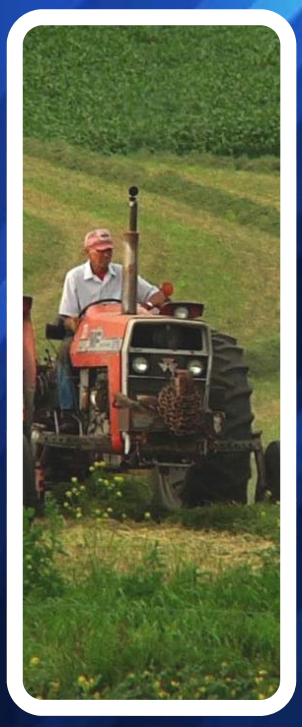
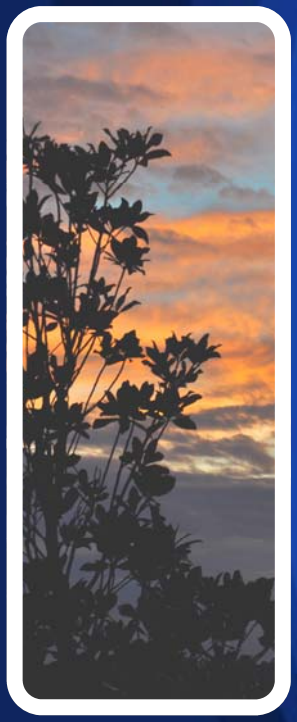
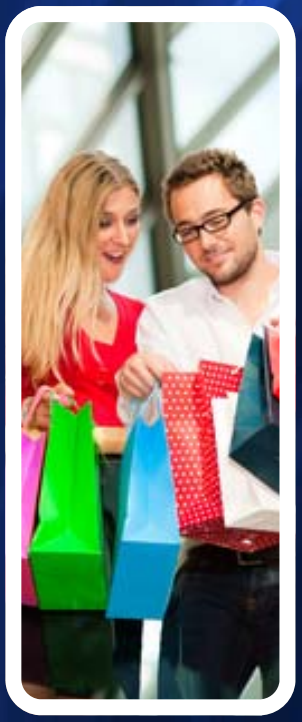
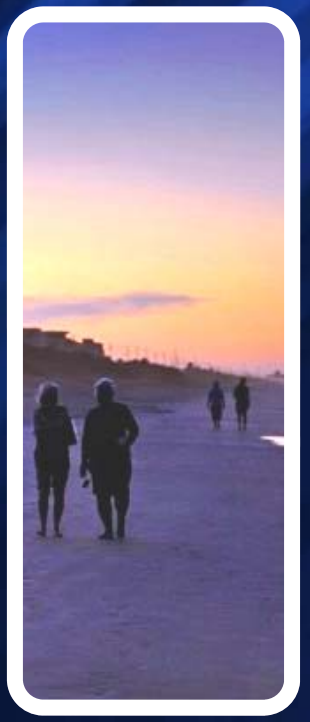
Flagler County

Great place...great people









2012

Flagler County, Florida

Annual Financial Report

September 30, 2012

Flagler County = Quality of Life

From the loveliest beaches to some of the most fertile farmland in the state; Flagler County is as diverse as it is beautiful! With a total population of just under 100,000, Flagler County has that "Goldilocks" feel…not too big, not too small, just right.

Every community promises "Quality of Life", Flagler County actually delivers. A large selection of homes, schools and parks are just footsteps away. A reinvigorated business friendly retail sector affords a fabulous selection of shopping and restaurants. Flagler County is strategically located between Jacksonville and Orlando, delivering big city amenities to its residents and guests.

Boasting over 230 days of beautiful sunshine per year and an average temperature in excess of 70 degrees, who could ask for anything more. Flagler residents enjoy year round outdoor activities such as golf, fishing and boating as well as access to the beach and over 25 state and county parks. If the outdoors is not your cup of tea, you are in luck, Flagler hosts a variety of events catering to those who enjoy arts and other cultural events.

Flagler County is all about its people. Sample a dose of Flagler's gracious living on Florida's Atlantic Coast and you'll see why so many come back to vacation and live in Flagler County… the quiet side of Florida.

FLAGLER COUNTY, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

FLAGLER COUNTY, FLORIDA
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Independent Auditor's Report

Board of 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2013 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Carr, Riggs & Ingram LLC

April 5, 2013
Gainesville, Florida

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, 2012. Please read it in conjunction with the County's financial statements beginning on page 12.

Financial Highlights

- The assets of the County exceeded its liabilities at September 30, 2012 (fiscal year end) by $252,052,139 (net assets) for governmental activities, representing a decrease of $4,743,351.

- The amount reported as unrestricted net assets, $5,045,355, decreased $4,422,189 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.

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 assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year ended September 30, 2012. All changes in net assets 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 12 - 13 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 and the Constitutional Gas Tax Fund, 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 14 - 17 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 18 -21 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 22 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 23 - 50 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 51 – 54 of this report.

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Government-wide Financial Analysis

FLAGLER COUNTY, FLORIDA
NET ASSETS
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	**2012**	**2011**	**2012**	**2011**	**2012**
Current and other assets	$ 58,994	$ 53,552	$ 6,144	$ 6,115	$ 65,138	$ 59,667
Capital assets	296,654	292,694	14,658	16,844	311,312	309,538
Total Assets	355,648	346,246	20,802	22,959	376,450	369,205
Non-current liabilities	81,430	78,089	4,422	1,253	85,852	79,342
Other liabilities	17,422	16,105	603	4,040	18,025	20,145
Total Liabilities	98,852	94,194	5,025	5,293	103,877	99,487
Net assets						
Invested in capital assets, net of related debt	213,692	213,606	10,610	11,134	224,302	224,740
Restricted	33,636	33,401	3,136	2,685	36,772	36,086
Unrestricted	9,468	5,045	2,031	3,847	11,499	8,892
Total net assets	$ 256,796	$ 252,052	$ 15,777	$ 17,666	$ 272,573	$ 269,718

Net assets may serve over time as a useful indicator of the County's financial position. Total assets of the County exceeded liabilities by $269,717,806 as of the fiscal year ended September 30, 2012.

The largest reported amount of the County's net assets (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

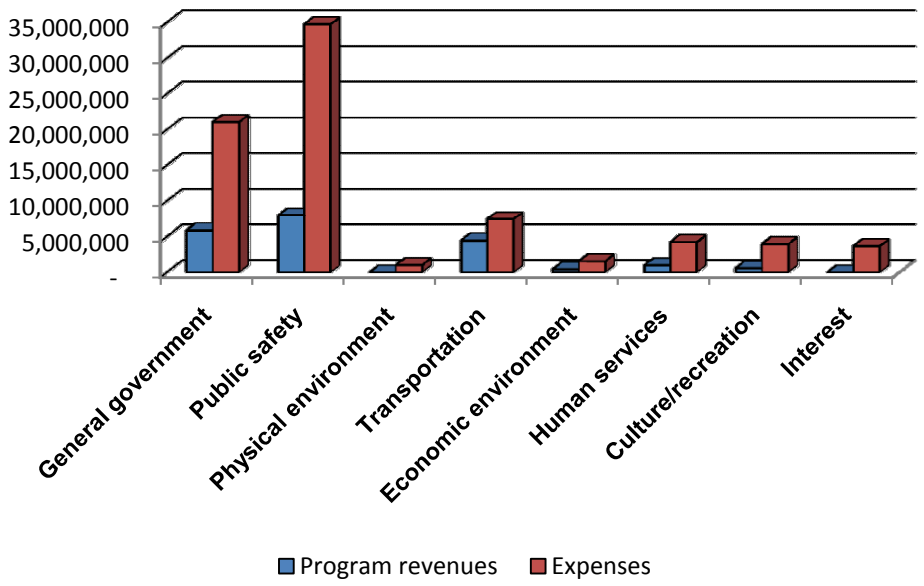
Thirteen percent of the County's net assets (Restricted Net Assets) represents resources that are subject to external restrictions on their use. The remaining three percent of the County's net assets (Unrestricted Net Assets) may be used to meet the County's ongoing obligations to its citizens and creditors.

At September 30, 2012 the County is able to report positive balances in all three categories of net assets for governmental activities and positive balances for all three categories of net assets for business-type activities.

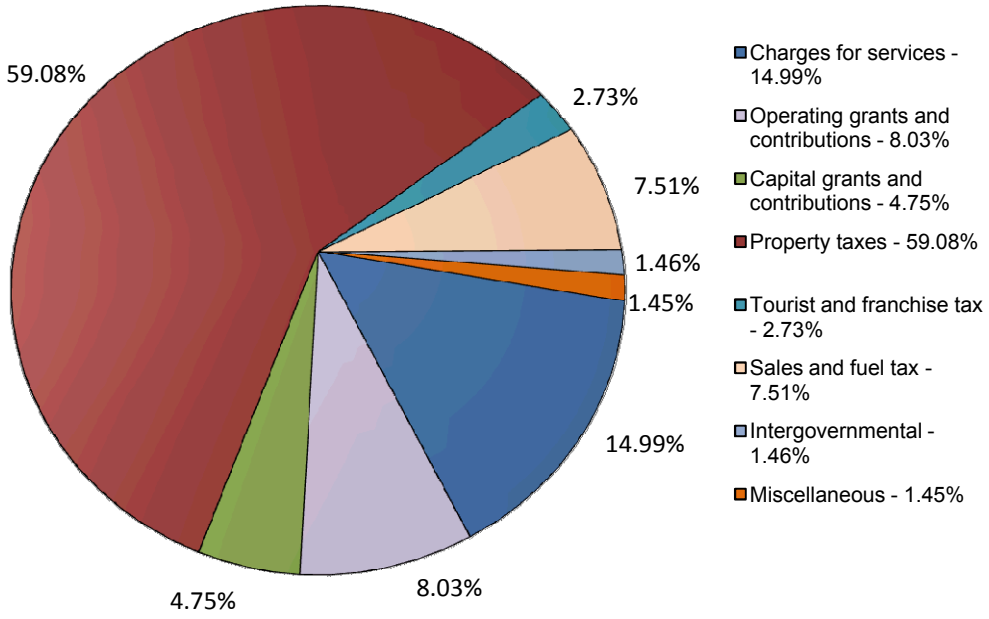
FLAGLER COUNTY, FLORIDA
CHANGES IN NET ASSETS
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues						
Program revenues						
Fines & Charges for Svcs	$ 11,643	$ 10,957	$ 3,339	$ 3,191	$ 14,982	$ 14,148
Operating grants and contributions	4,739	5,869	70	71	4,809	5,940
Capital grants and contributions	5,510	3,474	525	2,785	6,035	6,259
General revenues						
Property taxes	44,628	43,172	-	-	44,628	43,172
Other taxes	6,876	7,481	145	141	7,021	7,622
Settlement revenue	-	-	-	-	-	-
Miscellaneous	20,281	2,120	68	29	20,349	2,149
Total revenues	93,677	73,073	4,147	6,217	97,824	79,290
Expenses						
General government	21,265	21,044	-	-	21,265	21,044
Public safety	35,872	34,782	-	-	35,872	34,782
Physical environment	346	1,004	-	-	346	1,004
Transportation	8,831	7,439	-	-	8,831	7,439
Economic environment	1,190	1,537	-	-	1,190	1,537
Human services	3,676	4,268	-	-	3,676	4,268
Culture/recreation	3,758	4,008	-	-	3,758	4,008
Interest/charges on long-term debt	3,714	3,725	-	-	3,714	3,725
Sanitary landfill	-	-	129	99	129	99
Airport	-	-	2,466	2,405	2,466	2,405
Utilities	-	-	365	374	365	374
Waste management	-	-	1,486	1,460	1,486	1,460
Total expenses	78,652	77,807	4,446	4,338	83,098	82,145
Transfers	(113)	(10)	113	10	-	-
Increase (Decrease) in net assets	14,912	(4,744)	(186)	1,889	14,726	(2,855)
Net assets, beginning	241,884	256,796	15,963	15,777	257,847	272,573
Net assets, ending	$ 256,796	$ 252,052	$ 15,777	$ 17,666	$ 272,573	$ 269,718

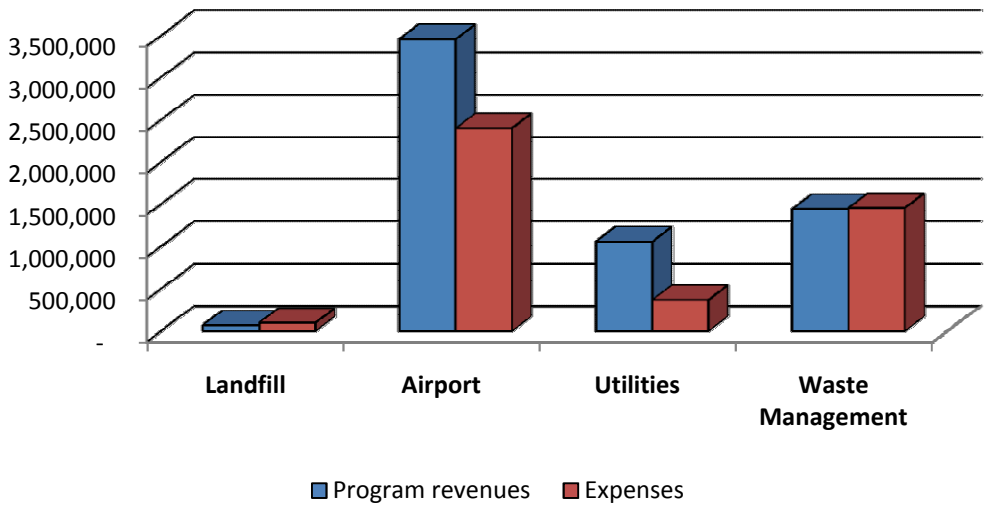
Expenses and Program Revenues - Governmental Activities



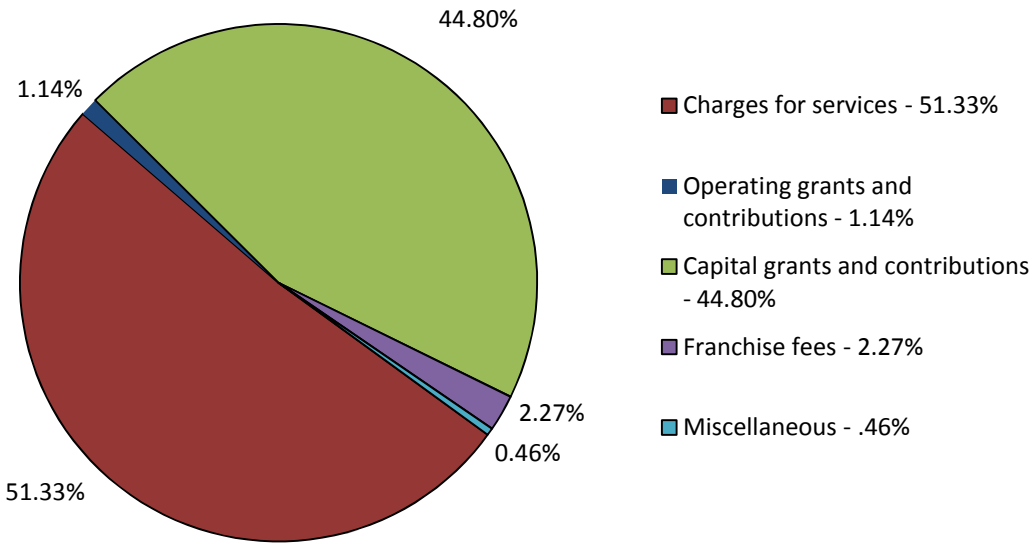
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities

Governmental activities decreased the County's net assets by $4,743,351. 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 assets in the amount of $1,888,314 for the fiscal year ended September 30, 2012.

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, 2012, the County's governmental funds reported combined ending fund balances of $40,134,267 a decrease of $4,643,800. Assigned and unassigned fund balance of $5,416,302 in the general fund is available for spending at the County's discretion; $23,082,345 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 $6,690,776.

The General Fund is the operating fund of the County. At September 30, 2012, assigned and unassigned fund balance of this fund was $5,416,302 while the total fund balance amounted to $10,361,146. 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 $3,710,120 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 12/13 budget.

The fund balance of the County's general fund decreased by $3,680,541 during the fiscal year ended September 30, 2012.

Proprietary funds

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

Proprietary funds reported unrestricted net assets of $3,846,637 at September 30, 2012.

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2012 amounts to $309,538,018 (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 decrease in the County's investment in capital assets for the fiscal year ended September 30, 2012 was $1,774,819 ($3,960,502 net decrease for governmental activities and a net increase of $2,185,683 for business-type activities).

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

Long-term debt

The County entered into a $567,811 loan in its General Fund to repay medicare retrospective billings that were presented to the County in the 11/12 Fiscal year.

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

Economic Factors and Next year's Budgets and Rates

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

During fiscal year 2007, the Florida Legislature imposed restrictions on the ability of municipalities and counties to increase millage rates. In January 2008, the voters of Florida passed Amendment 1, which further limits property tax collections. In addition to the impact of Amendment 1, the value of properties in Flagler County has decreased significantly over the past 5 years.

The Board of County Commissioners approved a General Fund millage rate of 7.0800 mills, a debt service millage rate of 0.3320 mills and an ESL millage rate of .25 mills for the fiscal year 2013.

Flagler County could also be subject to decrease in other revenues that are dependent on economic activity. Administrative steps are being taken to reduce expenditures to balance with available funding.

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, 1769 E. Moody Blvd. Building #1, Bunnell, FL 32110.

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 11,909,403	$ 327,661	$ 12,237,064
Cash with fiscal agent	556,764	-	556,764
Restricted cash and investments	-	1,723,072	1,723,072
Investments	30,844,241	3,933,836	34,778,077
Internal balances	1,862,440	(1,862,440)	-
Due from other governmental agencies	3,671,753	1,635,991	5,307,744
Note receivable	424,622	-	424,622
Accounts receivable, net	2,200,134	127,139	2,327,273
Unamortized bond issuance costs	883,496	-	883,496
Inventory	223,642	54,564	278,206
Other assets	184,523	20,192	204,715
Capital assets			
Land and work in process	95,144,100	4,930,712	100,074,812
Capital assets being depreciated, net	197,549,895	11,913,311	209,463,206
Total capital assets, net of depreciation	292,693,995	16,844,023	309,538,018
Deferred outflows	790,599	154,412	945,011
TOTAL ASSETS	346,245,612	22,958,450	369,204,062
LIABILITIES			
Accounts payable and accrued expenses	5,734,603	891,895	6,626,498
Due to other governmental agencies	1,251,311	12,458	1,263,769
Deposits	1,754,814	69,192	1,824,006
Unearned revenue	373,931	20	373,951
Long-term liabilities:			
Due within one year:			
Notes and bonds payable	4,243,271	226,244	4,469,515
Compensated absences	2,583,754	52,921	2,636,675
Capital leases	163,540	-	163,540
Due in more than one year:			
Notes and bonds payable	75,936,746	3,603,394	79,540,140
Capital leases	166,647	-	166,647
Arbitrage liability	7,445	-	7,445
OPEB liability	1,186,812	18,062	1,204,874
Payable from restricted cash:			
Landfill closure and postclosure care	-	264,185	264,185
Derivative liabilities	790,599	154,412	945,011
TOTAL LIABILITIES	94,193,473	5,292,783	99,486,256
NET ASSETS			
Invested in capital assets, net of related debt	213,605,993	11,134,385	224,740,378
Restricted for:			
Debt service	6,690,776	-	6,690,776
Capital projects	17,104,853	1,225,758	18,330,611
Other purposes	9,605,162	1,458,887	11,064,049
Unrestricted	5,045,355	3,846,637	8,891,992
TOTAL NET ASSETS	$ 252,052,139	$ 17,665,667	$ 269,717,806

