013,361</b>	<b>1,128,788</b>	<b>115,427</b>
<b>Other financing uses</b>				
Reversion to board of county commissioners	(1,027,213)	(1,013,361)	(1,128,788)	(115,427)
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balances - October 1, 2012</b>	-	-	-	-
<b>Fund balances - September 30, 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes to Schedule:

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

## Supplementary Information

Flagler County Tax Collector

Combining Statement of Fiduciary Net Position – Agency Funds

<i>As of September 30,</i>		2013		
	Tax Fund	Tag Fund	Totals	
<b>Assets</b>				
Cash	\$ 1,624,211	\$ 269,996	\$ 1,894,207	
Receivables	48,214	3,812	52,026	
<b>Total assets</b>	<b>1,672,425</b>	<b>273,808</b>	<b>1,946,233</b>	
<b>Liabilities</b>				
Assets held for others	1,497,077	271,523	1,768,600	
Due to other funds	17,310	-	17,310	
Due to other county agencies	158,038	2,285	160,323	
<b>Total liabilities</b>	<b>1,672,425</b>	<b>273,808</b>	<b>1,946,233</b>	
<b>Net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	



### **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.

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, 2013, and have issued our report thereon dated March 5, 2014. 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.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Other Matters

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

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

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

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

Gainesville, Florida  
March 5, 2014

**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, 2013, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated March 5, 2014.

**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.

*Carri Riggs & Ingram, L.L.C.*

Gainesville, Florida  
March 5, 2014

# Flagler County Property Appraiser

Audit Report

September 30, 2013

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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, 2013, 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, 2013, 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 April 11, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Palatka, Florida  
April 11, 2014

Flagler County Property Appraiser

Balance Sheet – Governmental Funds

<i>As of September 30,</i>	2013
	General Fund
<b>Assets</b>	
Cash	\$ 68,977
Due from other governments	65,225
Accounts receivable	1,017
<b>Total assets</b>	<b>\$ 135,219</b>
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 79,223
Due to other governments	4,724
Due to board of county commissioners	51,272
<b>Total liabilities</b>	<b>135,219</b>
Fund balance	-
<b>Total liabilities and fund balance</b>	<b>\$ 135,219</b>

See accompanying notes.

Flagler County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds

<i>Year ended September 30,</i>	2013
	General Fund
<b>Revenues</b>	
Charges for services	\$ 65,723
Miscellaneous revenue	26,610
<b>Total revenues</b>	<b>92,333</b>
<b>Expenditures</b>	
General government:	
Personal services	1,785,478
Operating expenditures	187,743
Capital outlay	17,892
<b>Total expenditures</b>	<b>1,991,113</b>
<b>Excess of revenues under expenditures</b>	<b>(1,898,780)</b>
<b>Other financing sources (uses)</b>	
Appropriation from board of county commissioners	1,946,019
Reversion to board of county commissioners	(47,239)
<b>Total other financing sources (uses)</b>	<b>1,898,780</b>
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - October 1, 2012</b>	<b>-</b>
<b>Fund balance - September 30, 2013</b>	<b>\$ -</b>

See accompanying notes.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Reporting Entity***

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

The Office reports the following major governmental fund:

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

***Fund Balance***

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

***Measurement Focus/Basis of Accounting***

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

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

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets and Long-Term Liabilities***

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

***Cash***

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

***Use of Estimates***

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

**NOTE 2 – CHANGES IN LONG-TERM DEBT**

A summary of changes in long-term debt follows:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	\$58,000	\$85,000	\$80,000	\$ 63,000	\$31,000

**NOTE 3 – PENSION PLAN**

***Defined Benefit Plan***

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida

**NOTE 3 – PENSION PLAN (CONTINUED)**

Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

*Funding Policy.* The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%; DROP 12.84%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2013, 2012 and 2011 were approximately \$82,500, \$65,500, and \$143,000, respectively, equal to the required contributions for each year.

*Defined Contribution Plan.* Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled approximately \$11,100.

**NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

**NOTE 5 – RISK MANAGEMENT**

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

**NOTE 6 – LEASE COMMITMENTS**

The Office has five vehicle operating leases. During the year ended September 30, 2013, the lease payments on all vehicle operating leases were \$18,802.

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

Year	Amount
2014	\$ 18,301
2015	9,318
2016	4,147
2017	3,456
Total	\$ 35,222

**NOTE 7 – CONTINGENCIES AND COMMITMENTS**

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.



## Required Supplementary Information

Flagler County Property Appraiser

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund

<i>Year ended September 30,</i>	2013			
	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Charges for services	\$ 48,895	\$ 62,075	\$ 65,723	\$ 3,648
Miscellaneous revenue	-	-	26,610	26,610
<b>Total revenues</b>	<b>48,895</b>	<b>62,075</b>	<b>92,333</b>	<b>30,258</b>
<b>Expenditures</b>				
General government:				
Personal services	1,778,145	1,791,325	1,785,478	5,847
Operating expenditures	216,769	198,399	187,743	10,656
Capital outlay	-	18,370	17,892	478
<b>Total expenditures</b>	<b>1,994,914</b>	<b>2,008,094</b>	<b>1,991,113</b>	<b>16,981</b>
<b>Excess of revenues under expenditures</b>	<b>(1,946,019)</b>	<b>(1,946,019)</b>	<b>(1,898,780)</b>	<b>47,239</b>
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	1,946,019	1,946,019	1,946,019	-
Reversion to board of county commissioners	-	-	(47,239)	(47,239)
<b>Total other financing sources (uses)</b>	<b>1,946,019</b>	<b>1,946,019</b>	<b>1,898,780</b>	<b>(47,239)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - October 1, 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - September 30, 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2013, and have issued our report thereon dated April 11, 2014. 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.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Other Matters

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

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

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

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

Palatka, Florida  
April 11, 2014

**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, 2013, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated April 11, 2014.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Palatka, Florida  
April 11, 2014

Flagler County  
Supervisor of Elections

Audit Report

September 30, 2013

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Kimberle B. Weeks  
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, 2013, 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, 2013, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

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

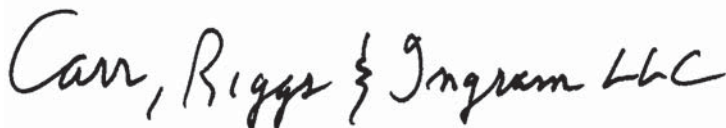
**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Gainesville, Florida  
February 5, 2014

Flagler County Supervisor of Elections

Balance Sheet – Governmental Funds

*As of September 30,*

2013

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	General Fund
<hr/>	
<b>Assets</b>	
Cash	\$ 24,955
<hr/>	
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 2,378
Due to other county agencies	14,019
Deferred revenue	8,558
<hr/>	
Total liabilities	24,955
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 24,955
<hr/>	

See accompanying notes.

Flagler County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds

<i>Year ended September 30,</i>	2013
	General Fund
<b>Revenues</b>	
Intergovernmental revenue	\$ 8,708
Charges for services	83,756
Miscellaneous income	140
<b>Total revenues</b>	<b>92,604</b>
<b>Expenditures</b>	
General government:	
Personal services	396,032
Operating expenditures	264,353
Capital outlay	42,086
<b>Total expenditures</b>	<b>702,471</b>
<b>Excess of revenues under expenditures</b>	<b>(609,867)</b>
<b>Other financing sources (uses)</b>	
Appropriation from board of county commissioners	623,714
Reversion to board of county commissioners	(13,847)
<b>Total other financing sources (uses)</b>	<b>609,867</b>
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - October 1, 2012</b>	<b>-</b>
<b>Fund balance - September 30, 2013</b>	<b>\$ -</b>

See accompanying notes.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Reporting Entity***

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

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

***Basis of Presentation***

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

***Fund Accounting***

Accounts are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

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

***Fund Balance***

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

***Measurement Focus/Basis of Accounting***

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

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Capital Assets and Long-term Liabilities***

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the government-wide financial statements of the County.