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

		Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
					Primary Government		
Functions/Programs	**Expenses**	**Fines and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 21,044,342	$ 3,893,644	$ 1,964,137	$ -	$ (15,186,561)	$ -	$ (15,186,561)
Public safety	34,781,700	5,952,540	1,540,366	484,408	(26,804,386)	-	(26,804,386)
Physical environment	1,003,943	-	-	11,555	(992,388)	-	(992,388)
Transportation	7,439,036	758,879	1,007,437	2,719,890	(2,952,830)	-	(2,952,830)
Economic environment	1,537,127	3,868	413,168	-	(1,120,091)	-	(1,120,091)
Human services	4,267,718	129,147	834,273	1,450	(3,302,848)	-	(3,302,848)
Culture and recreation	4,008,612	219,078	109,398	256,994	(3,423,142)	-	(3,423,142)
Interest on long term debt	3,724,866	-	-	-	(3,724,866)	-	(3,724,866)
Total governmental activities	77,807,344	10,957,156	5,868,779	3,474,297	(57,507,112)	-	(57,507,112)
Business-type activities							
Landfill	99,637	708	70,588	-	-	(28,341)	(28,341)
Airport	2,404,906	1,385,312	-	2,079,649	-	1,060,055	1,060,055
Utili ies	373,945	357,586	-	705,162	-	688,803	688,803
Waste management	1,459,886	1,447,290	-	-	-	(12,596)	(12,596)
Total business-type activities	4,338,374	3,190,896	70,588	2,784,811	-	1,707,921	1,707,921
TOTAL PRIMARY GOVERNMENT	$ 82,145,718	$ 14,148,052	$ 5,939,367	$ 6,259,108	(57,507,112)	1,707,921	(55,799,191)
	GENERAL REVENUES						
	Property taxes				43,172,111	-	43,172,111
	Tourist and franchise taxes				1,994,230	141,113	2,135,343
	Sales and fuel taxes				5,487,079	-	5,487,079
	Intergovernmental				1,061,327	-	1,061,327
	Miscellaneous				1,058,991	29,303	1,088,294
	Transfers				(9,977)	9,977	-
	Total general revenues and transfers				52,763,761	180,393	52,944,154
	Change in net assets				(4,743,351)	1,888,314	(2,855,037)
	NET ASSETS, BEGINNING OF YEAR				256,795,490	15,777,353	272,572,843
	NET ASSETS, END OF YEAR				$ 252,052,139	$ 17,665,667	$ 269,717,806

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

FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	800 MGHZ Expansion	Capital Construction	NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 5,222,602	$ 300,456	$ 2,252,115	$ 3,491,755	$ 11,266,928
Cash with fiscal agent	-	-	-	556,764	556,764
Investments	3,522,109	601,171	2,518,109	20,143,454	26,784,843
Accounts receivable (net of allowance for uncollectibles)	2,042,039	1,081	281	56,446	2,099,847
Notes receivable	242,658	-	-	181,964	424,622
Due from other funds	2,438,508	-	-	174,830	2,613,338
Due from other governments	1,296,864	-	322,276	2,052,613	3,671,753
Inventory	223,642	-	-	-	223,642
Other assets	100,643	-	-	73,638	174,281
TOTAL ASSETS	$ 15,089,065	$ 902,708	$ 5,092,781	$ 26,731,464	$ 47,816,018
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 2,045,609	$ 63	$ 478	$ 967,401	$ 3,013,551
Deposits	804,405	900,000	-	47,756	1,752,161
Due to other funds	197,138	-	103,000	450,760	750,898
Due to other governments	1,179,615	-	-	71,696	1,251,311
Deferred revenue	501,152	-	-	412,678	913,830
TOTAL LIABILITIES	4,727,919	900,063	103,478	1,950,291	7,681,751
FUND BALANCES					
Nonspendable					
Inventories	223,642	-	-	-	223,642
Parks and recreation	-	-	-	600,000	600,000
Prepaids	-	-	-	73,638	73,638
Advances to other funds	1,880,000	-	-	-	1,880,000
Restricted for					
Bond covenants or debt service	-	-	4,989,303	1,701,473	6,690,776
Grant programs and projects	401,869	-	-	319,286	721,155
Federal and state law	184,693	-		10,032,249	10,216,942
Capital projects and acquisitions	1,862,493	2,645	-	1,119,630	2,984,768
ESL acquisitions	-	-	-	2,398,435	2,398,435
Impact fees	-	-	-	7,765,744	7,765,744
Other purposes	257,282	-	-	770,718	1,028,000
Committed to					
Other purposes	134,865	-	-	-	134,865
Assigned					
FY 2013 cash carry-foward	3,710,120	-	-	-	3,710,120
Unassigned	1,706,182	-	-	-	1,706,182
TOTAL FUND BALANCES	10,361,146	2,645	4,989,303	24,781,173	40,134,267
TOTAL LIABILITIES AND FUND BALANCES	$ 15,089,065	$ 902,708	$ 5,092,781	$ 26,731,464	$ 47,816,018

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 ASSETS
SEPTEMBER 30, 2012

Total fund balances- governmental funds		$ 40,134,267
Amounts reported for governmental activities in the statement of net assets 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 assets is the difference between:		
Capital assets, at cost	386,124,728	
Accumulated depreciation	(93,441,500)	
		292,683,228
Long term liabilities are not due and payable from current resources and therefore are not reported in the funds:		
Bonds payable	(79,397,811)	
Compensated absences	(2,583,754)	
OPEB liability	(1,186,812)	
Arbitrage liability	(7,445)	
Capital leases payable	(330,187)	
		(83,506,009)
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 premuim		(782,206)
Unamortized bond issuance costs		883,496
Noncurrent receivables		593,246
Accrued interest payable		(1,176,057)
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 assets of the internal service funds.		3,222,174
Net assets of governmental activities		$ 252,052,139

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, 2012

	General Fund	800 MGHZ Expansion	Capital Construction	NonMajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 39,625,427	$ -	$ 1,437,443	$ 5,949,798	$ 47,012,668
Special assessments/Impact fees	-	-	-	787,783	787,783
Licenses and permits	41,568	-	-	384,670	426,238
Intergovernmental	5,645,841	-	1,434,641	6,184,906	13,265,388
Charges for services	8,658,796	-	-	632,374	9,291,170
Fines and forfeitures	133,033	-	-	671,991	805,024
Miscellaneous revenue	1,178,569	-	-	117,842	1,296,411
Investment income	32,121	1,542	7,868	64,847	106,378
TOTAL REVENUES	55,315,355	1,542	2,879,952	14,794,211	72,991,060
EXPENDITURES					
Current					
General government	15,148,744	-	2,757	124,883	15,276,384
Public safety	30,455,405	245	-	1,139,018	31,594,668
Physical environment	240,807	-	-	714,500	955,307
Transportation	1,731,682	-	-	2,383,916	4,115,598
Economic environment	318,205	-	-	1,198,206	1,516,411
Human services	4,142,026	-	-	49,535	4,191,561
Culture and recreation	2,602,685	-	-	369,388	2,972,073
Court related	1,153,662	-	-	1,900,062	3,053,724
Capital Outlay	2,737,005	-	-	3,040,874	5,777,879
Debt service					
Principal retirement	1,198,814	-	1,365,000	2,920,000	5,483,814
Interest and fiscal charges	325,135	-	1,240,238	2,187,402	3,752,775
TOTAL EXPENDITURES	60,054,170	245	2,607,995	16,027,784	78,690,194
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,738,815)	1,297	271,957	(1,233,573)	(5,699,134)
OTHER FINANCING SOURCES (USES)					
Transfers in	105,260	-	-	152,520	257,780
Transfers out	(114,797)	-	-	(155,460)	(270,257)
Long term debt issued	567,811	-	-	-	567,811
Capital lease	500,000	-	-	-	500,000
TOTAL OTHER FINANCING SOURCES (USES	1,058,274	-	-	(2,940)	1,055,334
NET CHANGE IN FUND BALANCES	(3,680,541)	1,297	271,957	(1,236,513)	(4,643,800)
FUND BALANCES, BEGINNING OF YEAR	14,041,687	1,348	4,717,346	26,017,686	44,778,067
FUND BALANCES, END OF YEAR	$ 10,361,146	$ 2,645	$ 4,989,303	$ 24,781,173	$ 40,134,267

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, 2012

Net change in fund balances- total governmental funds		$ (4,643,800)
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	5,955,154	
Current year depreciation	(9,614,587)	
Loss on disposal of fixed assets	(64,689)	
Contributions of capital assets	(228,717)	
		(3,952,839)
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		(94,090)
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 assets. Issuing debt provides current financial resources to governmental funds but increases liabilities in the statement of net assets.		
Principal repayment	5,483,814	
Debt issued	(567,811)	
Capital lease	(500,000)	
		4,416,003
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.		29,184
Special assessment deferred revenue recognized in the governmental funds.		(203,218)
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	(59,484)	
OPEB liability	(331,191)	
Accrued interest payable	86,014	
		(304,661)
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	248,844	
Loss from operations	(277,259)	
Transfers	2,500	
		(25,915)
Change in net assets of governmental activities		$ (4,743,351)

The accompanying notes are an integral part of this statement

FLAGLER COUNTY, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Airport Fund	Landfill Fund	Utility	NonMajor Enterprise Fund	Total	
ASSETS						
Current assets						
Cash and equivalents	$ -	$ 21,012	$ 185,663	$ 120,986	$ 327,661	$ 642,475
Investments	101,352	2,275,481	580,281	976,722	3,933,836	4,059,398
Accounts receivable, net	73,734	4,093	42,274	7,038	127,139	100,287
Due from other funds	5,366	2,051	1,775	13,957	23,149	-
Due from other governments	1,626,427	3,251	6,313	-	1,635,991	-
Inventory	54,564	-	-	-	54,564	-
Other current assets	-	-	350	-	350	10,242
Total current assets	1,861,443	2,305,888	816,656	1,118,703	6,102,690	4,812,402
Noncurrent assets						
Deferred closing costs	19,842	-	-	-	19,842	-
Restricted cash	-	1,723,072	-	-	1,723,072	-
Land and construction in progress	3,096,094	203,404	1,631,214	-	4,930,712	-
Other capital assets, net of accumulated depreciation	10,939,562	85,734	888,015	-	11,913,311	10,767
Deferred outflow	154,412	-	-	-	154,412	-
Total noncurrent assets	14,209,910	2,012,210	2,519,229	-	18,741,349	10,767
TOTAL ASSETS	$ 16,071,353	$ 4,318,098	$ 3,335,885	$ 1,118,703	$ 24,844,039	$ 4,823,169
LIABILITIES						
Current liabilities						
Accounts payable and accrued expenses	$ 606,859	$ 5,628	$ 180,560	$ 98,848	$ 891,895	$ 1,544,995
Deposits	38,377	-	30,815	-	69,192	2,653
Due to o her funds	4,009	6	1,435	139	5,589	-
Due to other governments	6,287	35	6,136	-	12,458	-
Deferred revenue	20	-	-	-	20	53,347
Compensated absences	27,529	12,075	11,656	1,661	52,921	-
Current portion of long term debt	226,244	-	-	-	226,244	-
Total current liabilities	909,325	17,744	230,602	100,648	1,258,319	1,600,995
Noncurrent liabilities						
Payable from restricted cash						
Landfill closure and postclosure care	-	264,185	-	-	264,185	-
Advances from other funds	-	-	1,880,000	-	1,880,000	-
OPEB liability	9,521	3,798	4,121	622	18,062	-
Derivative liability	154,412	-	-	-	154,412	
Notes payable	3,603,394	-	-	-	3,603,394	-
Total noncurrent liabilities	3,767,327	267,983	1,884,121	622	5,920,053	-
TOTAL LIABILITIES	4,676,652	285,727	2,114,723	101,270	7,178,372	1,600,995
NET ASSETS						
Invested in capital assets, net of related debt	10,206,018	289,138	639,229	-	11,134,385	-
Restricted for						
Landfill postclosure care	-	1,458,887	-	-	1,458,887	-
Future capital outlay	-	1,225,758	-	-	1,225,758	-
Unrestricted	1,188,683	1 058,588	581,933	1,017,433	3,846,637	3,222,174
TOTAL NET ASSETS	11,394,701	4,032,371	1,221,162	1,017,433	17,665,667	3,222,174
TOTAL LIABILITIES AND NET ASSETS	$ 16,071,353	$ 4,318,098	$ 3,335,885	$ 1,118,703	$ 24,844,039	$ 4,823,169

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS- PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Airport Fund	Landfill Fund	Utility	NonMajor Enterprise Fund	Total	
OPERATING REVENUES						
Charges for services	$ 1,372,604	$ 708	$ 502,097	$ 1,447,290	$ 3,322,699	$ -
Employee and employer contributions	-	-	-	-	-	6,748,910
Miscellaneous	25,961	-	(144,511)	-	(118,550)	51,389
Total operating revenues	1,398,565	708	357,586	1,447,290	3,204,149	6,800,299
OPERATING EXPENSES						
Personal services	270,810	130,906	141,621	47,072	590,409	-
Vehicle fuel	11,640	2,580	9,076	-	23,296	-
Aviation fuel	788,102	-	-	-	788,102	-
Contractual services	45,625	21,206	37,134	1,411,343	1,515,308	-
Repairs and maintenance	51,550	2,650	20,338	-	74,538	201
Professional services	25,966	73,398	242	578	100,184	793,831
Employee claims	-	-	-	-	-	5,706,717
Utilities	98,390	3,198	97,592	137	199,317	438
Insurance	53,205	3,618	10,703	-	67,526	554,568
Rentals and leases	14,326	370	110	-	14,806	-
Depreciation	778,865	17,224	31,607	-	827,696	9,055
Miscellaneous	131,335	5,206	21,700	756	158,997	12,748
Provision for closure and postclosure care	-	(160,719)	-	-	(160,719)	-
Total operating expenses	2,269,814	99,637	370,123	1,459,886	4,199,460	7,077,558
Operating income/(loss)	(871,249)	(98,929)	(12,537)	(12,596)	(995,311)	(277,259)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	-	70,588	-	-	70,588	-
Franchise fees	-	-	-	141,113	141,113	-
Insurance recovery	-	-	-	-	-	234,983
Interest income	1,336	9,642	1,919	3,153	16,050	13,861
Interest expense	(135,092)	-	(3,822)	-	(138,914)	-
Total nonoperating revenues (expenses)	(133,756)	80,230	(1,903)	144,266	88,837	248,844
INCOME(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,005,005)	(18,699)	(14,440)	131,670	(906,474)	(28,415)
Capital grants	2,079,649	-	705,162	-	2,784,811	-
Transfers in	-	-	-	9,977	9,977	2,500
CHANGE IN NET ASSETS	1,074,644	(18,699)	690,722	141,647	1,888,314	(25,915)
NET ASSETS, BEGINNING OF YEAR	10,320,057	4,051,070	530,440	875,786	15,777,353	3,248,089
NET ASSETS, END OF YEAR	$ 11,394,701	$ 4,032,371	$ 1,221,162	$ 1,017,433	$ 17,665,667	$ 3,222,174

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, 2012

	Major Proprietary Funds			Nonmajor Proprietary Fund	Total	Internal Service
	Airport	Landfill	Utility			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 1,348,008	$ 65,129	$ 500,658	$ 1,459,050	$ 3,372,845	$ 6,849,324
Payments to suppliers	(718,052)	(109,349)	(67,417)	(1,434,610)	(2,329,428)	(7,160,730)
Payments to employees	(266,365)	(125,920)	(137,729)	(46,066)	(576,080)	-
Other receipts	25,961	-	(144,511)	-	(118,550)	51,389
Net cash provided (used) by operating activities	389,552	(170,140)	151,001	(21,626)	348,787	(260,017)
NON-CAPITAL FINANCING ACTIVITIES						
Franchise fees	-	-	-	141,113	141,113	-
Increase (decrease) in due from other funds	6,650	(1,733)	(1,674)	(2,745)	498	-
Increase (decrease) in due to other funds	(436)	(42)	967	(11,403)	(10,914)	-
Insurance recovery	-	-	-	-	-	234,983
Operating transfers in	-	-	-	9,977	9,977	2,500
Net cash provided(used) by non-capital financing activities	6,214	(1,775)	(707)	136,942	140,674	237,483
CAPITAL AND RELATED FINANCING ACTIVITIES						
Change in due from other governments	(1,533,837)	-	21,525	-	(1,512,312)	-
Acquisition and construction of capital assets	(2,242,674)	-	(770,705)	-	(3,013,379)	(1,392)
Payments on long term debt	(218,162)	-	-	-	(218,162)	-
Deferred costs	5,972	-	-	-	5,972	-
Intergovernmental	-	70,588	-	-	70,588	-
Capital grants	2,079,649	-	705,162	-	2,784,811	-
Interest paid	(135,092)	-	(3,822)	-	(138,914)	-
Net cash provided (used) by capital and related financing activities	(2,044,144)	70,588	(47,840)	-	(2,021,396)	(1,392)
INVESTING ACTIVITIES						
Interest on investments	1,336	9,642	1,919	3,153	16,050	13,861
Net cash provided by investing activities	1,336	9,642	1,919	3,153	16,050	13,861
Net increase(decrease) in cash and equivalents	(1,647,042)	(91,685)	104,373	118,469	(1,515,885)	(10,065)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,748,394	4,111,250	661,571	979,239	7,500,454	4,711,938
CASH AND EQUIVALENTS, END OF YEAR	$ 101,352	$ 4,019,565	$ 765,944	$ 1,097,708	$ 5,984,569	$ 4,701,873
CASH AND EQUIVALENTS, END OF YEAR						
Unrestricted	$ -	$ 21,012	$ 185,663	$ 120,986	$ 327,661	$ 642,475
Restricted	-	1,723,072	-	-	1,723,072	-
Investments - unrestricted	101,352	2,275,481	580,281	976,722	3,933,836	4,059,398
	$ 101,352	$ 4,019,565	$ 765,944	$ 1,097,708	$ 5,984,569	$ 4,701,873

Continued

FLAGLER COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Major Proprietary Funds			Nonmajor Proprietary Fund	Total	Internal Service
	Airport	Landfill	Utility			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ (871,249)	$ (98,929)	$ (12,537)	$ (12,596)	$(995,311)	$(277,259)
Adjustment to reconcile operating loss to net cash used in operations						
Depreciation	778,865	17,224	31,607	-	827,696	9,055
Provision for closure and postclosure	-	(160,719)	-	-	(160,719)	-
Changes in assets and liabilities						
Accounts receivable	(24,596)	(2,916)	(1,439)	11,760	(17,191)	100,414
Inventory	(19,604)	-	-	-	(19,604)	-
Due from other governments	-	67,337	-	-	67,337	-
Accounts payable and accrued expenses	504,472	2,914	129,556	(21,796)	615,146	(81,058)
Deferred revenue	-	-	-	-	-	(6,400)
Due to other governments	1,129	(37)	(4,478)	-	(3,386)	-
Deposits	16,090	-	4,400	-	20,490	(4,769)
Compensated absences	2,127	3,934	2,737	630	9,428	-
OPEB liability	2,318	1,052	1,155	376	4,901	-
Net cash provided(used) by operating activities	$ 389,552	$ (170,140)	$ 151,001	$ (21,626)	$ 348,787	$(260,017)

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

FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2012

		Agency Funds
ASSETS		
Cash and cash equivalents	$	4,731,539
Accounts receivable		41,231
Due from other governments		101
TOTAL ASSETS	$	4,772,871
LIABILITIES		
Due to other governments	$	325,687
Deposits		4,428,222
Other liabilities		18,962
TOTAL LIABILITIES	$	4,772,871

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

(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 (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," 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 amended by GASB No. 39 to define the reporting entity and identify component units. Component units are entities for which the County is considered to be financially accountable.

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

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

(1) **Summary of Significant Accounting Policies:** (continued)
(a) **Reporting Entity** (continued)

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

(b) **Government-wide and Fund Financial Statements -** The government-wide financial statements (i.e. statement of net assets 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), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA). Under the auspices of GASB Statement No. 20, the County does not apply FASB pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date. 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.

(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.

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

800 MGHZ Expansion - To account for the City of Palm Coast's portion of the 800 MGHZ system expansion and upgrade.

Capital Construction Debt Service – To account for the debt service payments associated with the Capital Improvement Revenue Bond, Series 2005.

The County reports the following major proprietary funds:

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

Sanitary 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.

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.

(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 assets 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.

(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.

(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. Encumbrances of governmental funds at September 30, 2012 were approximately $55,518 in the General Fund and $738,328 in the nonmajor governmental funds.

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

(p) **Deferred Revenue** - Deferred revenues are recorded on the governmental fund balance sheet and the proprietary statement of net assets in the amount of $913,830 and $53,367, 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 statement of net assets represents amounts that are deferred because they are not considered earned as of September 30, 2012.

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

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

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

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

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

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

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

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

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

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

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

Deposits:
At year end, the carrying amount of the County's deposits was $19,248,439. The bank balances were $21,678,637. 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 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.

As of September 30, 2012, the County had the following cash deposits balances:

	Maturity Date	Market Value
Cash and cash equivalents	N/A	$ 12,237,064
Restricted cash and cash equivalents	N/A	1,723,072
Cash and cash equivalents with trustee	N/A	4,731,539
Cash and cash equivalents with fiscal agent	N/A	556,764
Total		$ 19,248,439

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

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

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

(2) **Cash Deposits and Investments:** (continued)
As of September 30, 2012, 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	$ 5,468,832	0.51
Federal Instrumentalities Discount Notes	7,402,164	0.20
U.S. Treasury Notes	7,502,994	0.45
Corporate Notes	3,042,510	0.95
PFM Funds - Prime Money Market Fund Institutional Class	6,235,139	47 days
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	5,126,438	29 days
TOTAL	$ 34,778,077	0.34

*. 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, 2012 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, 2012, the investment portfolio had a weighted average duration of 0.34 years.

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

B. Credit Risk

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

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

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

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

(2) **Cash Deposits and Investments:** (continued)
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, 2012, the County had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	Portfolio Asset Allocation
Federal Instrumentalities Notes	AA+	15.72%
Federal Instrumentalities Discount Notes	A-1+	21.28%
U.S. Treasury Notes	AA+	21.57%
Corporate Notes	AA+	8.75%
PFM Funds - Prime Money Market Fund Institutional Class	AAAm	17.93%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	AAAm	14.74%
TOTAL		100.00%

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, 2012, 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.

(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, 2012, the County had the following issuer concentration based on fair value:

Security Type	Fair Value	Portfolio Asset Allocation
Federal Instrumentalities Notes	$ 5,468,832	15.72%
Federal Instrumentalities Discount Notes	7,402,164	21.28%
U.S. Treasury Notes	7,502,994	21.57%
Corporate Notes	3,042,510	8.75%
PFM Funds - Prime Money Market Fund Institutional Class	6,235,139	17.93%
Wells Fargo Advantage Heritage Money Market Fund Institutional Class	5,126,438	14.74%
TOTAL	$ 34,778,077	100.00%

(3) **Property Taxes:**

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

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

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

(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 $1,840,943 in the General Fund and, $43,397, $25,905 and $126,257 in the Enterprise Funds (Airport, Utilities and Waste Management, respectively).

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(5) Capital Assets - Governmental Activities:

A summary of changes in capital assets follows:

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 91,834,732	$ 18,513	$ -	$ 91,853,245
Fine art collection	123,700	-	-	123,700
Construction in process	1,842,226	1,620,694	295,765	3,167,155
Total capital assets, not being depreciated	93,800,658	1,639,207	295,765	95,144,100
Capital assets, being depreciated:				
Buildings	76,437,282	219,866	27,335	76,629,813
Improvements other than buildings	17,058,645	343,034	3,629	17,398,050
Equipment	34,339,463	2,268,890	1,145,509	35,462,844
Vehicles	15,442,481	994,685	788,251	15,648,915
Infrastructure	145,074,256	794,729	-	145,868,985
Total capital assets being depreciated	288,352,127	4,621,204	1,964,724	291,008,607
Less accumulated depreciation for:				
Buildings	9,529,633	1,519,858	6,620	11,042,871
Improvements other than buildings	9,272,585	1,063,321	3,629	10,332,277
Equipment	22,159,202	2,879,941	1,133,055	23,906,088
Vehicles	9,747,640	1,394,194	756,731	10,385,103
Infrastructure	34,789,228	3,003,145	-	37,792,373
Total accumulated depreciation	85,498,288	9,860,459	1,900,035	93,458,712
Total capital assets being depreciated, net	202,853,839	(5,239,255)	64,689	197,549,895
	$ 296,654,497	$ (3,600,048)	$ 360,454	$ 292,693,995

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

Governmental activities:	
General government	$ 2,357,619
Public safety	2,877,407
Physical environment	48,796
Transportation	3,470,361
Economic environment	12,355
Human services	75,958
Culture/recreation	781,146
Total depreciation expense - governmental activities	$ 9,623,642

Depreciation expense differs from accumulated depreciation additions due to governmental activities transfers in the amount of $236,817.

(6) Capital Assets -Enterprise Funds:

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 395,300	$ 500	$ -	$ 395,800
Construction in process	1,539,960	3,094,218	99,266	4,534,912
Total capital assets, not being depreciated	1,935,260	3,094,718	99,266	4,930,712
Capital assets, being depreciated:				
Buildings	10,466,859	-	-	10,466,859
Improvements other than buildings	8,587,754	-		8,587,754
Equipment	1,351,512	17,927	240,969	1,128,470
Infrastructure	243,019	-	-	243,019
Total capital assets being depreciated	20,649,144	17,927	240,969	20,426,102
Less accumulated depreciation for:				
Buildings	1,673,091	218,627	-	1,891,718
Improvements other than buildings	5,009,177	504,075	-	5,513,252
Equipment	1,202,340	99,670	240,969	1,061,041
Infrastructure	41,456	5,324	-	46,780
Total accumulated depreciation	7,926,064	827,696	240,969	8,512,791
Total capital assets being depreciated, net	12,723,080	(809,769)	-	11,913,311
Business-type activities capital assets, net	$ 14,658,340	$ 2,284,949	$ 99,266	$ 16,844,023

Depreciation expense was charged as follows:

Business-type activities:	
Airport	$ 778,865
Sanitary landfill	17,224
Utilities	31,607
Total depreciation expense - business-type activities	$ 827,696

(7) Long-Term Debt:

The balance of bonds and notes payable at September 30, 2012, 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.	$ 3,025,000
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.	28,520,000
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.	26,570,000
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.	9,090,000
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.	4,470,000

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

Special Assessment Revenue Note, Series 2002 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.	620,000
Note Payable - 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.	6,535,000
Note Payable - non-interest bearing note was issued August 27, 2012 as a repayment of medicaid retrospective billing in the amount of $567,811. Payments are due monthly. Maturity date is October 1, 2017.	567,811
Bonds and notes payable from governmental activities	79,397,811
Note Payable from Business-Type Activities	
Note Payable - 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.	995,941
Note Payable - non-interest bearing note was issued on June 28, 2008 as a repayment on a CDBG grant in the amount of $413,905. Payments of principal only, are due quarterly on each January 1, April 1, July 1 and October 1. Maturity is January 1, 2015	133,697
Note Payable - 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.	2,700,000
Capital Lease Obligation	
Various installment lease purchases of vehicles with lease maturity dates through 2014. The aggregate historical cost of the vehicles is $365,135.	330,187
Accrued Compensated Absences	
Governmental Activities	2,583,754
Business-Type Activities	52,921
OPEB Liability	
Governmental Activities	1,186,812
Business-Type Activities	18,062
Arbitrage Liability	7,445
Landfill closure and postclosure care	264,185
Add Unamortized Premium	782,206
Total Long-Term Obligations	$ 88,453,021

(7) **Long-Term Debt:** (continued)
As of September 30, 2012, 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, 2012, are as follows:

Governmental Activities:

	General long-term bonds		Notes payable		
Fiscal Year Ending September 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Total Long-Term Obligations and Interest**
2013	$ 3,100,000	$ 3,187,502	$ 1,143,271	$ 325,528	$ 7,756,301
2014	2,425,000	3,069,164	1,079,635	282,856	6,856,655
2015	2,535,000	2,962,506	800,635	238,684	6,536,825
2016	2,645,000	2,851,881	833,635	204,894	6,535,410
2017	2,750,000	2,740,724	868,635	169,518	6,528,877
2018-2022	13,305,000	12,044,618	2,997,000	290,150	28,636,768
2023-2027	16,465,000	8,866,561	-	-	25,331,561
2028-2032	16,540,000	4,858,643	-	-	21,398,643
2033-2037	11,910,000	1,149,156	-	-	13,059,156
Total principal and interest	71,675,000	41,730,755	7,722,811	1,511,630	122,640,196
Less interest to be paid	-	(41,730,755)	-	(1,511,630)	(43,242,385)
Total principal	71,675,000	-	7,722,811	-	79,397,811
Deferred amounts	782,206	-	-	-	782,206
Totals	$ 72,457,206	$ -	$ 7,722,811	$ -	80,180,017

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

Business-type Activities:

Fiscal Year Ending September 30,	Notes payable		Total Long-Term Obligations and Interest
	Principal	Interest	
2013	$ 226,244	$ 130,066	$ 356,310
2014	234,340	123,576	357,916
2015	210,835	116,743	327,578
2016	2,452,389	72,825	2,525,214
2017	81,016	30,533	111,549
2018-2022	464,041	92,725	556,766
2023-2027	160,773	6,316	167,089
Total principal and interest	3,829,638	572,784	4,402,422
Less interest to be paid	-	(572,784)	(572,784)
Totals	$ 3,829,638	$ -	$ 3,829,638

Governmental Activities Long-term obligations not included above:	
Accrued compensated absences payable	2,583,754
OPEB liability	1,186,812
Arbitrage liability	7,445
Capitalized lease obligations	330,187
Business-type Activities Long-term obligations not included above:	
Accrued compensated absences payable	52,921
OPEB liability	18,062
Landfill closure and post closure care	264,185
Total long-term obligations	$ 88,453,021

(7) **Long-Term Debt:** (continued)
Changes in long-term liabilities for the fiscal year ended September 30, 2012, are summarized as follows:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due within one year
Governmental activities:					
General long-term obligations:					
Bonds payable	74,650,000	-	2,975,000	71,675,000	3,100,000
Notes payable	9,080,000	567,811	1,925,000	7,722,811	1,143,271
Deferred amounts:					
Issuance premiums	818,191	-	35,985	782,206	-
Total bonds and notes payable	84,548,191	567,811	4,935,985	80,180,017	4,243,271
Accrued compensated absences	2,524,270	2,790,247	2,730,763	2,583,754	2,583,754
OPEB liability	855,621	331,191	-	1,186,812	-
Arbitrage liability	7,445	-	-	7,445	-
Capitalized lease obligations	414,001	500,000	583,814	330,187	163,540
Total governmental activity long-term obligations	88,349,528	4,189,249	8,250,562	84,288,215	6,990,565
Business-type activities:					
Notes payable	4,047,800	-	218,162	3,829,638	226,244
Accrued compensated absences	43,493	43,797	34,369	52,921	52,921
OPEB liability	13,161	4,901	-	18,062	-
Landfill closure and postclosure care	424,904	-	160,719	264,185	-
Total business-type activity long-term obligations	4,529,358	48,698	413,250	4,164,806	279,165
TOTAL LONG-TERM LIABILITIES	$ 92,878,886	$ 4,237,947	$ 8,663,812	$ 88,453,021	$ 7,269,730

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, 2012 and for the remaining terms are as follows:

Fiscal Year Ending September 30	Amount
2013	$ 169,813
2014	169,813
Total principal and interest	339,626
Less amounts representing interest	(9,439)
Total principal	$ 330,187

(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:

	Amount originally reserved	Amount used as of September 30, 2012	Remaining balance, September 30, 2012
Monitoring of existing and future landfills	$ 1,600,000	$ (1,600,000)	$ -
Future landfill capital purchases	1,380,000	(349,972)	1,030,028
Payments to the municipal corporations	1,250,000	(1,250,000)	-
Future purchase of fire suppression equipment and/or the construction of fire stations	2,314,654	(2,089,654)	225,000
Totals	$ 6,544,654	$ (5,289,626)	$ 1,255,028

The County met the reserve requirement of monitoring of existing and future landfills. The balance on the escrow account was $1,723,072 at September 30, 2012.

The remaining balance at September 30, 2012 is included in equity on the accompanying statement of net assets and balance sheet as follows:

General fund:	
Fund balance restricted for future capital outlay	$ 225,000
Enterprise funds:	
Net assets restricted for future capital purchases	1,030,028
Totals	$ 1,255,028

(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, 2012 was $995,941. 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, 2012, the underlying swaps had a negative fair value of $154,412. 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 Assets 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, 2012 was $6,535,000. 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, 2012, the underlying swaps had a negative fair value of $790,599. 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 Assets as required by GASB 53.

Changes in the fair value of the derivative instruments for the fiscal year ended September 30, 2012 were as follows:

	Changes in Fair Value		Fair Value at September 30, 2012		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	(9,610)	Debt	(790,599)	$ 6,535,000
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow	127	Debt	(154,412)	$ 995,941

(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, 2012, 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, 2012 are $264,185.

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, 2012. 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 $1,723,072 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 2018. Monthly lease expense ranges from $53 to $4,686. During the year ended September 30, 2012, the lease payments totaled $463,791. The future minimum lease payments for the remaining terms are as follows:

Year Ending September 30,		Amount
2013	$	315,254.00
2014		206,171.00
2015		170,132.00
2016		41,656.00
2017		42,422.00
2018		20,867.00
	$	796,502.00

(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 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 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:

	October 1, 2011 - June 30, 2012	**July 1, 2012 - September 30, 2012**
Regular employees	4.91%	5.18%
Special risk employees	14.10%	14.90%
Elected county officials	11.14%	10.23%
Senior management	6.27%	6.30%
Deferred retirement option employees	4.42%	5.44%

For the years ended September 30, 2012, 2011, and 2010, total contributions were $2,590,995, $4,205,771, and $4,670,342, respectively. The County made actual contributions equal to the actuarially determined required contributions each year.

(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, 2012, 2011, and 2010, total contributions were $268,559, $442,704, and $441,797 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 $1,544,995 at September 30, 2012 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 $3,825,360 to the plan for the year ended September 30, 2012.

(11) **Risk Management:** (Continued)
Changes in the Fund's claims liability were as follows:

	Liability at October 1	Claims incurred	Claims paid	Liability at September 30
2011 - 2012	1,626,053	5,706,717	5,787,775	1,544,995
2010 - 2011	1,550,493	5,246,943	5,271,383	1,626,053

(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, 2012, interfund balances consisted of:

	Due from other funds	Due to other funds
General fund	$ 558,508	$ 197,138
General fund advances	1,880,000	-
Capital Construction Debt Service	-	103,000
Nonmajor governmental funds	174,830	450,760
Airport	5,366	4,009
Utility	1,775	1,435
Utility fund advances	-	1,880,000
Nonmajor business-type funds	16,008	145
	$ 2,636,487	$ 2,636,487

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

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

	Transfer in	Transfer out
General fund	$ 105,260	$ 114,797
Nonmajor governmental funds	152,520	155,460
Nonmajor business-type funds	9,977	-
Internal service fund	2,500	-
Total transfers	$ 270,257	$ 270,257

(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.

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

Fiscal year ending	9/30/2012	9/30/2011	9/30/2010
Normal cost (service cost for one year)	$ 293,386	$ 279,098	$ 280,300
Amortization of UAAL	117,998	106,844	85,600
Interest on normal cost and amortization	16,455	15,438	-
Annual required contribution (ARC)	427,839	401,380	365,900
NOO at beginning of year	868,782	653,918	361,200
Annual required contribution (ARC)	427,839	401,380	365,900
Interest on NOO	35,062	26,157	8,800
Adjustment to ARC	(30,387)	(22,669)	(7,300)
Annual OPEB cost	432,514	404,868	367,400
Employer contribution	(96,422)	(190,004)	(74,682)
Increase in NOO	336,092	214,864	292,718
NOO at end of year	$ 1,204,874	$ 868,782	$ 653,918

The schedule of employer contributions was as follows:

Balance September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2010	367,400	74,682	20%	653,918
2011	404,868	190,004	47%	868,782
2012	432,514	96,422	22%	1,204,874

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 September 30, 2010 is 30 years. Health insurance trends start at 9% for the fiscal year ending in 2011 and 8.5% for 2012, grading down to 4.9% - the ultimate trend rate in 2020.

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts Budgetary Basis**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 40,848,667	$ 40,854,177	$ 39,625,427	$ (1,228,750)
Licenses and permits	34,000	34,000	32,952	(1,048)
Intergovernmental	4,618,398	6,548,932	5,128,111	(1,420,821)
Charges for services	8,655,921	8,761,736	8,520,747	(240,989)
Fines and forfeitures	96,000	176,743	133,018	(43,725)
Miscellaneous revenue	342,566	1,004,504	1,158,769	154,265
Investment income	100,000	100,000	31,591	(68,409)
TOTAL REVENUES	54,695,552	57,480,092	54,630,615	(2,849,477)
EXPENDITURES				
Current				
General government	15,830,899	15,667,782	14,757,542	910,240
Public safety	30,917,667	31,796,581	30,337,041	1,459,540
Physical environment	257,902	258,968	240,807	18,161
Transportation	1,748,026	1,816,123	1,733,856	82,267
Economic environment	864,201	858,988	318,205	540,783
Human services	3,617,343	4,517,130	4,142,026	375,104
Culture and recreation	2,789,888	2,886,868	2,602,685	284,183
Court related	1,112,605	1,148,161	1,153,662	(5,501)
Capital Outlay	2,854,049	5,021,274	2,734,831	2,286,443
Debt service				
Principal retirement	896,000	896,000	1,198,814	(302,814)
Interest and fiscal charges	331,251	341,251	325,135	16,116
TOTAL EXPENDITURES	61,219,831	65,209,126	59,544,604	5,664,522
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,524,279)	(7,729,034)	(4,913,989)	2,815,045
OTHER FINANCING SOURCES (USES)				
Transfers in	440,152	337,454	105,260	(232,194)
Transfers out	(110,843)	(114,261)	(112,982)	1,279
Capital lease	-	500,000	500,000	-
Long term debt issued	-	567,811	567,811	-
TOTAL OTHER FINANCING SOURCES (USES)	329,309	1,291,004	1,060,089	(230,915)
NET CHANGE IN FUND BALANCE	(6,194,970)	(6,438,030)	(3,853,900)	2,584,130
FUND BALANCES, BEGINNING OF YEAR	6,194,970	6,438,030	13,970,056	7,532,026
FUND BALANCES, END OF YEAR	$ -	$ -	10,116,156	$ 10,116,156
	Perspective Difference - Funds not budgeted as part of General Fund:			
		Municipal services	222,955	
		Fine & Forfeiture	22,035	
FUND BALANCE, END OF YEAR - GAAP BASIS			$ 10,361,146	

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- 800 MGHZ EXPANSION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ 1,542	$ 1,542
EXPENDITURES				
Current:				
Public safety	-	500	245	255
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(500)	1,297	1,797
FUND BALANCES, BEGINNING OF YEAR	-	500	1,348	848
FUND BALANCES, END OF YEAR	$ -	$ -	$ 2,645	$ 2,645

FLAGLER COUNTY, FLORIDA
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2007	$ -	$ 1,704,200	$ 1,704,200	0%	$ 30,554,000	6%
10/1/2009	-	2,468,400	2,468,400	0%	30,503,600	8%
10/1/2010	-	3,205,323	3,205,323	0%	30,300,796	11%

Schedule of Employer Contribution

Year End September 30,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB cost Contributed	Net OPEB Obligation
2010	367,400	74,682	20%	653,918
2011	404,868	190,004	47%	868,782
2012	432,514	96,422	22%	1,204,874

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
ASSETS					
Cash and cash equivalents	$ 371,795	$ 15,845	$ 120,056	$ 18,668	$ 123,615
Cash with fiscal agent	-	-	-	-	-
Investments	100,365	-	-	-	970,921
Accounts receivable	16,966	-	-	20	1,746
Notes receivable	-	-	-	-	-
Due from other funds	28,863	993	23,090	1,056	13,842
Due from other governments	206,167	-	-	-	-
Other assets	-	-	-	-	-
TOTAL ASSETS	$ 724,156	$ 16,838	$ 143,146	$ 19,744	$ 1,110,124
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 89,284	$ 11,265	$ -	$ 634	$ 2,324
Deposits	47,756	-	-	-	-
Due to other funds	761	-	12,924	-	-
Due to other governments	9	-	-	-	-
Deferred revenue	-	-	-	-	-
TOTAL LIABILITIES	137,810	11,265	12,924	634	2,324
FUND BALANCES (DEFICIT)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	586,346	5,573	130,222	19,110	1,107,800
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	586,346	5,573	130,222	19,110	1,107,800
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$ 724,156	$ 16,838	$ 143,146	$ 19,744	$ 1,110,124

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ 237,997	$ 373,670	$ 31,816	$ 50,759	$ 36,005	$ 21,507
-	-	-	-	-	-
1,168,818	723,852	425,058	600,399	1,035,045	-
2,102	1,302	764	1,080	1,862	-
-	-	-	-	-	-
-	-	-	-	2,575	-
29,644	87,286	14,822	-	124,210	-
-	-	-	-	-	-
$ 1,438,561	$ 1,186,110	$ 472,460	$ 652,238	$ 1,199,697	$ 21,507
$ 470	$ 25,640	$ 81	$ 4,699	$ 94,876	$ -
-	-	-	-	-	-
-	9	-	115	98	-
50,000	15,006	-	-	-	-
-	-	-	-	-	-
50,470	40,655	81	4,814	94,974	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,388,091	1,145,455	472,379	-	-	-
-	-	-	-	-	-
-	-	-	647,424	1,104,723	-
-	-	-	-	-	-
-	-	-	-	-	21,507
1,388,091	1,145,455	472,379	647,424	1,104,723	21,507
$ 1,438,561	$ 1,186,110	$ 472,460	$ 652,238	$ 1,199,697	$ 21,507