***Cash***

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

***Use of Estimates***

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

**NOTE 2 – LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	\$ 6,300	\$11,600	\$12,500	\$ 5,400	\$ 5,400

**NOTE 3 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

*Funding Policy.* The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%; DROP 12.84%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2013, 2012 and 2011 were approximately \$24,400, \$17,500, and \$30,600, respectively, equal to the required contributions for each year.

**NOTE 4 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

**NOTE 5 – RISK MANAGEMENT**

The Office participates in the risk management program established by the Board of County Commissioners for life and health insurance. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Office is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Office carries commercial insurance. There were no significant reductions in insurance coverage from prior years. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.



Flagler County Supervisor of Elections

Notes to Financial Statements

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**NOTE 6 – LEASE COMMITMENTS**

The Office leases equipment through operating leases with maturity dates ranging from July 2014 to July 2017. The lease cost for the year ended September 30, 2013 was \$ 3,136.

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

Year Ending September 30:	
2014	\$ 2,880
2015	1,728
2016	1,728
2017	1,296
Total	\$ 7,632

## Required Supplementary Information

Flagler County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund

<i>Year ended September 30,</i>	2013			
	<u>Budgeted Amounts</u>			Variance
	Original	Final	Actual	With final Budget
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ 8,708	\$ 8,708	\$ -
Charges for services	-	83,756	83,756	-
Miscellaneous income	-	140	140	-
<b>Total revenues</b>	-	92,604	92,604	-
<b>Expenditures</b>				
General government:				
Personal services	431,325	409,879	396,032	13,847
Operating expenditures	189,900	264,353	264,353	-
Capital outlay	-	42,086	42,086	-
<b>Total expenditures</b>	621,225	716,318	702,471	13,847
<b>Excess of revenues under expenditures</b>	(621,225)	(623,714)	(609,867)	13,847
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	621,225	623,714	623,714	-
Reversion to board of county commissioners	-	-	(13,847)	(13,847)
<b>Total other financing sources (uses)</b>	621,225	623,714	609,867	(13,847)
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balances – October 1, 2012</b>	-	-	-	-
<b>Fund balances – September 30, 2013</b>	\$ -	\$ -	\$ -	\$ -

**Notes to Schedule:**

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. Budgeted expenditures shown above include \$82,260 resulting from the Office's agreements with municipalities and the school board for elections services, which are fully reimbursed.

**Additional Elements Required by the  
Rules of the Auditor General**



## MANAGEMENT LETTER

The Honorable Kimberle B. Weeks  
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, 2013, and have issued our report thereon dated February 5, 2014. 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.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### 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.

Gainesville, Florida  
February 5, 2014

**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 Kimberle B. Weeks  
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, 2013, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated February 5, 2014.

**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.

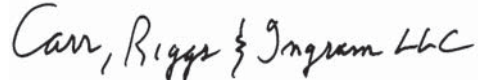
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

Gainesville, Florida  
February 5, 2014



*Kimberle B. Weeks*  
Flagler County Supervisor of Elections



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February 5, 2014

The Honorable David W. Martin, CPA  
Auditor General  
PO Box 1735  
Tallahassee, Florida 32402-1735

Dear Sir:

An audit of the operations of the Flagler County Supervisor of Elections Office for the fiscal year ending September 30, 2013, has been completed by Carr, Riggs & Ingram, LLC.

I am pleased to report that there were no deficiencies in internal control over financial reporting or instances of noncompliance under Government Auditing Standards to report.

Sincerely,

Kimberle B. Weeks  
Flagler County Supervisor of Elections