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Constitutional Gas Tax	Transportation Impact Fees East	Transportation Impact Fees West	Road Impact Fees- Palm Coast	New Transportation Impact Fees- East
ASSETS					
Cash and cash equivalents	$ 164,267	$ 144,827	$ 45,254	$ -	$ 128,548
Cash with fiscal agent	-	-	-	-	-
Investments	1,727,663	2,536,838	85,396	4,122,472	633,834
Accounts receivable	3,107	4,563	154	7,414	1,140
Notes receivable	181,964	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	1,326,139	-	-	15,977	4,185
Other assets	-	-	-	-	-
TOTAL ASSETS	$ 3,403,140	$ 2,686,228	$ 130,804	$ 4,145,863	$ 767,707
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 278,780	$ 268	$ 13	$ 68,039	$ 66
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	340	-	-	-	-
Deferred revenue	327,495	-	-	-	-
TOTAL LIABILITIES	606,615	268	13	68,039	66
FUND BALANCES (DEFICIT)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	2,796,525	-	-	-	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	2,685,960	130,791	4,077,824	767,641
Other purposes	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	2,796,525	2,685,960	130,791	4,077,824	767,641
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$ 3,403,140	$ 2,686,228	$ 130,804	$ 4,145,863	$ 767,707

Special Revenue Funds (Continued)

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Disaster Recovery	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service	Colbert Lane Settlement
$ 102,247	$ 233,726	$ 102,171	$ 330,548	$ 22,954	$ 9,269	$ -
-	-	-	-	-	-	-
759	-	-	-	-	-	-
1	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	15,191	55	-	394	-
521	-	69	186,365	13,393	-	-
-	-	-	-	-	-	-
$ 103,528	$ 233,726	$ 117,431	$ 516,968	$ 36,347	$ 9,663	$ -
$ -	$ -	$ 6,377	$ 158,075	$ 4,610	$ -	$ -
-	-	-	-	-	-	-
-	240	25,254	358,893	31,737	7	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	240	31,631	516,968	36,347	7	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	233,486	85,800	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
103,528	-	-	-	-	-	-
-	-	-	-	-	9,656	-
103,528	233,486	85,800	-	-	9,656	-
$ 103,528	$ 233,726	$ 117,431	$ 516,968	$ 36,347	$ 9,663	$ -

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Espanola Mosquito Control	**Rima Ridge Mosquito Control**	**Building Department**	**Domestic Violence**	**Alcohol and Other Drug Trust Fund**
ASSETS					
Cash and cash equivalents	$ 29,522	$ 60,289	$ 27,393	$ 675	$ 9,242
Cash with fiscal agent	-	-	-	-	-
Investments	-	-	571,505	-	-
Accounts receivable	-	-	1,594	-	-
Notes receivable	-	-	-	-	-
Due from other funds	296	71	4,183	214	238
Due from other governments	-	-	2,251	-	-
Other assets	-	-	-	-	-
TOTAL ASSETS	$ 29,818	$ 60,360	$ 606,926	$ 889	$ 9,480
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ -	$ -	$ 8,437	$ -	$ -
Deposits	-	-	-	-	-
Due to other funds	6	-	55	-	-
Due to other governments	-	-	2,425	-	-
Deferred revenue	17,422	37,730	-	-	-
TOTAL LIABILITIES	17,428	37,730	10,917	-	-
FUND BALANCES (DEFICIT)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	-	-	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	-	596,009	889	9,480
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	12,390	22,630	-	-	-
TOTAL FUND BALANCES (DEFICIT)	12,390	22,630	596,009	889	9,480
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$ 29,818	$ 60,360	$ 606,926	$ 889	$ 9,480

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ 131,629	$ -	$ 7,773	$ 61,532	$ 14,538	$ 126,012
-	-	-	-	-	-
593,088	2	114,243	30,157	-	594,514
1,067	-	205	54	-	1,069
-	-	-	-	-	-
18,718	1,005	1,411	1,061	1,483	131
-	-	-	-	-	17,872
-	-	-	-	-	-
$ 744,502	$ 1,007	$ 123,632	$ 92,804	$ 16,021	$ 739,598
$ 1,975	$ 806	$ 13	$ 7,150	$ 938	$ 125,944
-	-	-	-	-	-
-	-	20,348	-	7	-
585	-	3,020	-	-	36
-	-	-	-	-	31
2,560	806	23,381	7,150	945	126,011
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
741,942	201	100,251	85,654	15,076	613,587
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
741,942	201	100,251	85,654	15,076	613,587
$ 744,502	$ 1,007	$ 123,632	$ 92,804	$ 16,021	$ 739,598

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Daytona North Service District	Court General	Court Technology	Records Modernization	Hunter's Ridge Fund
ASSETS					
Cash and cash equivalents	$ -	$ 37,692	$ 99,084	$ 51,007	$ -
Cash with fiscal agent	-	-	-	-	-
Investments	488,957	-	-	-	-
Accounts receivable	879	2,826	21	-	-
Notes receivable	-	-	-	-	-
Due from other funds	12,616	-	-	-	30,000
Due from other governments	9,786	13,926	-	-	-
Other assets	-	-	32,614	41,024	-
TOTAL ASSETS	$ 512,238	$ 54,444	$ 131,719	$ 92,031	$ 30,000
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 56,804	$ 19,187	$ 51	$ 14	$ -
Deposits	-	-	-	-	-
Due to other funds	217	-	-	-	-
Due to other governments	275	-	-	-	-
Deferred revenue	-	-	-	-	30,000
TOTAL LIABILITIES	57,296	19,187	51	14	30,000
FUND BALANCES (DEFICIT)					
Nonspendable					
Parks and recreation	-	-	-	-	-
Prepaids	-	-	32,614	41,024	-
Restricted for					
Bond covenants or debt service	-	-	-	-	-
Grant programs and projects	-	-	-	-	-
Federal and state law	-	35,257	99,054	50,993	-
Capital projects and acquisitions	-	-	-	-	-
ESL acquisitions	-	-	-	-	-
Impact fees	-	-	-	-	-
Other purposes	454,942	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	454,942	35,257	131,668	92,017	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$ 512,238	$ 54,444	$ 131,719	$ 92,031	$ 30,000

Special Revenue Funds (Continued)				Debt Service Funds	
Law Enforcement Education	Sunshine Fund	Inmate Welfare	Total	Colbert Lane	Reserve Colbert Lane
$ 427	$ 13,167	$ 31,728	$ 3,387,254	$ -	$ 877
-	-	-	-	-	-
-	-	-	16,523,886	660,731	-
-	-	-	49,936	1,188	-
-	-	-	181,964	-	-
-	-	200	157,686	3,432	-
-	-	-	2,052,613	-	-
-	-	-	73,638	-	-
$ 427	$ 13,167	$ 31,928	$ 22,426,977	$ 665,351	$ 877
$ -	$ -	$ -	$ 966,820	$ 177	$ -
-	-	-	47,756	-	-
-	-	-	450,671	18	-
-	-	-	71,696	-	-
-	-	-	412,678	-	-
-	-	-	1,949,621	195	-
-	-	-	-	-	-
-	-	-	73,638	-	-
-	-	-	-	665,156	877
-	-	-	319,286	-	-
427	-	31,928	10,032,249	-	-
-	-	-	-	-	-
-	-	-	1,752,147	-	-
-	-	-	7,765,744	-	-
-	13,167	-	534,292	-	-
427	13,167	31,928	20,477,356	665,156	877
$ 427	$ 13,167	$ 31,928	$ 22,426,977	$ 665,351	$ 877

FLAGLER COUNTY, FLORIDA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Debt Service Funds (Continued)			
	ESL Bond Sinking	Capital Construction GO Issue	ESL 2008 Referendum	Total
ASSETS				
Cash and cash equivalents	$ 21,876	$ 39,537	$ 22,298	$ 84,588
Cash with fiscal agent	-	-	451,129	451,129
Investments	485,940	89	45	1,146,805
Accounts receivable	874	-	-	2,062
Notes receivable	-	-	-	-
Due from other funds	4,658	5,657	3,397	17,144
Due from other governments	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS	$ 513,348	$ 45,283	$ 476,869	$ 1,701,728
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	$ 55	$ 4	$ 1	$ 237
Deposits	-	-	-	-
Due to other funds	-	-	-	18
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
TOTAL LIABILITIES	55	4	1	255
FUND BALANCES (DEFICIT)				
Nonspendable				
Parks and recreation	-	-	-	-
Prepaids	-	-	-	-
Restricted for				
Bond covenants or debt service	513,293	45,279	476,868	1,701,473
Grant programs and projects	-	-		-
Federal and state law	-	-	-	-
Capital projects and acquisitions	-	-	-	-
ESL acquisitions	-	-	-	-
Impact fees	-	-	-	-
Other purposes	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	513,293	45,279	476,868	1,701,473
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$ 513,348	$ 45,283	$ 476,869	$ 1,701,728

Capital Projects Funds						
Beach Front Parks	Park Maintenance Trust	Capital Projects	Capital Project New	2008 ESL Referendum	Total	Total Non-Major Governmental Funds
$ 455	$ 1,023	$ -	$ -	$ 18,435	$ 19,913	$ 3,491,755
-	-	-	-	105,635	105,635	556,764
1,117,354	833,990	-	-	521,419	2,472,763	20,143,454
2,010	1,500	-	-	938	4,448	56,446
-	-	-	-	-	-	181,964
-	-	-	-	-	-	174,830
-	-	-	-	-	-	2,052,613
-	-	-	-	-	-	73,638
$ 1,119,819	$ 836,513	$ -	$ -	$ 646,427	$ 2,602,759	$ 26,731,464
$ 118	$ 87	$ -	$ -	$ 139	$ 344	$ 967,401
-	-	-	-	-	-	47,756
71	-	-	-	-	71	450,760
-	-	-	-	-	-	71,696
-	-	-	-	-	-	412,678
189	87	-	-	139	415	1,950,291
-	600,000	-	-	-	600,000	600,000
-	-	-	-	-	-	73,638
-	-	-	-	-	-	1,701,473
-	-	-	-	-	-	319,286
-	-	-	-	-	-	10,032,249
1,119,630	-	-	-	-	1,119,630	1,119,630
-	-	-	-	646,288	646,288	2,398,435
-	-	-	-	-	-	7,765,744
-	236,426	-	-	-	236,426	770,718
1,119,630	836,426	-	-	646,288	2,602,344	24,781,173
$ 1,119,819	$ 836,513	$ -	$ -	$ 646,427	$ 2,602,759	$ 26,731,464

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds				
	County Transportation Trust	Legal Aid	Law Enforcement Trust	Law Library	Court Facilities
REVENUES					
Taxes	$ 766,171	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	715,196	-	-	-	-
Charges for services	364,203	-	-	-	-
Fines and forfeitures	-	16,907	56,582	17,096	221,846
Miscellaneous revenue	9,678	-	-	81	-
Investment income	886	29	225	63	2,727
TOTAL REVENUES	1,856,134	16,936	56,807	17,240	224,573
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	52,857	-	-
Physical environment	-	-	-	-	-
Transportation	1,711,913	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	45,138	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	18,987	59,088
Capital Outlay	386,682	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	2,098,595	45,138	52,857	18,987	59,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(242,461)	(28,202)	3,950	(1,747)	165,485
OTHER FINANCING SOURCES (USES)					
Transfers in	182	26,526	-	-	-
Transfers out	-	-	-	-	(3)
TOTAL OTHER FINANCING SOURCES (USES)	182	26,526	-	-	(3)
NET CHANGE IN FUND BALANCES	(242,279)	(1,676)	3,950	(1,747)	165,482
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	828,625	7,249	126,272	20,857	942,318
FUND BALANCES (DEFICITS), END OF YEAR	$ 586,346	$ 5,573	$ 130,222	$ 19,110	$ 1,107,800

Special Revenue Funds (Continued)

Tourist Development Tax Capital	Tourist Development Tax Promotion	Tourist Development Tax- Beach Restoration	Environmentally Sensitive Lands	Environmentally Sensitive Lands 2008 Referendum	Utility Regulatory Authority
$ 353,024	$ 1,039,458	$ 176,512	$ -	$ 2,575	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	150,310	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,188	2,270	1,942	1,620	2,739	70
356,212	1,041,728	178,454	1,620	155,624	70
-	-	-	-	-	-
-	-	-	-	-	-
-	-	578,959	5,609	9,037	-
-	-	-	-	-	-
-	769,568	-	-	-	-
-	-	-	-	-	-
305,988	-	-	-	50,800	-
-	-	-	-	-	-
-	-	-	-	178,679	-
-	-	-	-	-	-
-	-	-	-	-	-
305,988	769,568	578,959	5,609	238,516	-
50,224	272,160	(400,505)	(3,989)	(82,892)	70
-	-	-	-	-	-
-	-	-	(35,482)	-	-
-	-	-	(35,482)	-	-
50,224	272,160	(400,505)	(39,471)	(82,892)	70
1,337,867	873,295	872,884	686,895	1,187,615	21,437
$ 1,388,091	$ 1,145,455	$ 472,379	$ 647,424	$ 1,104,723	$ 21,507

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Constitutional Gas Tax	Transportation Impact Fees East	Transportation Impact Fees West	Road Impact Fees- Palm Coast	New Transportation Impact Fees- East
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	-	-	20,924	-	117,013
Licenses and permits	-	-	-	-	-
Intergovernmental	2,453,485	755	-	137,710	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Investment income	5,538	7,015	343	10,625	1,841
TOTAL REVENUES	2,459,023	7,770	21,267	148,335	118,854
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	197,141	2,006	123	160,937	406
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	-
Capital Outlay	1,703,353	-	-	152,288	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	1,900,494	2,006	123	313,225	406
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	558,529	5,764	21,144	(164,890)	118,448
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	558,529	5,764	21,144	(164,890)	118,448
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	2,237,996	2,680,196	109,647	4,242,714	649,193
FUND BALANCES (DEFICITS), END OF YEAR	$ 2,796,525	$ 2,685,960	$ 130,791	$ 4,077,824	$ 767,641

Park Impact Fees	Economic Development	State Housing Initiative	CDBG Disaster Recovery	CDBG Neighborhood Stabilization	Bimini Gardens Municipal Service	Colbert Lane Settlement
$ -	$ -	$ -	$ -	$ -	$ -	$ -
22,406	-	-	-	-	5,982	-
-	-	-	-	-	-	-
2,528	-	350,000	237,472	40,102	-	-
-	-	893	-	-	-	-
-	-	-	-	-	-	-
-	-	23,066	-	-	-	-
322	438	470	-	-	33	-
25,256	438	374,429	237,472	40,102	6,015	-
-	-	-	-	-	182	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,206	1
-	1,156	387,380	-	40,102	-	-
-	-	-	-	-	-	-
332	-	-	-	-	-	-
-	-	-	-	-	-	-
53,170	-	-	237,472	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,502	1,156	387,380	237,472	40,102	2,388	1
(28,246)	(718)	(12,951)	-	-	3,627	(1)
16,000	-	-	-	-	42	-
-	-	-	-	-	-	(182)
16,000	-	-	-	-	42	(182)
(12,246)	(718)	(12,951)	-	-	3,669	(183)
115,774	234,204	98,751	-	-	5,987	183
$ 103,528	$ 233,486	$ 85,800	$ -	$ -	$ 9,656	$ -

(Continued)

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Espanola Mosquito Control	Rima Ridge Mosquito Control	Building Department	Domestic Violence	Alcohol and Other Drug Trust Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments/Impact fees	1,505	2,443	-	-	-
Licenses and permits	-	-	384,670	-	-
Intergovernmental	1,650	2,024	-	-	-
Charges for services	-	-	774	-	-
Fines and forfeitures	-	-	4,957	3,166	2,370
Miscellaneous revenue	-	-	1,857	-	-
Investment income	34	65	3,256	5	28
TOTAL REVENUES	3,189	4,532	395,514	3,171	2,398
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	486,235	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	1,997	2,400	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	84
Capital Outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	1,997	2,400	486,235	-	84
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,192	2,132	(90,721)	3,171	2,314
OTHER FINANCING SOURCES (USES)					
Transfers in	11	65	4,000	-	-
Transfers out	-	-	-	(3,417)	-
TOTAL OTHER FINANCING SOURCES (USES)	11	65	4,000	(3,417)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,203	2,197	(86,721)	(246)	2,314
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	11,187	20,433	682,730	1,135	7,166
FUND BALANCES (DEFICITS), END OF YEAR	$ 12,390	$ 22,630	$ 596,009	$ 889	$ 9,480

Court Technology	Juvenile Diversion	Crime Prevention	Court Innovations	Teen Court	E-911
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	638,505
-	-	-	-	-	-
204,480	17,127	23,593	17,023	23,552	-
-	-	-	-	-	-
1,752	18	311	240	12	1,676
206,232	17,145	23,904	17,263	23,564	640,181
-	-	-	-	-	-
-	-	35,949	-	-	499,208
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,681	91	-	101,682	58,464	-
13,278	-	-	-	-	56,674
-	-	-	-	-	-
-	-	-	-	-	-
69,959	91	35,949	101,682	58,464	555,882
136,273	17,054	(12,045)	(84,419)	(34,900)	84,299
-	-	-	63,407	37,956	-
-	(33,407)	(19,000)	-	-	-
-	(33,407)	(19,000)	63,407	37,956	-
136,273	(16,353)	(31,045)	(21,012)	3,056	84,299
605,669	16,554	131,296	106,666	12,020	529,288
$ 741,942	$ 201	$ 100,251	$ 85,654	$ 15,076	$ 613,587

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds (Continued)				
	Daytona North Service District	Court General	Court Technology	Records Modernization	Hunter's Ridge Fund
REVENUES					
Taxes	$ 62,440	$ -	$ -	$ -	$ -
Special assessments/Impact fees	254,918	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	1,455,169	-	-	-
Charges for services	-	-	194,256	67,248	-
Fines and forfeitures	-	-	63,292	-	-
Miscellaneous revenue	-	-	500	546	-
Investment income	1,288	-	-	-	-
TOTAL REVENUES	318,646	1,455,169	258,048	67,794	-
EXPENDITURES					
Current					
General government	25,436	-	-	88,888	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	309,183	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	1,461,784	143,201	-	-
Capital Outlay	-	-	18,670	9,335	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	334,619	1,461,784	161,871	98,223	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,973)	(6,615)	96,177	(30,429)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	1,788	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,788	-	-	-	-
NET CHANGE IN FUND BALANCES	(14,185)	(6,615)	96,177	(30,429)	-
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	469,127	41,872	35,491	122,446	-
FUND BALANCES (DEFICITS), END OF YEAR	$ 454,942	$ 35,257	$ 131,668	$ 92,017	$ -

Special Revenue Funds (Continued)				Debt Service Funds	
Law Enforcement Education	Sunshine Fund	Inmate Welfare	Total	Colbert Lane	Reserve Colbert Lane
$ -	$ -	$ -	$ 2,400,180	$ -	$ -
-	-	-	425,191	362,592	-
-	-	-	384,670	-	-
-	-	-	6,184,906	-	-
5,000	-	-	632,374	-	-
-	-	-	671,991	-	-
-	12,821	69,293	117,842	-	-
-	-	-	51,069	1,920	2
5,000	12,821	69,293	10,868,223	364,512	2
-	-	-	114,506	8,344	-
3,060	20,576	41,133	1,139,018	-	-
-	-	-	593,605	-	-
-	-	-	2,383,916	-	-
-	-	-	1,198,206	-	-
-	-	-	49,535	-	-
-	-	-	357,120	-	-
-	-	-	1,900,062	-	-
1,940	-	-	2,811,541	-	-
-	-	-	-	310,000	-
-	-	-	-	35,684	-
5,000	20,576	41,133	10,547,509	354,028	-
-	(7,755)	28,160	320,714	10,484	2
-	-	-	149,977	2,543	-
-	-	-	(91,491)	-	-
-	-	-	58,486	2,543	-
-	(7,755)	28,160	379,200	13,027	2
427	20,922	3,768	20,098,156	652,129	875
$ 427	$ 13,167	$ 31,928	$ 20,477,356	$ 665,156	$ 877

FLAGLER COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Debt Service Funds (Continued)			
	ESL Bond Sinking	Capital Construction GO Issue	ESL 2008 Referendum	Total
REVENUES				
Taxes	$ 577,928	$ 1,957,943	$ 1,013,747	$ 3,549,618
Special assessments/Impact fees	-	-	-	362,592
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous revenue	-	-	-	-
Investment income	1,697	1,086	1,135	5,840
TOTAL REVENUES	579,625	1,959,029	1,014,882	3,918,050
EXPENDITURES				
Current				
General government	581	454	427	9,806
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal retirement	545,000	720,000	345,000	1,920,000
Interest and fiscal charges	125,144	1,260,028	682,290	2,103,146
TOTAL EXPENDITURES	670,725	1,980,482	1,027,717	4,032,952
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,100)	(21,453)	(12,835)	(114,902)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	2,543
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,543
NET CHANGE IN FUND BALANCES	(91,100)	(21,453)	(12,835)	(112,359)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	604,393	66,732	489,703	1,813,832
FUND BALANCES (DEFICITS), END OF YEAR	$ 513,293	$ 45,279	$ 476,868	$ 1,701,473

Capital Projects Funds						
Beach Front Parks	Park Maintenance Trust	Capital Projects	Capital Projects New	2008 ESL Referendum	Total	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 5,949,798
-	-	-	-	-	-	787,783
-	-	-	-	-	-	384,670
-	-	-	-	-	-	6,184,906
-	-	-	-	-	-	632,374
-	-	-	-	-	-	671,991
-	-	-	-	-	-	117,842
2,802	2,091	30	-	3,015	7,938	64,847
2,802	2,091	30	-	3,015	7,938	14,794,211
-	388	183	-	-	571	124,883
-	-	-	-	-	-	1,139,018
-	-	-	-	120,895	120,895	714,500
-	-	-	-	-	-	2,383,916
-	-	-	-	-	-	1,198,206
-	-	-	-	-	-	49,535
1,149	10,040	-	-	1,079	12,268	369,388
-	-	-	-	-	-	1,900,062
9,467	-	219,866	-	-	229,333	3,040,874
-	-	-	-	1,000,000	1,000,000	2,920,000
-	-	-	-	84,256	84,256	2,187,402
10,616	10,428	220,049	-	1,206,230	1,447,323	16,027,784
(7,814)	(8,337)	(220,019)	-	(1,203,215)	(1,439,385)	(1,233,573)
-	-	-	-	-	-	152,520
-	-	(6,779)	(57,190)	-	(63,969)	(155,460)
-	-	(6,779)	(57,190)	-	(63,969)	(2,940)
(7,814)	(8,337)	(226,798)	(57,190)	(1,203,215)	(1,503,354)	(1,236,513)
1,127,444	844,763	226,798	57,190	1,849,503	4,105,698	26,017,686
$ 1,119,630	$ 836,426	$ -	$ -	$ 646,288	$ 2,602,344	$ 24,781,173

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL CONSTRUCTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 1,361,944	$ 1,361,944	$ 1,437,443	$ 75,499
Intergovernmental	1,397,104	1,397,104	1,434,641	37,537
Investment income	10,000	10,000	7,868	(2,132)
TOTAL REVENUES	2,769,048	2,769,048	2,879,952	110,904
EXPENDITURES				
Current				
General government	4,000	4,000	2,757	1,243
Debt service				
Principal retirement	5,995,582	5,995,582	1,365,000	4,630,582
Interest and fiscal charges	1,240,488	1,240,488	1,240,238	250
TOTAL EXPENDITURES	7,240,070	7,240,070	2,607,995	4,632,075
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,471,022)	(4,471,022)	271,957	4,742,979
FUND BALANCES, BEGINNING OF YEAR	4,471,022	4,471,022	4,717,346	246,324
FUND BALANCES, END OF YEAR	$ -	$ -	$ 4,989,303	$ 4,989,303

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COUNTY TRANSPORTATION TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 766,359	$ 766,359	$ 766,171	$ (188)
Intergovernmental	821,366	821,366	715,196	(106,170)
Charges for services	213,600	213,600	364,203	150,603
Miscellaneous revenue	5,500	5,500	9,678	4,178
Investment income	694	694	886	192
TOTAL REVENUES	1,807,519	1,807,519	1,856,134	48,615
EXPENDITURES				
Current				
Transportation	2,285,743	2,127,547	1,711,913	415,634
Capital outlay	228,300	386,696	386,682	14
TOTAL EXPENDITURES	2,514,043	2,514,243	2,098,595	415,648
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(706,524)	(706,724)	(242,461)	464,263
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200	182	(18)
NET CHANGE IN FUND BALANCES	(706,524)	(706,524)	(242,279)	464,245
FUND BALANCES, BEGINNING OF YEAR	706,524	706,524	828,625	122,101
FUND BALANCES, END OF YEAR	$ -	$ -	$ 586,346	$ 586,346

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LEGAL AID
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 17,000	$ 17,000	$ 16,907	$ (93)
Investment income	10	10	29	19
TOTAL REVENUES	17,010	17,010	16,936	(74)
EXPENDITURES				
Current				
Human services	45,254	45,254	45,138	116
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,244)	(28,244)	(28,202)	42
OTHER FINANCING SOURCES (USES)				
Transfers in	26,526	26,526	26,526	-
NET CHANGE IN FUND BALANCES	(1,718)	(1,718)	(1,676)	42
FUND BALANCES, BEGINNING OF YEAR	1,718	1,718	7,249	5,531
FUND BALANCES, END OF YEAR	$ -	$ -	$ 5,573	$ 5,573

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 50,000	$ 50,000	$ 56,582	$ 6,582
Investment income	250	250	225	(25)
TOTAL REVENUES	50,250	50,250	56,807	6,557
EXPENDITURES				
Current				
Public safety	305,242	305,242	52,857	252,385
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(254,992)	(254,992)	3,950	258,942
FUND BALANCES, BEGINNING OF YEAR	254,992	254,992	126,272	(128,720)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 130,222	$ 130,222

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 18,156	$ 18,156	$ 17,096	$ (1,060)
Miscellaneous revenue	-	-	81	81
Investment income	-	-	63	63
TOTAL REVENUES	18,156	18,156	17,240	(916)
EXPENDITURES				
Current				
Court related	29,202	29,202	18,987	10,215
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,046)	(11,046)	(1,747)	9,299
FUND BALANCES, BEGINNING OF YEAR	11,046	11,046	20,857	9,811
FUND BALANCES, END OF YEAR	$ -	$ -	$ 19,110	$ 19,110

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 200,000	$ 200,000	$ 221,846	$ 21,846
Investment income	2,400	2,400	2,727	327
TOTAL REVENUES	202,400	202,400	224,573	22,173
EXPENDITURES				
Current				
Court related	1,070,176	1,070,176	59,088	1,011,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(867,776)	(867,776)	165,485	1,033,261
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(3)	(3)	-
NET CHANGE IN FUND BALANCES	(867,776)	(867,779)	165,482	1,033,261
FUND BALANCES, BEGINNING OF YEAR	867,776	867,779	942,318	74,539
FUND BALANCES, END OF YEAR	$ -	$ -	$ 1,107,800	$ 1,107,800

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- CAPITAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 289,607	$ 289,607	$ 353,024	$ 63,417
Investment income	3,745	3,745	3,188	(557)
TOTAL REVENUES	293,352	293,352	356,212	62,860
EXPENDITURES				
Current				
Culture and recreation	105,470	1,466,551	305,988	1,160,563
Capital Outlay	1,353,374	-	-	-
TOTAL EXPENDITURES	1,458,844	1,466,551	305,988	1,160,563
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,165,492)	(1,173,199)	50,224	1,223,423
OTHER FINANCING SOURCES (USES)				
Transfers out	(150,000)	(150,000)	-	150,000
NET CHANGE IN FUND BALANCES	(1,315,492)	(1,323,199)	50,224	1,373,423
FUND BALANCES, BEGINNING OF YEAR	1,315,492	1,323,199	1,337,867	14,668
FUND BALANCES, END OF YEAR	$ -	$ -	$ 1,388,091	$ 1,388,091

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TOURIST DEVELOPMENT- PROMOTION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 852,731	$ 852,731	$ 1,039,458	$ 186,727
Investment income	2,661	2,661	2,270	(391)
TOTAL REVENUES	855,392	855,392	1,041,728	186,336
EXPENDITURES				
Current				
Economic environment	1,517,321	1,687,314	769,568	917,746
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(661,929)	(831,922)	272,160	1,104,082
FUND BALANCES, BEGINNING OF YEAR	661,929	831,922	873,295	41,373
FUND BALANCES, END OF YEAR	$ -	$ -	$ 1,145,455	$ 1,145,455

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 144,803	$ 144,803	$ 176,512	$ 31,709
Intergovernmental	42,300	42,300	-	(42,300)
Investment income	2,668	2,668	1,942	(726)
TOTAL REVENUES	189,771	189,771	178,454	(11,317)
EXPENDITURES				
Current				
Physical environment	960,597	1,053,164	578,959	474,205
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(770,826)	(863,393)	(400,505)	462,888
FUND BALANCES, BEGINNING OF YEAR	770,826	863,393	872,884	9,491
FUND BALANCES, END OF YEAR	$ -	$ -	$ 472,379	$ 472,379

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ENVIRONMENTALLY SENSITIVE LANDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ 1,620	$ 1,620
EXPENDITURES				
Current				
Physical environment	-	5,800	5,609	191
Capital outlay		645,617	-	645,617
TOTAL EXPENDITURES	-	651,417	5,609	645,808
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(651,417)	(3,989)	647,428
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(35,482)	(35,482)	-
NET CHANGE IN FUND BALANCES	-	(686,899)	(39,471)	647,428
FUND BALANCES, BEGINNING OF YEAR	-	686,899	686,895	(4)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 647,424	$ 647,424

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ -	$ -	$ 2,575	$ 2,575
Intergovernmental	-	150,310	150,310	-
Investment income	235,310	-	2,739	2,739
TOTAL REVENUES	235,310	150,310	155,624	5,314
EXPENDITURES				
Current				
Physical environment	731,810	306,660	9,037	297,623
Culture and recreation	40,000	90,000	50,800	39,200
Capital outlay	645,807	945,957	178,679	767,278
TOTAL EXPENDITURES	1,417,617	1,342,617	238,516	1,104,101
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,182,307)	(1,192,307)	(82,892)	1,109,415
FUND BALANCES, BEGINNING OF YEAR	1,182,307	1,192,307	1,187,615	(4,692)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 1,104,723	$ 1,104,723

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- UTILITY REGULATORY AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ 30	$ 30	$ 70	$ 40
EXPENDITURES				
Current				
Physical environment	21,286	21,286	-	21,286
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,256)	(21,256)	70	21,326
FUND BALANCES, BEGINNING OF YEAR	21,256	21,256	21,437	181
FUND BALANCES, END OF YEAR	$ -	$ -	$ 21,507	$ 21,507

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, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ 10,943,214	11,199,836	$ 2,453,485	$ (8,746,351)
Investment income	2,000	2,000	5,538	3,538
TOTAL REVENUES	10,945,214	11,201,836	2,459,023	(8,742,813)
EXPENDITURES				
Current				
Transportation	126,569	272,756	197,141	75,615
Capital Outlay	12,468,771	12,618,656	1,703,353	10,915,303
TOTAL EXPENDITURES	12,595,340	12,891,412	1,900,494	10,990,918
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,650,126)	(1,689,576)	558,529	2,248,105
FUND BALANCES, BEGINNING OF YEAR	1,650,126	1,689,576	2,237,996	548,420
FUND BALANCES, END OF YEAR	$ -	$ -	$ 2,796,525	$ 2,796,525

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 25,125	$ 25,125	$ 755	$ (24,370)
Investment income	3,500	3,500	7,015	3,515
TOTAL REVENUES	28,625	28,625	7,770	(20,855)
EXPENDITURES				
Current				
Transportation	2,449,923	2,449,923	2,006	2,447,917
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,421,298)	(2,421,298)	5,764	2,427,062
FUND BALANCES, BEGINNING OF YEAR	2,421,298	2,421,298	2,680,196	258,898
FUND BALANCES, END OF YEAR	$ -	$ -	$ 2,685,960	$ 2,685,960

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 16,740	$ 16,740	$ 20,924	$ 4,184
Investment income	100	100	343	243
TOTAL REVENUES	16,840	16,840	21,267	4,427
EXPENDITURES				
Current				
Transportation	123,371	123,371	123	123,248
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(106,531)	(106,531)	21,144	127,675
FUND BALANCES, BEGINNING OF YEAR	106,531	106,531	109,647	3,116
FUND BALANCES, END OF YEAR	$ -	$ -	$ 130,791	$ 130,791

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TRANSPORTATION IMPACT FEES- PALM COAST
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 398,587	$ 408,755	$ 137,710	$ (271,045)
Investment income	18,000	18,000	10,625	(7,375)
TOTAL REVENUES	416,587	426,755	148,335	(278,420)
EXPENDITURES				
Current				
Transportation	15,700	715,700	160,937	554,763
Capital outlay	4,629,107	3,938,767	152,288	3,786,479
TOTAL EXPENDITURES	4,644,807	4,654,467	313,225	4,341,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,228,220)	(4,227,712)	(164,890)	4,062,822
FUND BALANCES, BEGINNING OF YEAR	4,228,220	4,227,712	4,242,714	15,002
FUND BALANCES, END OF YEAR	$ -	$ -	$ 4,077,824	$ 4,077,824

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 148,000	$ 148,000	$ 117,013	$ (30,987)
Investment income	100	100	1,841	1,741
TOTAL REVENUES	148,100	148,100	118,854	(29,246)
EXPENDITURES				
Current				
Transportation	621,062	621,062	406	620,656
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(472,962)	(472,962)	118,448	591,410
FUND BALANCES, BEGINNING OF YEAR	472,962	472,962	649,193	176,231
FUND BALANCES, END OF YEAR	$ -	$ -	$ 767,641	$ 767,641

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK IMPACT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 10,947	$ 14,221	$ 22,406	$ 8,185
Intergovernmental	663,458	395,308	2,528	(392,780)
Investment income	735	735	322	(413)
TOTAL REVENUES	675,140	410,264	25,256	(385,008)
EXPENDITURES				
Current				
Culture and recreation	240,003	52,049	332	51,717
Capital outlay	535,893	487,033	53,170	433,863
TOTAL EXPENDITURES	775,896	539,082	53,502	485,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,756)	(128,818)	(28,246)	100,572
OTHER FINANCING SOURCES (USES)				
Transfers in	16,000	16,000	16,000	-
NET CHANGE IN FUND BALANCES	(84,756)	(112,818)	(12,246)	100,572
FUND BALANCES, BEGINNING OF YEAR	84,756	112,818	115,774	2,956
FUND BALANCES, END OF YEAR	$ -	$ -	$ 103,528	$ 103,528

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ 438	$ 438
EXPENDITURES				
Current				
Economic environment	236,184	236,184	1,156	235,028
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(236,184)	(236,184)	(718)	235,466
FUND BALANCES, BEGINNING OF YEAR	236,184	236,184	234,204	(1,980)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 233,486	$ 233,486

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- STATE HOUSING INITIATIVE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ -	$ -	$ 350,000	$ 350,000
Charges for services	-	-	893	893
Miscellaneous revenue	-	-	23,066	23,066
Investment income	-	-	470	470
TOTAL REVENUES	-	-	374,429	374,429
EXPENDITURES				
Current				
Economic environment	455,910	455,910	387,380	68,530
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(455,910)	(455,910)	(12,951)	442,959
FUND BALANCES, BEGINNING OF YEAR	455,910	455,910	98,751	(357,159)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 85,800	$ 85,800

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG DISASTER RECOVERY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 795,469	$ 1,194,075	$ 237,472	$ (956,603)
EXPENDITURES				
Capital outlay	795,469	1,177,339	237,472	939,867
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	16,736	-	(16,736)
FUND BALANCES, BEGINNING OF YEAR	-	(16,736)	-	16,736
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CDBG NEIGHBORHOOD STABILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ -	$ 1,029,844	$ 40,102	$ (989,742)
EXPENDITURES				
Current				
Economic environment		1,029,844	40,102	989,742
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 5,674	$ 5,674	$ 5,982	$ 308
Investment income	-	-	33	33
TOTAL REVENUES	5,674	5,674	6,015	341
EXPENDITURES				
Current				
General government	228	228	182	46
Transportation	7,057	7,057	2,206	4,851
TOTAL EXPENDITURES	7,285	7,285	2,388	4,897
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,611)	(1,611)	3,627	5,238
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	42	42
NET CHANGE IN FUND BALANCES	(1,611)	(1,611)	3,669	5,280
FUND BALANCES, BEGINNING OF YEAR	1,611	1,611	5,987	4,376
FUND BALANCES, END OF YEAR	$ -	$ -	$ 9,656	$ 9,656

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COLBERT LANE SETTLEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ -	$ -
EXPENDITURES				
Current				
Transportation	-	-	1	(1)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(200)	(182)	18
NET CHANGE IN FUND BALANCES	-	(200)	(183)	17
FUND BALANCES, BEGINNING OF YEAR	-	200	183	(17)
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESPANOLA MOSQUITO CONTROL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 1,335	$ 1,335	$ 1,505	$ 170
Intergovernmental	8,750	8,750	1,650	(7,100)
Investment income	50	50	34	(16)
TOTAL REVENUES	10,135	10,135	3,189	(6,946)
EXPENDITURES				
Current				
Human services	21,517	21,517	1,997	19,520
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,382)	(11,382)	1,192	12,574
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11	11
NET CHANGE IN FUND BALANCES	(11,382)	(11,382)	1,203	12,585
FUND BALANCES, BEGINNING OF YEAR	11,382	11,382	11,187	(195)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 12,390	$ 12,390

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 2,398	$ 2,398	$ 2,443	$ 45
Intergovernmental	8,750	8,750	2,024	(6,726)
Investment income	100	100	65	(35)
TOTAL REVENUES	11,248	11,248	4,532	(6,716)
EXPENDITURES				
Current				
Human services	32,350	32,350	2,400	29,950
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,102)	(21,102)	2,132	23,234
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	65	65
NET CHANGE IN FUND BALANCES	(21,102)	(21,102)	2,197	23,299
FUND BALANCES, BEGINNING OF YEAR	21,102	21,102	20,433	(669)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 22,630	$ 22,630

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BUILDING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Licenses and permits	$ 275,970	$ 275,970	$ 384,670	$ 108,700
Charges for services	2,000	2,000	774	(1,226)
Fines and forfeitures	2,500	2,500	4,957	2,457
Miscellaneous revenue	300	300	1,857	1,557
Investment income	4,700	4,700	3,256	(1,444)
TOTAL REVENUES	285,470	285,470	395,514	110,044
EXPENDITURES				
Current				
Public safety	782,304	782,304	486,235	296,069
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(496,834)	(496,834)	(90,721)	406,113
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000	4,000	4,000	-
NET CHANGE IN FUND BALANCES	(492,834)	(492,834)	(86,721)	406,113
FUND BALANCES, BEGINNING OF YEAR	492,834	492,834	682,730	189,896
FUND BALANCES, END OF YEAR	$ -	$ -	$ 596,009	$ 596,009

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- DOMESTIC VIOLENCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ -	$ 2,938	$ 3,166	$ 228
Investment income	-	-	5	5
TOTAL REVENUES	-	2,938	3,171	233
EXPENDITURES				
Current				
General government	-	500	-	500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,438	3,171	733
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(5,000)	(3,417)	1,583
NET CHANGE IN FUND BALANCES	-	(2,562)	(246)	2,316
FUND BALANCES, BEGINNING OF YEAR	-	2,562	1,135	(1,427)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 889	$ 889

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 3,000	$ 3,000	$ 2,370	$ (630)
Investment income	10	10	28	18
TOTAL REVENUES	3,010	3,010	2,398	(612)
EXPENDITURES				
Current				
Court related	3,145	3,145	84	3,061
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(135)	(135)	2,314	2,449
FUND BALANCES, BEGINNING OF YEAR	135	135	7,166	7,031
FUND BALANCES, END OF YEAR	$ -	$ -	$ 9,480	$ 9,480

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 160,500	$ 160,500	$ 204,480	$ 43,980
Investment income	2,800	2,800	1,752	(1,048)
TOTAL REVENUES	163,300	163,300	206,232	42,932
EXPENDITURES				
Current				
Court related	679,158	682,658	56,681	625,977
Capital outlay	44,428	40,928	13,278	27,650
TOTAL EXPENDITURES	723,586	723,586	69,959	653,627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(560,286)	(560,286)	136,273	696,559
FUND BALANCES, BEGINNING OF YEAR	560,286	560,286	605,669	45,383
FUND BALANCES, END OF YEAR	$ -	$ -	$ 741,942	$ 741,942

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- JUVENILE DIVERSION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Budget**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 19,500	$ 19,500	$ 17,127	$ (2,373)
Investment income	-	-	18	18
TOTAL REVENUES	19,500	19,500	17,145	(2,355)
EXPENDITURES				
Current				
Court related	150	150	91	59
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,350	19,350	17,054	(2,296)
OTHER FINANCING SOURCES (USES)				
Transfers out	(33,407)	(33,407)	(33,407)	-
NET CHANGE IN FUND BALANCES	(14,057)	(14,057)	(16,353)	(2,296)
FUND BALANCES, BEGINNING OF YEAR	14,057	14,057	16,554	2,497
FUND BALANCES, END OF YEAR	$ -	$ -	$ 201	$ 201

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CRIME PREVENTION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 25,000	$ 25,000	$ 23,593	$ (1,407)
Investment income	300	300	311	11
TOTAL REVENUES	25,300	25,300	23,904	(1,396)
EXPENDITURES				
Current				
Public safety	131,096	131,096	35,949	95,147
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(105,796)	(105,796)	(12,045)	93,751
OTHER FINANCING SOURCES (USES)				
Transfers out	(19,000)	(19,000)	(19,000)	-
NET CHANGE IN FUND BALANCES	(124,796)	(124,796)	(31,045)	93,751
FUND BALANCES, BEGINNING OF YEAR	124,796	124,796	131,296	6,500
FUND BALANCES, END OF YEAR	$ -	$ -	$ 100,251	$ 100,251

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT INNOVATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 25,000	$ 25,000	$ 17,023	$ (7,977)
Investment income	500	500	240	(260)
TOTAL REVENUES	25,500	25,500	17,263	(8,237)
EXPENDITURES				
Current				
Court related	176,611	176,611	101,682	74,929
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(151,111)	(151,111)	(84,419)	66,692
OTHER FINANCING SOURCES (USES)				
Transfers in	63,407	63,407	63,407	-
NET CHANGE IN FUND BALANCES	(87,704)	(87,704)	(21,012)	66,692
FUND BALANCES, BEGINNING OF YEAR	87,704	87,704	106,666	18,962
FUND BALANCES, END OF YEAR	$ -	$ -	$ 85,654	$ 85,654

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- TEEN COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Fines and forfeitures	$ 24,769	$ 24,769	$ 23,552	$ (1,217)
Investment income	25	25	12	(13)
TOTAL REVENUES	24,794	24,794	23,564	(1,230)
EXPENDITURES				
Current				
Court related	65,342	65,342	58,464	6,878
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(40,548)	(40,548)	(34,900)	5,648
OTHER FINANCING SOURCES (USES)				
Transfers in	37,956	37,956	37,956	-
NET CHANGE IN FUND BALANCES	(2,592)	(2,592)	3,056	5,648
FUND BALANCES, BEGINNING OF YEAR	2,592	2,592	12,020	9,428
FUND BALANCES, END OF YEAR	$ -	$ -	$ 15,076	$ 15,076

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- E-911
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 466,562	$ 627,754	$ 638,505	$ 10,751
Investment income	3,000	3,000	1,676	(1,324)
TOTAL REVENUES	469,562	630,754	640,181	9,427
EXPENDITURES				
Current				
Public safety	929,152	1,031,870	499,208	532,662
Capital outlay	15,000	108,820	56,674	52,146
TOTAL EXPENDITURES	944,152	1,140,690	555,882	584,808
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(474,590)	(509,936)	84,299	594,235
FUND BALANCES, BEGINNING OF YEAR	474,590	509,936	529,288	19,352
FUND BALANCES, END OF YEAR	$ -	$ -	$ 613,587	$ 613,587

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 62,709	$ 62,709	$ 62,440	$ (269)
Special assessments	265,080	265,080	254,918	(10,162)
Investment income	1,600	1,600	1,288	(312)
TOTAL REVENUES	329,389	329,389	318,646	(10,743)
EXPENDITURES				
Current				
General government	29,700	29,700	25,436	4,264
Transportation	590,299	590,299	309,183	281,116
TOTAL EXPENDITURES	619,999	619,999	334,619	285,380
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(290,610)	(290,610)	(15,973)	274,637
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	1,788	(212)
NET CHANGE IN FUND BALANCES	(288,610)	(288,610)	(14,185)	274,425
FUND BALANCES, BEGINNING OF YEAR	288,610	288,610	469,127	180,517
FUND BALANCES, END OF YEAR	$ -	$ -	$ 454,942	$ 454,942

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 1,117,063	$ 1,455,189	$ 1,455,169	$ (20)
EXPENDITURES				
Current				
Court related	1,117,063	1,497,061	1,461,784	35,277
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(41,872)	(6,615)	35,257
FUND BALANCES, BEGINNING OF YEAR	-	41,872	41,872	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ 35,257	$ 35,257

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CLERK COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 150,000	$ 194,000	$ 194,256	$ 256
Fines and forfeitures	65,000	63,500	63,292	(208)
Investment income	-	550	500	(50)
TOTAL REVENUES	215,000	258,050	258,048	(2)
EXPENDITURES				
Current				
Court related	242,000	251,813	143,201	108,612
Capital outlay	-	33,237	18,670	14,567
TOTAL EXPENDITURES	242,000	285,050	161,871	123,179
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,000)	(27,000)	96,177	123,177
FUND BALANCES, BEGINNING OF YEAR	27,000	27,000	35,491	8,491
FUND BALANCES, END OF YEAR	$ -	$ -	$ 131,668	$ 131,668

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 55,000	$ 67,000	$ 67,248	$ 248
Miscellaneous revenue	-	500	546	46
TOTAL REVENUES	55,000	67,500	67,794	294
EXPENDITURES				
Current				
General government	173,500	164,000	88,888	75,112
Capital outlay	-	9,500	9,335	165
TOTAL EXPENDITURES	173,500	173,500	98,223	75,277
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(118,500)	(106,000)	(30,429)	75,571
FUND BALANCES, BEGINNING OF YEAR	118,500	106,000	122,446	16,446
FUND BALANCES, END OF YEAR	$ -	$ -	$ 92,017	$ 92,017

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- LAW ENFORCEMENT EDUCATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 5,000	$ 5,000	$ 5,000	$ -
EXPENDITURES				
Current				
Public safety	3,060	3,060	3,060	-
Capital outlay	1,940	1,940	1,940	-
TOTAL EXPENDITURES	5,000	5,000	5,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	427	427
FUND BALANCES, END OF YEAR	$ -	$ -	$ 427	$ 427

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET and ACTUAL- COLBERT LANE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Special assessments	$ 373,665	$ 373,665	$ 362,592	$ (11,073)
Investment income	1,000	1,000	1,920	920
TOTAL REVENUES	374,665	374,665	364,512	(10,153)
EXPENDITURES				
Current				
General government	12,694	13,553	8,344	5,209
Debt service				
Principal retirement	954,160	954,160	310,000	644,160
Interest and fiscal charges	35,668	35,685	35,684	1
TOTAL EXPENDITURES	1,002,522	1,003,398	354,028	649,370
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(627,857)	(628,733)	10,484	639,217
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	876	2,543	1,667
NET CHANGE IN FUND BALANCE	(627,857)	(627,857)	13,027	640,884
FUND BALANCES, BEGINNING OF YEAR	627,857	627,857	652,129	24,272
FUND BALANCES, END OF YEAR	$ -	$ -	$ 665,156	$ 665,156

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RESERVE COLBERT LANE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ 2	$ 2
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	(876)	-	876
NET CHANGE IN FUND BALANCE	-	(876)	2	878
FUND BALANCES, BEGINNING OF YEAR	-	876	875	(1)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 877	$ 877

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL BOND SINKING
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 594,035	$ 594,035	$ 577,928	$ (16,107)
Investment income	5,048	5,048	1,697	(3,351)
TOTAL REVENUES	599,083	599,083	579,625	(19,458)
EXPENDITURES				
Current				
General government	700	700	581	119
Debt service				
Principal retirement	1,050,850	1,050,850	545,000	505,850
Interest and fiscal charges	125,194	125,194	125,144	50
TOTAL EXPENDITURES	1,176,744	1,176,744	670,725	506,019
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(577,661)	(577,661)	(91,100)	486,561
FUND BALANCES, BEGINNING OF YEAR	577,661	577,661	604,393	26,732
FUND BALANCES, END OF YEAR	$ -	$ -	$ 513,293	$ 513,293

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 2,023,004	$ 2,023,004	$ 1,957,943	$ (65,061)
Investment income	500	500	1,086	586
TOTAL REVENUES	2,023,504	2,023,504	1,959,029	(64,475)
EXPENDITURES				
Current				
General government	2,000	2,000	454	1,546
Debt service				
Principal retirement	720,000	720,000	720,000	-
Interest and fiscal charges	1,260,278	1,260,278	1,260,028	250
TOTAL EXPENDITURES	1,982,278	1,982,278	1,980,482	1,796
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	41,226	41,226	(21,453)	(62,679)
FUND BALANCES, BEGINNING OF YEAR	(41,226)	(41,226)	66,732	107,958
FUND BALANCES, END OF YEAR	$ -	$ -	$ 45,279	$ 45,279

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- ESL 2008 REFERENDUM
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Taxes	$ 1,046,932	$ 1,046,932	$ 1,013,747	$ (33,185)
Investment income	1,510	1,510	1,135	(375)
TOTAL REVENUES	1,048,442	1,048,442	1,014,882	(33,560)
EXPENDITURES				
Current				
General government	2,100	2,100	427	1,673
Debt service				
Principal retirement	900,730	800,266	345,000	455,266
Interest and fiscal charges	582,826	683,290	682,290	1,000
TOTAL EXPENDITURES	1,485,656	1,485,656	1,027,717	457,939
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(437,214)	(437,214)	(12,835)	424,379
OTHER FINANCING SOURCES (USES)				
Long term debt issued	486,157	486,157	-	(486,157)
NET CHANGE IN FUND BALANCE	48,943	48,943	(12,835)	(61,778)
FUND BALANCES, BEGINNING OF YEAR	(48,943)	(48,943)	489,703	538,646
FUND BALANCES, END OF YEAR	$ -	$ -	$ 476,868	$ 476,868

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- BEACH FRONT PARKS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ 6,000	$ 6,000	$ 2,802	$ (3,198)
EXPENDITURES				
Current				
Culture and recreation	670,653	672,083	1,149	670,934
Capital outlay	425,000	475,780	9,467	466,313
TOTAL EXPENDITURES	1,095,653	1,147,863	10,616	1,137,247
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,089,653)	(1,141,863)	(7,814)	1,134,049
FUND BALANCES, BEGINNING OF YEAR	1,089,653	1,141,863	1,127,444	(14,419)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 1,119,630	$ 1,119,630

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- PARK MAINTENANCE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ 4,000	$ 4,000	$ 2,091	$ (1,909)
EXPENDITURES				
Current				
General government	400	400	388	12
Culture and recreation	863,710	863,710	10,040	853,670
TOTAL EXPENDITURES	864,110	864,110	10,428	853,682
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(860,110)	(860,110)	(8,337)	851,773
FUND BALANCES, BEGINNING OF YEAR	860,110	860,110	844,763	(15,347)
FUND BALANCES, END OF YEAR	$ -	$ -	$ 836,426	$ 836,426

FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ -	$ -	$ 30	$ 30
EXPENDITURES				
Current				
General government	-	350	183	167
Capital outlay	220,000	220,000	219,866	134
TOTAL EXPENDITURES	220,000	220,350	220,049	301
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(220,000)	(220,350)	(220,019)	331
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	(8,000)	(6,779)	1,221
NET CHANGE IN FUND BALANCES	(220,000)	(228,350)	(226,798)	1,552
FUND BALANCES, BEGINNING OF YEAR	220,000	228,350	226,798	(1,552)
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- CAPITAL PROJECTS - NEW
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
OTHER FINANCING SOURCES (USES)				
Operating transfers out	$ -	$ (58,000)	$ (57,190)	$ 810
NET CHANGE IN FUND BALANCE	-	(58,000)	(57,190)	810
FUND BALANCES, BEGINNING OF YEAR	-	58,000	57,190	(810)
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

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, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Investment income	$ 2,780	$ 2,780	$ 3,015	$ 235
EXPENDITURES				
Current				
Physical environment	-	232,057	120,895	111,162
Culture and recreation	1,946	1,946	1,079	867
Capital outlay	1,624,416	307,359	-	307,359
Debt service				
Principal retirement	-	1,000,000	1,000,000	-
Interest and fiscal charges	-	85,000	84,256	744
TOTAL EXPENDITURES	1,626,362	1,626,362	1,206,230	420,132
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,623,582)	(1,623,582)	(1,203,215)	420,367
FUND BALANCES, BEGINNING OF YEAR	1,623,582	1,623,582	1,849,503	225,921
FUND BALANCES, END OF YEAR	$ -	$ -	$ 646,288	$ 646,288

FLAGLER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL/STATE AGENCY/ PASS-THROUGH ENTITY FEDERAL PROGRAM/ STATE PROJECT TITLE	CFDA/CSFA NUMBER	CONTRACT/ GRANT NUMBER	PROGRAM/ PROJECT AWARDS	PROGRAM/ PROJECT EXPENDITURES
FEDERAL AWARDS				
Federal Transit Administration				
Passed Through the Florida Department of Transportation				
Section 5311 Operating Assistance	20.509	APD37;42263318429	306,735	66,282
Section 5311 Operating Assistance	20.509	APD37;42263318430	309,365	194,153
				260,435
Section 5309 Capital Assistance	20.500	FL 04-0105-00	490,000	339,796
Section 5317 New Freedom Program	20.521	AQK06; 43034819413	72,000	60,647
Section 5317 New Freedom Program	20.521	AQA76; 43034718412,13,14	265,000	132,500
				193,147
Department of Health and Human Services				
Passed Through the Northeast Florida Agency on Aging				
Older Americans Act Title III B	93.044	A111FCBCC	134,256	39,202
Older Americans Act Title III B	93.044	A112FCBCC	133,824	106,917
				146,119
Older Americans Act Title III C1	93.045	A111FCBCC	106,750	12,950
Older Americans Act Title III C1	93.045	A112FCBCC	104,421	60,358
Older Americans Act Title III C2	93.045	A111FCBCC	144,891	17,264
Older Americans Act Title III C2	93.045	A112FCBCC	143,517	113,346
				203,918
Older Americans Act Title III E	93.052	A111FCBCC	30,058	3,154
Older Americans Act Title III E	93.052	A112FCBCC	29,212	21,968
				25,122
Nutrition Services Incentives	93.053	U011FCBCC	25,384	14
Nutrition Services Incentives	93.053	U012FCBCC	26,581	24,657
				24,671
Emergency Home Energy Assistance	93.568	P011FCBCC	37,401	13,852
Emergency Home Energy Assistance	93.568	P012FCBCC	13,358	1,283
				15,135
Passed Through the Florida Commission For the Transportation Disadvantaged				
Medicaid Non-Emergency Transportation Services	93.778	BDM65;41604318201	91,297	70,831
Medicaid Non-Emergency Transportation Services	93.778	BDM65;41604318201	108,429	27,105
				97,936
Passed Through the Florida Department of Revenue				
Title IV-D Child Support Enforcement	93.563	CD318	105,948	82,181
United States Department of Homeland Security				
Passed Through the State of Florida Department of Community Affairs				
EMPG Base Grant	97.042	12-FG-R3-04-28-01-085	59,053	44,327
EMPG Base Grant	97.042	13-FG-86-04-28-01-085	64,055	15,061
				59,388
Assistance to Fire Fighters Grant	97.044	EMW-2011-FO-04760	486,288	484,408

FLAGLER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL/STATE AGENCY/ PASS-THROUGH ENTITY FEDERAL PROGRAM/ STATE PROJECT TITLE	CFDA/CSFA NUMBER	CONTRACT/ GRANT NUMBER	PROGRAM/ PROJECT AWARDS	PROGRAM/ PROJECT EXPENDITURES
United States Department of Homeland Security				
Passed Through the State of Florida Department of Community Affairs				
State Homeland Security Grant	97.067	10-DS-39-04-28-01-333	27,000	27,000
State Homeland Security Grant	97.067	11-DS-9Z-04-28-01-333	70,997	24,188
State Homeland Security Grant	97.067	11-DS-40-04-28-01-421	17,612	17,612
State Homeland Security Grant	97.067	10-DS-39-13-00-16-414	9,000	8,744
State Homeland Security Grant	97.067	11-DS-9Z-13-00-16-436	9,000	8,637
Community Emergency Response Team	97.067	12-CI-A6-04-28-01-152	7,725	858
				87,039
United States Department of Justice				
Violence Against Women Office				
Safe Havens: Supervised Visitation and Safe Exchange Grant	16.527	2011-CW-AX-K014	400,000	30,939
Bureau of Justice Assistance				
Bulletproof Vests Partnership	16.607		7,186	7,186
Passed Through the Florida Department of Law Enforcement				
Street Level Narcotics	16.738	2012-JAGC-FLAG-1-C4-025	67,445	67,445
Video Surveillance Equipment	16.738	2011-DJ-BX-3334	17,219	15,803
ARRA-Drug Court Enhancement	16.803	2010-ARRC-FLAG-3W7-159	75,000	1,829
ARRA - Law Enforcement Equipment Grant	16.804	2009-SB-B9-1720	81,731	11,359
				96,436
ARRA - COPS Hiring Program	16.710	2010UMW0071	1,198,260	351,724
Strikeforce	16.xxx		3,059	3,059
Passed Through the Florida Office of the Attorney General				
Victims of Crime Act	16.575	V11034	59,591	54,990
Executive Office of the President				
Office of National Drug Control and Policy Passed Through St. Johns County				
High Intensity Drug Trafficking Program	95.001		12,281	12,281
Department of Housing and Urban Development				
Passed through the Department of Economic Opportunity				
Disaster Recovery Program	14.228	10DB-K4-04-28-01-K11	870,469	231,481
Disaster Recovery Enhancement Fund	14.228	12DB-P5-04-28-01-K52	318,000	5,991
Neighborhood Stabilization Program	14.228	12DB-Q5-04-28-01-F03	1,029,844	40,102
				277,574
Passed Trough the Florida Department of Children and Family Services				
Emergency Shelter Grant	14.231	NPZ01	82,314	48,992

FLAGLER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL/STATE AGENCY/ PASS-THROUGH ENTITY FEDERAL PROGRAM/ STATE PROJECT TITLE	CFDA/CSFA NUMBER	CONTRACT/ GRANT NUMBER	PROGRAM/ PROJECT AWARDS	PROGRAM/ PROJECT EXPENDITURES
United States Department of Transportation				
Federal Aviation Administration				
Airport Improvement Program- New Runway 11-29	20.106	3-12-0009-013-2011	598,500	192,103
Federal Highway Administration				
Passed Through the Florida Department of Transportation				
Design of SR 5/US1 Sidewalk	20.205	AP555; 41746723801	124,000	34,814
Design of Lehigh Trailhead	20.205	APN03; 41820713801	100,000	10,135
Bings Landing Recreational Facility	20.205	AQG26; 42437215801	70,000	70,000
Design & Engineering	20.205	APP84; 41195922801	508,247	137,710
ARRA-SR A1A National Scenic Byways	20.205	AQ170; 42437235801	217,235	2,528
ARRA-Princess Place Styles Creek Bridge	20.205	AQ232; 42868315801	648,000	616,011
				871,198
Department of the Interior National Park Service				
Passed through the Florida Division of Historical Resrources				
Historic Preservation Grant	15.929	12PA11	21,500	16,589
Institute of Museum and Library Services				
Passed through Division of Library and Information Services				
Broadband Implementation Grant	45.310	11-LSTA-A-02-F	57,600	57,555
Election Assistance Commission				
Passed Through Florida Department of State				
HAVA - Voter Education	90.401	—— ——	10,683	1,376
HAVA - Pollworker Recruitment & Training	90.401	—— ——	5,546	2,922
				4,298
Department of Commerce				
Passed through Alachua County Sheriff				
Public Safety Interoperable Communications	11.555	11-DS-8D-03-11-01	253,000	252,932
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 10,265,868	$ 4,297,151
STATE AWARDS				
Florida Department of Transportation				
Air Traffic Control Tower, PhaseII	55.004	AP719; 4049202401	2,400,000	83,756
T-Hangar Construction	55.004	AP432; 41851619401	1,227,842	856,056
Design for Aircraft Parking Expansion	55.004	AQH90; 42084319401	100,000	100,000
Design and Construction for Replacement AWOS	55.004	AQH89; 41851519401	256,147	87,933
Phase I Design and Construction of Access Road	55.004	APY29; 40945419401	921,617	406,372
Design of Taxiway "C" and "D"	55.004	AQO67; 40496929401	130,870	23,223
Design of Runway 6-24 Safety Improvements	55.004	AQ549; 40496819401	175,656	66,988
Apron Rehabilitation and Expansion	55.004	AQO66; 40496919401	906,547	251,746
				1,876,074
CR 305 Widening and Resurfacing	55.009	APW59; 42435135801	1,052,632	779,201
CR302 Resurfacing	55.009	AQN99; 42435413801/ 42435415801	1,301,000	9,530
				788,731

FLAGLER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL/STATE AGENCY/ PASS-THROUGH ENTITY FEDERAL PROGRAM/ STATE PROJECT TITLE	CFDA/CSFA NUMBER	CONTRACT/ GRANT NUMBER	PROGRAM/ PROJECT AWARDS	PROGRAM/ PROJECT EXPENDITURES
Florida Department of Transportation				
SR 100 Sidewalks from Bulldog Dr to Roberts Road	55.029	APW44; 4228224138/ 5801 and 48224238/5801	2,062,000	61,349
Matanzas Woods Pkwy Sidewalk from US1 to Bird of Paradise	55.029	AQ948; 43026138/5801	560,000	3,000
Old Kings Rd Sidewalks OKES to SR100	55.029	AQ945; 430263138/ 5801	236,544	25,344
SR100 Sidewalk from Belle Terre Pkwy to Bunnell City limits	55.029	AQ947; 430265138/ 5801	487,872	34,100
Turning Lanes on Old Kings Rd into OKES	55.029	AQ946; 430264138/ 5801	476,000	51,000
				174,793
Bulldog Drive	55.XXX	APJ02; 426537138/ 581	680,000	4,900
Turn Lane at US1 and Royal Palms	55.XXX	APJ01; 426536138/ 581	1,000,000	755
				5,655
Relocation and Extension of Runway 11/29	55.XXX	AQH91; 42084329401	25,200	8,009
Florida Commission for the Transportation Disadvantaged				
Trip and Equipment	55.001	AQB58; 24852018401/ 24852038401	196,240	138,685
Trip and Equipment	55.001	AQO32; 43202718401/ 43202818401	214,014	53,580
Capital Assistance Support Grant	55.001	AQI56; 41065618401	72,000	67,386
				259,651
Department of Elder Affairs				
Passed Through the Northeast Florida Agency on Aging				
Community Care for the Elderly	65.010	C011FCBCC	213,313	167,402
Community Care for the Elderly	65.010	C012FCBCC	124,514	53,617
				221,019
Home Care for the Elderly	65.001	H011FCBCC	12,571	866
Home Care for the Elderly	65.001	H012FCBCC	12,550	512
				1,378
Alzheimer's Disease Initiative	65.004	Z011FCBCC	61,768	48,985
Alzheimer's Disease Initiative	65.004	Z012FCBCC	48,177	14,575
				63,560
Department of Children and Families				
Criminal Justice, Mental Health & Substance Abuse Grant	60.115	LHZ34	455,295	104,445
Department of Agriculture and Consumer Services				
Mosquito Control Program	42.003	16082	37,000	3,674
Department of Community Affairs				
Hazardous Materials Planning	52.023	12-CP-03-04-28-01-188	2,772	2,772
EMPA Base Grant	52.008	12BG-05-04-28-01-018	105,806	94,370

FLAGLER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FEDERAL/STATE AGENCY/ PASS-THROUGH ENTITY FEDERAL PROGRAM/ STATE PROJECT TITLE	CFDA/CSFA NUMBER	CONTRACT/ GRANT NUMBER	PROGRAM/ PROJECT AWARDS	PROGRAM/ PROJECT EXPENDITURES
Executive Office of the Governor				
EMPA Base Grant	31.063	13-BG-06-04-28-01-018	105,806	19,210
Department of Health				
Emergency Medical Services Grant	64.005	C0018	5,684	5,684
Division of Library and Information Systems				
State Aid to Libraries	45.030	12-ST-10	27,074	27,074
Department of Enviornmental Protection				
Small County Consolidated Grant	37.012	207SC	70,588	70,588
Beverly Beach Wastewater Facilities	37.039	LP6811	750,000	686,859
Department of Management Services				
E-911 Logging Recorder	72.002	S3-10-11-04	48,633	48,633
E911 GIS Address Point Data	72.002	S3-10-11-21	110,000	110,000
				158,633
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	52.901	N/A	350,000	350,000
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 11,928,105	$ 4,922,179
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			$ 22,193,973	$ 9,219,330

FLAGLER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

(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, 2012, the following amounts were provided to subrecipients outside of Flagler County, Florida from each Federal and State Program:

Name of Federal Program:	CFDA		Amount
ARRA-Drug Court Enhancement Grant	16.803	$	1,829
Criminal Justice, Mental Health and			
Substance Abuse Grant	60.115		104,445

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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Project and on Internal Control Over Compliance

The Honorable County Commissioners
Flagler County, Florida

Compliance

We have audited the compliance of Flagler County, Florida (the "County") 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 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the 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, 2012.

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, 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 for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, its management, and oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram LLC

April 5, 2013
Gainesville, Florida

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012
Flagler County, Florida

PART I - SUMMARY OF AUDITOR'S RESULTS

(i) The independent auditor's report on the financial statements expressed an unqualified opinion.

(ii) The audit did not report significant deficiencies or disclose material weaknesses in internal control over financial reporting.

(iii) The audit did not disclose any noncompliance considered material to the financial statements.

(iv) The audit did not report significant deficiencies or disclose material weaknesses in internal control over the major federal award programs or state projects.

(v) The report on compliance for the major federal programs and state projects was unqualified.

(vi) The audit disclosed no findings relative to the major federal programs or state projects.

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

Federal Programs	CFDA Number
COPS Hiring Grant	16.710
Highway Planning and Construction	20.205
Federal Transit – Capital Investment Grants	20.500
Assistance to Firefighters Grant Program	97.044

State Projects	CSFA Number
Statewide Surface Water Restoration and Wastewater Projects	37.039
Aviation Development Grants	55.004
Small County Outreach Program	55.009

(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 PROJECTS

There were no findings relative to the major state projects.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable County Commissioners
Flagler County, Florida

We have audited 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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 5, 2013. 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.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of the County Commission, its management and oversight agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram LLC

April 5, 2013
Gainesville, Florida

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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, 2012, and have issued our report thereon dated April 5, 2013.

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, 2012, 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, 2012.

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.

Our audit did not reveal any other matters that we are required to include in this management letter pursuant to the Rules of the Auditor General

This management letter is intended solely for the information and use of the County Commission, its management, and oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram LLC

April 5, 2013
Gainesville, Florida

CLERK OF THE CIRCUIT COURT

FLAGLER COUNTY, FLORIDA

SPECIAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2012

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Independent Auditor's Report

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

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Flagler County, the primary government for financial reporting purposes.

In our opinion, the special purpose 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 at September 30, 2012, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 4, 2013 on our consideration of the Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules 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.

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

Carr, Riggs & Ingram LLC

March 4, 2013
Gainesville, Florida

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	Court General	Court Technology	Records Modernization	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,167,625	$ 37,692	$ 99,084	$ 51,007	$ 1,355,408
Accounts receivable	596	2,826	21	-	3,443
Due from other funds	-	-	-	-	-
Due from Board of County Commissioners	201	-	-	-	201
Due from other governments	5,260	13,926	-	-	19,186
Prepaid expenses	-	-	32,614	41,024	73,638
Other assets	24,760	-	-	-	24,760
TOTAL ASSETS	$ 1,198,442	$ 54,444	$ 131,719	$ 92,031	$ 1,476,636
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 95,128	$ 19,187	$ 51	$ 14	$ 114,380
Due to Board of County Commisioners	283,187	-	-	-	283,187
Due to other governments	383,211	-	-	-	383,211
Deposits	436,916	-	-	-	436,916
TOTAL LIABILITIES	1,198,442	19,187	51	14	1,217,694
FUND BALANCES					
Nonspendable:					
Prepaid expenses	-	-	32,614	41,024	73,638
Restricted for					
Court related operations	-	35,257	-	-	35,257
Court related technology	-	-	99,054	-	99,054
Records modernization	-	-	-	50,993	50,993
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	35,257	131,668	92,017	258,942
TOTAL LIABILITIES AND FUND BALANCES	$ 1,198,442	$ 54,444	$ 131,719	$ 92,031	$ 1,476,636

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

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Court General	Court Technology	Records Modernization	Governmental Funds
REVENUES					
Intergovernmental	$ -	$ 1,455,169	$ -	$ -	$ 1,455,169
Charges for services	600,342	-	194,256	67,248	861,846
Fines and forfeitures	-	-	63,292	-	63,292
Miscellaneous revenue	18,652	-	500	546	19,698
TOTAL REVENUES	618,994	1,455,169	258,048	67,794	2,400,005
EXPENDITURES					
Current					
General government					
Personal services	1,209,515	-	-	-	1,209,515
Operating expenses	156,041	-	-	88,888	244,929
Capital outlay	94,024	-	-	9,335	103,359
Court related					
Personal services	-	1,275,880	57,264	-	1,333,144
Operating expenses	15,793	131,032	85,937	-	232,762
Capital outlay	-	-	18,670	-	18,670
TOTAL EXPENDITURES	1,475,373	1,406,912	161,871	98,223	3,142,379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(856,379)	48,257	96,177	(30,429)	(742,374)
OTHER FINANCING SOURCES (USES)					
Transfers in- Board of County Commissioners	1,105,364	-	-	-	1,105,364
Reversion to other governments	-	(54,872)	-	-	(54,872)
Reversion to Board of County Commissioners	(248,985)	-	-	-	(248,985)
TOTAL OTHER FINANCING SOURCES (USES)	856,379	(54,872)	-	-	801,507
NET CHANGE IN FUND BALANCES	-	(6,615)	96,177	(30,429)	59,133
FUND BALANCES, BEGINNING OF YEAR	-	41,872	35,491	122,446	199,809
FUND BALANCES, END OF YEAR	$ -	$ 35,257	$ 131,668	$ 92,017	$ 258,942

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

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
SEPTEMBER 30, 2012

		Agency Funds
ASSETS		
Cash and cash equivalents	$	3,135,069
Accounts receivable		2,295
Due from other funds		1,136
Due from other governments		101
TOTAL ASSETS	$	3,138,601
LIABILITIES		
Accounts payable	$	17,096
Due to other funds		1,136
Due to Board of County Commissioners		24,805
Due to constitutional officers		1,866
Due to other governments		325,687
Deposits		2,768,011
TOTAL LIABILITIES		3,138,601
NET ASSETS	$	-

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

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

The accounting policies of the Flagler County Clerk of the Circuit Court (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 amended by GASB 39, "Determining Whether Certain Organizations Are Component Units an amendment of GASB Statement 14", 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, 2012, the Clerk reported the General, Court General, 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.

(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 General – The Court General Fund of the Clerk is used 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).

(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 except for the amount due from the Department of Revenue which extends beyond this 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.

The cumulative appropriation in excess of the amount needed to meet approved court related expenditures of the Court General Fund is remitted to the Florida Department of Revenue after June 30 for the preceding state fiscal year.

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 types:

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.

Prepaids – 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.

(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 30, 2013 to November 1, 2014. Monthly payments range from $93 to $1,785. Lease expense for the year ended September 30, 2012 was $39,286. The future minimum lease payments for the next five years are as follows:

Year Ending September 30,	Amount
2013	$ 32,221
2014	13,642
2015	816
	$ 46,679

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

The Clerk estimates $185,322 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:

	Balance October 1, 2011	**Additions**	**Deletions**	**Balance September 30, 2012**
Compensated absences	$ 180,028	$ 186,634	$ 181,340	$ 185,322

(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, 2011 through September 30, 2012 the employee contribution rate was 3%. The employer contribution rates are as follows:

	July 1, 2011 - June 30, 2012	July 1, 2012 - September 30, 2012
Regular Employees	4.91%	5.18%
Elected County Officials	11.14%	10.23%
Senior Management	6.27%	6.30%
Deferred Retirement Option Programs Employees	4.42%	5.44%

The contribution rate of current year covered payroll is 5.04 percent. For the years ended September 30, 2012, 2011, and 2010, total contributions were $96,063, $184,702, and $204,112, 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.

(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, 2011 through September 30, 2012 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, 2012, 9 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, 2012 was $10,879.

(5) **Deposits:**

At fiscal year end, the carrying amount of the Clerk's deposits and bank balances were $4,490,477 and $5,191,268, 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, 2012, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
Agency funds:		
Court Bond	$ 1,136	$ -
Child Support	-	1,136
Totals	$ 1,136	$ 1,136

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

At September 30, 2012, the amounts due from/to entities of Flagler County consist of the following:

General Fund		
Board of County Commissioners	$	201
Due from entities of Flagler County	$	201

General Fund		
Board of County Commissioners		283,187
Agency Funds		
Sheriff		1,866
Board of County Commissioners		24,805
Due to entities of Flagler County	$	309,858

There were $248,985 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 $476,825 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, 2012.

(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
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 518,000	$ 600,100	$ 600,342	$ 242
Miscellaneous revenue	3,500	18,500	18,652	152
TOTAL REVENUES	521,500	618,600	618,994	394
EXPENDITURES				
Current				
General government				
Personal services	1,399,228	1,211,128	1,209,515	1,613
Operating expenses	202,636	161,975	156,041	5,934
Capital outlay	-	94,900	94,024	876
Court related				
Operating expenses	25,000	16,000	15,793	207
TOTAL EXPENDITURES	1,626,864	1,484,003	1,475,373	8,630
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,105,364)	(865,403)	(856,379)	9,024
OTHER FINANCING SOURCES (USES)				
Transfers in- Board of County Commissioners	1,105,364	1,105,364	1,105,364	-
Reversion to Board of County Commissioners	-	(239,961)	(248,985)	(9,024)
TOTAL OTHER FINANCING SOURCES (USES)	1,105,364	865,403	856,379	(9,024)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ -	$ -

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

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Intergovernmental	$ 1,117,063	$ 1,455,189	$ 1,455,169	$ (20)
TOTAL REVENUES	1,117,063	1,455,189	1,455,169	(20)
EXPENDITURES				
Court related				
Personal services	999,928	1,306,760	1,275,880	30,880
Operating expenses	117,135	135,401	131,032	4,369
TOTAL EXPENDITURES	1,117,063	1,442,161	1,406,912	35,249
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	13,028	48,257	35,229
OTHER FINANCING SOURCES (USES)				
Reversion to other governments	-	(54,900)	(54,872)	28
TOTAL OTHER FINANCING SOURCES (USES)	-	(54,900)	(54,872)	28
NET CHANGE IN FUND BALANCE	-	(41,872)	(6,615)	35,257
FUND BALANCES, BEGINNING OF YEAR	-	41,872	41,872	-
FUND BALANCES, END OF YEAR	$ -	$ -	$ 35,257	$ 35,257

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 2012 fiscal year and three months from the State's 2013 fiscal year. The fund is the legal level of control.

CLERK OF THE CIRCUIT COURT
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- COURT TECHNOLOGY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 150,000	$ 194,000	$ 194,256	$ 256
Fines and forfeitures	65,000	63,500	63,292	(208)
Miscellaneous revenue	-	550	500	(50)
TOTAL REVENUES	215,000	258,050	258,048	(2)
EXPENDITURES				
Court related				
Personal services	66,784	100,235	57,264	42,971
Operating expenses	175,216	151,578	85,937	65,641
Capital outlay	-	33,237	18,670	14,567
TOTAL EXPENDITURES	242,000	285,050	161,871	123,179
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,000)	(27,000)	96,177	123,177
NET CHANGE IN FUND BALANCE	(27,000)	(27,000)	96,177	123,177
FUND BALANCES, BEGINNING OF YEAR	27,000	27,000	35,491	8,491
FUND BALANCES, END OF YEAR	$ -	$ -	$ 131,668	$ 131,668

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
FLAGLER COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES- BUDGET and ACTUAL- RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget - Positive (Negative)**
REVENUES				
Charges for services	$ 55,000	$ 67,000	$ 67,248	$ 248
Miscellaneous revenue	-	500	546	46
TOTAL REVENUES	55,000	67,500	67,794	294
EXPENDITURES				
Current				
General government				
Operating expenses	54,750	89,050	88,888	162
Capital outlay	-	9,500	9,335	165
Reserve for Future Use	118,750	74,950	-	74,950
TOTAL EXPENDITURES	173,500	173,500	98,223	75,277
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(118,500)	(106,000)	(30,429)	75,571
NET CHANGE IN FUND BALANCE	(118,500)	(106,000)	(30,429)	75,571
FUND BALANCES, BEGINNING OF YEAR	118,500	106,000	122,446	16,446
FUND BALANCES, END OF YEAR	$ -	$ -	$ 92,017	$ 92,017

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

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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Management Letter

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

We have audited the financial statements of the Flagler County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated March 4, 2013.

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 report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Flagler County Clerk of the Circuit Court 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 standards developed and certified pursuant to Section 28.35, Florida Statutes.

Other Matters

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

This management letter is intended solely for the information and use of the Flagler County Clerk of the Circuit Court and management, the State of Florida Auditor General and other agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram LLC

March 4, 2013
Gainesville, Florida

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

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Flagler County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated March 4, 2013. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Flagler County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Carr, Riggs & Ingram LLC

March 4, 2013
Gainesville, Florida

FLAGLER COUNTY SHERIFF

AUDIT REPORT

SEPTEMBER 30, 2012

Flagler County Sheriff
Audit Report
September 30, 2012

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Independent Auditor's Report

The Honorable Donald W. Fleming
Sheriff
Flagler County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Flagler County Sheriff (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Flagler County, the primary government for financial reporting purposes.

In our opinion, the special purpose 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 at September 30, 2012, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2013, on our consideration of the Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule 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.

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 identified 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.

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

Carr, Riggs & Ingram LLC

January 4, 2013
Gainesville, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Flagler County Sheriff

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Equivalents	$ 656,908	$ 45,322	$ 702,230
Accounts Receivable	13,362	-	13,362
Due from Other Funds	-	200	200
Due from Other County Agencies	70,647	30,000	100,647
Due from Other Governments	101,659	-	101,659
TOTAL ASSETS	$ 842,576	$ 75,522	$ 918,098
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	$ 106,308	$ -	$ 106,308
Accrued Wages	404,492	-	404,492
Deferred Revenue	-	30,000	30,000
Due to Other County Agencies	118,898	-	118,898
Due to Other Governments	78,013	-	78,013
TOTAL LIABILITIES	707,711	30,000	737,711
FUND BALANCES			
Restricted:			
Law Enforcement Education	-	427	427
Various Donor Purposes	-	13,167	13,167
Committed:			
Contractual Obligations	134,865	-	134,865
Inmate Benefits	-	31,928	31,928
TOTAL FUND BALANCES	134,865	45,522	180,387
TOTAL LIABILITIES AND FUND BALANCES	$ 842,576	$ 75,522	$ 918,098

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012
Flagler County Sheriff

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Intergovernmental	$ 562,353	$ -	$ 562,353
Charges for Services	3,122,416	5,000	3,127,416
Fines and Forfeitures	52,350	-	52,350
Miscellaneous	160,350	82,114	242,464
TOTAL REVENUES	3,897,469	87,114	3,984,583
EXPENDITURES			
Current:			
Public Safety:			
Personal Services	17,736,379	-	17,736,379
Operating Expenditures	3,687,400	64,769	3,752,169
Capital Outlay	929,507	1,940	931,447
Court Related:			
Personal Services	600,546	-	600,546
Operating Expenditures	21,088	-	21,088
Capital Outlay	24,698	-	24,698
Debt Service:			
Principal	583,814	-	583,814
Interest	6,578	-	6,578
TOTAL EXPENDITURES	23,590,010	66,709	23,656,719
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,692,541)	20,405	(19,672,136)
OTHER FINANCING SOURCES (USES)			
Appropriation from Board of County Commissioners	19,323,890	-	19,323,890
Reversion to Board of County Commissioners	(72,325)	-	(72,325)
Sale of Capital Assets	75,841	-	75,841
Capital Lease	500,000	-	500,000
TOTAL OTHER FINANCING SOURCES (USES)	19,827,406	-	19,827,406
NET CHANGE IN FUND BALANCES	134,865	20,405	155,270
FUND BALANCES - October 1, 2011	-	25,117	25,117
FUND BALANCES - September 30, 2012	$ 134,865	$ 45,522	$ 180,387

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

Statement of Fiduciary Net Assets
September 30, 2012
Flagler County Sheriff

	AGENCY FUNDS
ASSETS	
Cash and Equivalents	$ 7,653
LIABILITIES	
Due to Other Funds	200
Due to Other County Agencies	3,765
Assets Held for Others	3,688
TOTAL LIABILITIES	7,653
NET ASSETS	$ -

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 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, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared 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 specified in GASB Statement 34. 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 as a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports one major governmental fund:

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

The Office also reports the following nonmajor governmental funds:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hunter's Ridge Fund – This fund is used to account for revenues required by the Hunter's Ridge Development Regional Impact Order. Use of the funds are to purchase vehicles.

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.

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.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012
CAPITAL ASSETS				
Equipment	$ 5,248,461	$ 559,257	$ 259,751	$ 5,547,967
Vehicles	4,827,503	396,888	460,278	4,764,113
TOTAL CAPITAL ASSETS	10,075,964	956,145	720,029	10,312,080
LESS ACCUMULATED DEPRECIATION FOR:				
Equipment	4,077,794	554,020	259,377	4,372,437
Vehicles	3,227,304	658,024	428,758	3,456,570
TOTAL ACCUMULATED DEPRECIATION	7,305,098	1,212,044	688,135	7,829,007
Total Capital Assets, Net	$ 2,770,866	$ (255,899)	$ 31,894	$ 2,483,073

Depreciation expense of $1,212,044 applies to the public safety function.

NOTE 3 – CHANGES IN LONG-TERM DEBT

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

	BALANCE OCTOBER 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	$ 775,000	$ 1,210,500	$ 1,263,000	$ 722,500	$ 722,500
Capital Lease Obligations	414,001	500,000	583,814	330,187	163,540
Total	$1,189,001	$ 1,710,500	$ 1,846,814	$ 1,052,687	$ 886,040

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 $365,135; $134,865 is held in escrow for future vehicle and equipment acquisitions and is included in Cash and Equivalents in the accompanying financial statements.

NOTE 3 – CHANGES IN LONG-TERM DEBT

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012 were as follows:

Year Ending September 30,	Amount
2013	$ 169,813
2014	169,813
	339,626
Less Interest	(9,439)
	$ 330,187

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 $1,789 to $4,686. Rent expense under these leases for the year ended September 30, 2012 was $206,626. The future minimum lease payments for the remaining terms are as follows:

Year Ending September 30,	Amount
2013	$ 86,124
2014	59,104
2015	49,404
2016	39,928
2017	41,126
2018	20,867
	$ 296,553

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.

NOTE 5 – PENSION PLAN

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%.; DROP Employees 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately $1,510,000, $2,291,800 and $2,357,900, 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
For the Year Ended September 30, 2012
Flagler County Sheriff

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Intergovernmental	$ -	$ 684,136	$ 562,353	$ (121,783)
Charges for Services	3,002,905	3,007,905	3,122,416	114,511
Fines and Forfeitures	-	75,000	52,350	(22,650)
Miscellaneous	-	175,000	160,350	(14,650)
TOTAL REVENUES	3,002,905	3,942,041	3,897,469	(44,572)
EXPENDITURES				
Public Safety:				
Personal Services	17,974,572	18,640,129	17,736,379	903,750
Operating Expenditures	3,361,747	3,571,747	3,687,400	(115,653)
Capital Outlay	55,000	703,579	929,507	(225,928)
Court Related:				
Personal Services	630,763	630,763	600,546	30,217
Operating Expenditures	23,713	23,713	21,088	2,625
Capital Outlay	-	-	24,698	(24,698)
Debt Service				
Principal	281,000	281,000	583,814	(302,814)
Interest	-	-	6,578	(6,578)
TOTAL EXPENDITURES	22,326,795	23,850,931	23,590,010	260,921
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,323,890)	(19,908,890)	(19,692,541)	216,349
OTHER FINANCING SOURCES (USES)				
Appropriation from Board of County Commissioners	19,323,890	19,323,890	19,323,890	-
Reversion to Board of County Commissioners	-	-	(72,325)	(72,325)
Sale of Capital Assets	-	85,000	75,841	(9,159)
Capital Lease	-	500,000	500,000	-
TOTAL OTHER FINANCING SOURCES (USES)	19,323,890	19,908,890	19,827,406	(81,484)
NET CHANGE IN FUND BALANCES	-	-	134,865	134,865
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	$ -	$ -	$ 134,865	$ 134,865

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, 2012
Flagler County Sheriff

	INMATE WELFARE FUND	POLICE EDUCATION FUND	HUNTER'S RIDGE FUND	FIVE POINT STAR FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and Equivalents	$ 31,728	$ 427	$ -	$ 13,167	$ 45,322
Due from Other Funds	200	-	-	-	200
Due from Other County Agencies	-	-	30,000	-	30,000
TOTAL ASSETS	$ 31,928	$ 427	$ 30,000	$ 13,167	$ 75,522
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Deferred Revenue	$ -	$ -	$ 30,000	$ -	$ 30,000
FUND BALANCES					
Restricted	-	427	-	13,167	13,594
Committed	31,928	-	-	-	31,928
TOTAL FUND BALANCES	31,928	427	-	13,167	45,522
TOTAL LIABILITIES AND FUND BALANCES	$ 31,928	$ 427	$ 30,000	$ 13,167	$ 75,522

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012
Flagler County Sheriff

	INMATE WELFARE FUND	POLICE EDUCATION FUND	HUNTER'S RIDGE FUND	FIVE POINT STAR FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
Charges for Services	$ -	$ 5,000	$ -	$ -	$ 5,000
Miscellaneous	69,293	-	-	12,821	82,114
TOTAL REVENUES	69,293	5,000	-	12,821	87,114
EXPENDITURES					
Current:					
Public Safety:					
Operating Expenditures	41,133	3,060	-	20,576	64,769
Capital Outlay	-	1,940	-	-	1,940
TOTAL EXPENDITURES	41,133	5,000	-	20,576	66,709
EXCESS OF REVENUES (OVER) (UNDER) EXPENDITURES	28,160	-	-	(7,755)	20,405
FUND BALANCES - October 1, 2011	3,768	427	-	20,922	25,117
FUND BALANCES - September 30, 2012	$ 31,928	$ 427	$ -	$ 13,167	$ 45,522

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2012
Flagler County Sheriff

	INMATE FUND	SUSPENSE FUND	TOTAL AGENCY FUNDS
ASSETS			
Cash and Equivalents	$ 7,106	$ 547	$ 7,653
LIABILITIES			
Due to Other Funds	200	-	200
Due to Other County Agencies	3,765	-	3,765
Assets Held for Others	3,141	547	3,688
TOTAL LIABILITIES	7,106	547	7,653
NET ASSETS	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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The Honorable Donald W. Fleming
Sheriff
Flagler County, Florida

We have audited the financial statements of the Flagler County Sheriff's Office (the "Office"), as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated January 4, 2013.

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 or 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 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.

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

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

Carr, Riggs & Ingram LLC

January 4, 2013
Gainesville, Florida

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The Honorable Donald W. Fleming
Sheriff
Flagler County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Flagler County Sheriff (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 4, 2013. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Flagler County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are sometimes particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are sometimes particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Carr, Riggs & Ingram LLC

January 4, 2013
Gainesville, Florida

FLAGLER COUNTY
TAX COLLECTOR

AUDIT REPORT

SEPTEMBER 30, 2012

Flagler County Tax Collector
Audit Report
September 30, 2012

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ELECTED OFFICIAL'S RESPONSE TO AUDITOR'S COMMENTS --

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Independent Auditor's Report

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Flagler County, the primary government for financial reporting purposes.

In our opinion, the special purpose 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 at September 30, 2012, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 12, 2013 on our consideration of the Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule 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.

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 identified 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.

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

Carr, Riggs & Ingram LLC

February 12, 2013
Gainesville, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Flagler County Tax Collector

	GENERAL FUND
ASSETS	
Cash	$ 1,759,262
Due From Other Funds	34,871
Due From Other County Agencies	52,927
Due from Other Governments	5,500
TOTAL ASSETS	$ 1,852,560
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 17,296
Due to Other County Agencies	1,767,855
Due to Other Governments	67,409
TOTAL LIABILITIES	1,852,560
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 1,852,560

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2012
Flagler County Tax Collector

	GENERAL FUND
REVENUES	
Charges for Services	$ 3,153,579
Miscellaneous Revenue	12,326
TOTAL REVENUES	3,165,905
EXPENDITURES	
General Government Services:	
Personal Services	1,695,407
Operating Expenditures	391,171
Capital Outlay	17,008
TOTAL EXPENDITURES	2,103,586
EXCESS OF REVENUES OVER EXPENDITURES	1,062,319
OTHER FINANCING USES	
Reversion to Board of County Commissioners	(1,062,319)
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2011	-
FUND BALANCE - September 30, 2012	$ -

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

Statement of Fiduciary Net Assets
September 30, 2012
Flagler County Tax Collector

	AGENCY FUNDS
ASSETS	
Cash	$ 1,886,323
Receivables	38,936
TOTAL ASSETS	1,925,259
LIABILITIES	
Assets Held for Others	1,656,523
Due to Other Funds	34,871
Due to Other County Agencies	233,865
TOTAL LIABILITIES	1,925,259
NET ASSETS	$ -

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 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, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared 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 specified in GASB Statement 34. 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 as a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor governmental funds.

The Office reports the following major governmental fund:

> General Fund - The General Fund is the general 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 fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer 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	$ 34,871	$ -
Agency Funds:		
Tax Fund	-	34,871
Total	$ 34,871	$ 34,871

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	$ 46,000	$ 61,000	$ 65,000	$ 42,000	$ 24,000

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, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately $72,800, $137,100 and $134,700, respectively, equal to the required contributions for each year.

NOTE 4 – PENSION PLAN

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 $3,436.

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 – OPERATING LEASE COMMITMENTS

The Office leases premises in Palm Coast for its branch office operations. Future minimum rental payments are $9,464 for the period ending January 2013 when the current lease expires.

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes. For the year ended September 30, 2012, the Office incurred approximately $35,700 for these premises under this lease arrangement.

NOTE 8 – CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2012
Flagler County Tax Collector

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Charges for Services	$ 3,286,924	$ 3,286,924	$ 3,153,579	$ (133,345)
Miscellaneous Revenues	3,000	3,000	12,326	9,326
TOTAL REVENUES	3,289,924	3,289,924	3,165,905	(124,019)
EXPENDITURES				
General Government Services:				
Personal Services	1,779,774	1,779,774	1,695,407	84,367
Operating Expenditures	422,487	422,487	391,171	31,316
Capital Outlay	7,000	17,405	17,008	397
TOTAL EXPENDITURES	2,209,261	2,219,666	2,103,586	116,080
EXCESS OF REVENUES OVER EXPENDITURES	1,080,663	1,070,258	1,062,319	(7,939)
OTHER FINANCING USES				
Reversion to Board of County Commissioners	(1,080,663)	(1,070,258)	(1,062,319)	7,939
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	$ -	$ -	$ -	$ -

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

Fiduciary Funds

Tax Fund – To account for the collection and disbursement of real and tangible property taxes

Tag Fund – To account for the collection and disbursement of collections such as vehicle tag, title, sales tax and marine title fees; hunting and fishing licenses and marine title fees; and for driver license fees on behalf of various State agencies.

Combining Statement of Fiduciary Net Assets - Agency Funds
September 30, 2012
Flagler County Tax Collector

	TAX FUND	TAG FUND	TOTALS
ASSETS			
Cash	$ 1,630,975	$ 255,348	$ 1,886,323
Receivables	31,815	7,121	38,936
TOTAL ASSETS	1,662,790	262,469	1,925,259
LIABILITIES			
Assets Held for Others	1,396,151	260,372	1,656,523
Due to Other Funds	34,871	-	34,871
Due to Other County Agencies	231,768	2,097	233,865
TOTAL LIABILITIES	1,662,790	262,469	1,925,259
NET ASSETS	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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Management Letter

The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the financial statements of the Flagler County Tax Collector, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated February 12, 2013.

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 or recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings were also included in the second preceding audit report. The Flagler County Tax Collector 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.

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

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

Carr, Riggs & Ingram LLC

February 12, 2013
Gainesville, Florida

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The Honorable Suzanne Johnston
Tax Collector
Flagler County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Flagler County Tax Collector (the "Office") as of and for the year ended September 30, 2012, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated February 12, 2013. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Flagler County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were enacted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Carr, Riggs & Ingram LLC

February 12, 2013
Gainesville, Florida

SUZANNE JOHNSTON
FLAGLER COUNTY TAX COLLECTOR

P. O. Box 846
Bunnell, FL 32110
Phone: 386-313-4160

February 12, 2013

The Honorable David W. Martin
Florida Auditor General
P. O Box 1735
Tallahassee, FL 32302

Dear Honorable Martin:

I have received the Flagler County Tax Collector's financial statements and audit report for the year ending September 30, 2012.

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

Sincerely,

Suzanne Johnston
Flagler County Tax Collector

FLAGLER COUNTY
PROPERTY APPRAISER

AUDIT REPORT

SEPTEMBER 30, 2012

Flagler County Property Appraiser
Audit Report
September 30, 2012

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Independent Auditor's Report

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

We have audited the accompanying special purpose financial statements of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Flagler County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 6, 2013 on our consideration of the Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

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.

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

Carr, Riggs & Ingram LLC

February 6, 2013
Gainesville, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Flagler County Property Appraiser

	GENERAL FUND
ASSETS	
Cash	$ 59,043
Due from Other Governments	654
Accounts Receivable	912
TOTAL ASSETS	$ 60,609
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 45,872
Due to Other Governments	5,503
Due to Board of County Commissioners	9,234
TOTAL LIABILITIES	60,609
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 60,609

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2012
Flagler County Property Appraiser

	GENERAL FUND
REVENUES	
Charges for Services	$ 77,134
Miscellaneous Revenue	28,822
TOTAL REVENUES	105,956
EXPENDITURES	
General Government:	
Personal Services	1,784,833
Operating Expenditures	249,326
TOTAL EXPENDITURES	2,034,159
EXCESS OF REVENUES UNDER EXPENDITURES	(1,928,203)
OTHER FINANCING SOURCES (USES)	
Appropriation from Board of County Commissioners	1,933,504
Reversion to Board of County Commissioners	(5,301)
TOTAL OTHER FINANCING SOURCES (USES)	1,928,203
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2011	-
FUND BALANCE - September 30, 2012	$ -

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 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, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared 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 specified in GASB Statement No. 34. 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 as a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office reports the following major governmental fund; there are no nonmajor governmental funds:

> General Fund - The General Fund is the primary operating fund. It is used to account for and report all financial resources that are 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

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

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, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	$ 56,000	$ 86,000	$ 84,000	$ 58,000	$30,000

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 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.

NOTE 3 – PENSION PLAN

Funding Policy. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%, DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately $65,500, $143,000 and $155,800, respectively, equal to the required contributions for each year.

Defined Contribution Plan. Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled approximately $10,500.

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, 2012, the lease payments on all vehicle operating leases were $18,876.

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

Year	Amount
2013	$ 18,460
2014	14,153
2015	5,171
Total	$ 37,784

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2012
Flagler County Property Appraiser

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Charges for Services	$ 72,008	$ 72,262	$ 77,134	$ 4,872
Miscellaneous Revenue	-	-	28,822	28,822
TOTAL REVENUES	72,008	72,262	105,956	33,694
EXPENDITURES				
General Government:				
Personal Services	1,794,409	1,786,163	1,784,833	1,330
Operating Expenditures	211,103	219,603	249,326	(29,723)
TOTAL EXPENDITURES	2,005,512	2,005,766	2,034,159	(28,393)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,933,504)	(1,933,504)	(1,928,203)	5,301
OTHER FINANCING SOURCES (USES)				
Appropriation from Board of County Commissioners	1,933,504	1,933,504	1,933,504	-
Reversion to Board of County Commissioners	-	-	(5,301)	(5,301)
TOTAL OTHER FINANCING SOURCES (USES)	1,933,504	1,933,504	1,928,203	(5,301)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	$ -	$ -	$ -	$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. The Office overexpended its budget for fiscal year ended September 30, 2012 by $28,393.

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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Management Letter

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

We have audited the financial statements of the Flagler County Property Appraiser, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated February 6, 2013.

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 or 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 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.

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

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

Carr, Riggs & Ingram LLC

February 6, 2013
Gainesville, Florida

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

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

We have audited the financial statements of the Flagler County Property Appraiser (the "Office") as of and for the year ended September 30, 2012, and have issued our report thereon dated February 6, 2013. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Flagler County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Office'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*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards
As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit
We performed the audit according to the planned scope and timing.

Significant Audit Findings
Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are sometimes particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are sometimes particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Carr, Riggs & Ingram LLC

February 6, 2013
Gainesville, Florida

FLAGLER COUNTY
SUPERVISOR OF ELECTIONS

AUDIT REPORT

SEPTEMBER 30, 2012

Flagler County Supervisor of Elections
Audit Report
September 30, 2012

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ELECTED OFFICIAL'S RESPONSE TO AUDITOR'S COMMENTS --

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Independent Auditor's Report

The Honorable Kimberle B. Weeks
Supervisor of Elections
Flagler County, Florida

We have audited the accompanying special purpose financial statements of the Flagler County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Flagler County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 14, 2013 on our consideration of the Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

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.

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

Carr, Riggs & Ingram LLC

January 14, 2013
Gainesville, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Flagler County Supervisor of Elections

	GENERAL FUND
ASSETS	
Cash	$ 31,422
Due from Other Government	330
TOTAL ASSETS	$ 31,752
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 39
Due to Other County Agencies	14,449
Deferred Revenue	17,264
TOTAL LIABILITIES	31,752
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	$ 31,752

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2012
Flagler County Supervisor of Elections

	GENERAL FUND
REVENUES	
Intergovernmental Revenue	$ 4,299
Charges for Services	36,350
Miscellaneous Income	41
TOTAL REVENUES	40,690
EXPENDITURES	
General Government:	
Personal Services	381,198
Operating Expenditures	276,139
Capital Outlay	53,910
TOTAL EXPENDITURES	711,247
EXCESS OF REVENUES UNDER EXPENDITURES	(670,557)
OTHER FINANCING SOURCES (USES)	
Appropriation from Board of County Commissioners	683,920
Reversion to Board of County Commissioners	(13,363)
TOTAL OTHER FINANCING SOURCES (USES)	670,557
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2011	-
FUND BALANCE - September 30, 2012	$ -

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 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, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared 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 specified in GASB Statement No. 34. 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 and account groups, 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. In the accompanying financial statements, one fund is reported, as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general 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

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

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, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	$ 7,100	$ 9,700	$10,500	$ 6,300	$ 6,300

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, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were $17,518, $30,613 and $32,802, 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 of 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 leases equipment through operating leases with maturity dates ranging from July 2014 to July 2017. The lease expense for the year ended September 30, 2012 was $2,915.

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

Year Ending September 30:	
2013	$ 3,264
2014	2,880
2015	1,728
2016	1,728
2017	1,296
TOTAL	$ 10,896

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2012
Flagler County Supervisor of Elections

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Intergovernmental Revenue	$ 10,683	$ 10,683	$ 4,299	$ (6,384)
Charges for Services	-	18,461	36,350	17,889
Miscellaneous Income	-	-	41	41
TOTAL REVENUES	10,683	29,144	40,690	11,546
EXPENDITURES				
General Government:				
Personal Services	472,682	382,098	381,198	900
Operating Expenditures	183,510	276,139	276,139	-
Capital Outlay	-	53,910	53,910	-
TOTAL EXPENDITURES	656,192	712,147	711,247	900
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(645,509)	(683,003)	(670,557)	12,446
OTHER FINANCING SOURCES (USES)				
Appropriation from Board of County Commissioners	645,509	683,003	683,920	917
Reversion to Board of County Commissioners	-	-	(13,363)	(13,363)
TOTAL OTHER FINANCING SOURCES (USES)	645,509	683,003	670,557	(12,446)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	$ -	$ -	$ -	$ -

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 $18,461 resulting from the Office's agreements with municipalities for elections services, which are fully reimbursed.

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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Management Letter

The Honorable Kimberle B. Weeks
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the Flagler County Supervisor of Elections, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated January 14, 2013.

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 report 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.

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

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

Carr, Riggs & Ingram LLC

January 14, 2013
Gainesville, Florida

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The Honorable Kimberle B. Weeks
Supervisor of Elections
Flagler County, Florida

We have audited the financial statements of the Flagler County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2012, and have issued our report thereon dated January 14, 2013. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Flagler County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

Management of the Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Carr, Riggs & Ingram LLC

January 14, 2013
Gainesville, Florida

Kimberle B. Weeks
Flagler County Supervisor of Elections
1769 E. Moody Blvd., Bldg. 2, Suite 101 ★ PO Box 901 ★ Bunnell, Florida 32110-0901
Phone (386) 313-4170 ★ Fax (386) 313-4171 ★ www.flaglerelections.com

January 14, 2013

The Honorable David W. Martin
Auditor General
P.O. 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, 2012, has been completed by Carr, Riggs & Ingram, LLC.

I am pleased to report 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