



INDIAN RIVER COUNTY, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year
October 1, 2019 through September 30, 2020



Cover Photos:

Top Row - left to right

- Citrus is an important part of Indian River County's agricultural history dating back to the early 1900's.
- The small ceranus blue butterfly is commonly found throughout Florida.
- Kayakers take advantage of the beautiful Indian River Lagoon.
- The buttonbush flower is one of the wildflowers found in Indian River County's freshwater wetlands.
- Indian River County has made significant efforts in the protection of the Florida Scrub-jay, a federally threatened species.

Middle Row - left to right

- Jones' Pier Conservation Area observation platform is a beautiful resting spot along the Historic Jungle Trail, which is on the National Register of Historic Places.
- Beautiful wildflowers are commonly found in the wetlands.
- The Painted Turtle can be found in many of Indian River County's freshwater wetlands, ponds and other water bodies like canals and ditches.
- The shallow waters of the Indian River Lagoon provide an abundance of recreational and commercial fishing opportunities.

Bottom Row - left to right

- Brown Pelicans resting on the dock along the Indian River Lagoon.
- The new observation platform on the Indian River Lagoon at the Oyster Bar Marsh.
- Walking the 7.5-mile Historic Jungle Trail.
- Indian River County's beaches are some of the most beautiful and pristine in the state, not only for visitors, but also for record numbers of nesting sea turtles.

Bottom: View of the Indian River Lagoon (foreground), with Orchid Island, Indian River County's barrier island, and the Atlantic Ocean in the background. Photo courtesy of Nick Verola.

INDIAN RIVER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
OCTOBER 1, 2019
THROUGH
SEPTEMBER 30, 2020

Jeffrey R. Smith, CPA, CGFO, CGMA
Clerk of the Circuit Court and Comptroller

Prepared By:
Clerk of the Circuit Court Comptroller Division

Elissa Nagy, CPA, CGFO
Finance Director

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

Board of County Commissioners as of September 30, 2020

Susan Adams
Chairman
Joseph E. Flescher
Vice-Chairman

Peter D. O'Bryan
Bob Solari
Tim Zorc

Current Board of County Commissioners (effective November 17, 2020)

Joseph E. Flescher
Chairman
Peter D. O'Bryan
Vice-Chairman

Susan Adams
Joe Earman
Laura Moss

Constitutional Officers as of September 30, 2020

Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller

Wesley Davis
Property Appraiser

Deryl Loar
Sheriff
(through January 4, 2021)

Eric Flowers
Sheriff
(effective January 5, 2021)

Leslie R. Swan
Supervisor of Elections

Carole Jean Jordan
Tax Collector

County Management

Jason Brown
County Administrator

Dylan Reingold
County Attorney

Michael Zito
*Assistant
County Administrator*

Kristin Daniels
*Director Office of
Management & Budget*

Rich Szpyrka
*Director of
Public Works*

Phil Matson
*Director of
Community Development*

Vincent Burke
*Director of
Utilities*

Tad Stone
*Director of
Emergency Services*

Suzanne Boyll
*Director of
Human Resources*

Dan Russell
*Director of
Information Technology*

Kevin Kirwin
*Director of
Parks & Recreation*

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Fiscal Year Ended September 30, 2020

INTRODUCTORY SECTION

	Page Number
LETTER OF TRANSMITTAL	i
ORGANIZATION CHART	viii
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	ix

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Impact Fees Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -Emergency Services District Fund	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Beach Restoration Fund	35
Statement of Fund Net Position - Proprietary Funds	37

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS - CONTINUED
Fiscal Year Ended September 30, 2020

	Page Number
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Position - Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position - Other Postemployment Benefits Trust Fund	45
Notes to Financial Statements	47
 REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the County's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Defined Benefit Pension Plan	113
Schedule of the County's Proportionate Share of the Net Pension Liability - Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan	113
Schedule of the County's Contributions - FRS Defined Benefit Pension Plan	114
Schedule of the County's Contributions - HIS Defined Benefit Pension Plan	114
Schedule of Changes in Net OPEB Liability and Related Ratios	115
Schedule of OPEB Contributions	116
Notes to Schedule of OPEB Contributions	117
Schedule of OPEB Investment Returns Multiyear	118
 COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Combining Balance Sheet - Nonmajor Governmental Funds	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	130
Budgetary Comparison Schedules	137
Combining Statement of Net Position - Internal Service Funds	168
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	169
Combining Statement of Cash Flows - Internal Service Funds	170
Combining Statement of Changes in Assets and Liabilities - Agency Fund	174

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2020

STATISTICAL SECTION

Page
Number

SCHEDULE 1	Net Position by Component - Last Ten Fiscal Years	176
SCHEDULE 2	Changes in Net Position - Last Ten Fiscal Years	178
SCHEDULE 3	Fund Balances, Governmental Funds - Last Ten Fiscal Years	182
SCHEDULE 4	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	184
SCHEDULE 5	Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	186
SCHEDULE 6	Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	187
SCHEDULE 7	Property Tax Rates - Direct and Overlapping Tax Rates - Last Ten Fiscal Years	188
SCHEDULE 8	Principal Property Taxpayers - Year 2020 and Year 2011	190
SCHEDULE 9	Property Tax Levies and Collections - Last Ten Fiscal Years	191
SCHEDULE 10	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	192
SCHEDULE 11	Ratio of Net General Bonded Debt Outstanding to Taxable Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	194
SCHEDULE 12	Computation of Legal Debt Margin	195
SCHEDULE 13	Direct and Overlapping Governmental Activities Debt	196
SCHEDULE 14	Pledged Revenue Coverage - Water and Sewer Revenue Bonds - Last Ten Fiscal Years	198

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2020

		Page Number
SCHEDULE 15	Demographic and Economic Statistics - Last Ten Years	200
SCHEDULE 16	Principal Employers - Year 2020 and Year 2011	201
SCHEDULE 17	Building Permits - Last Ten Fiscal Years	202
SCHEDULE 18	Operating Indicators by Function/Program - Last Ten Fiscal Years	204
SCHEDULE 19	Full Time Equivalent County Government Employees by Function/Program - Last Ten Fiscal Years	208
SCHEDULE 20	Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	210
SCHEDULE 21	Department of Utility Services - Historical Rate Structure - Last Ten Fiscal Years	214
SCHEDULE 22	Water and Wastewater Customers - Last Ten Fiscal Years	216
SCHEDULE 23	Top 10 High Volume Customers of Utility Services	217
SCHEDULE 24	Capacity Charges - Utilities Department - Last Ten Fiscal Years	218
SCHEDULE 25	Pledged Revenues for Spring Training Facility Revenue Bonds, Series 2001 - Last Ten Fiscal Years	219

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2020

COMPLIANCE SECTION

**Page
Number**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	221
County Management Letter	223
Independent Accountants' Report	225
Federal and State Grants:	
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards and State Projects Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General	226
Schedule of Expenditures of Federal Awards and State Projects	227
Notes to Schedule of Expenditures of Federal Awards and State Projects	232
Independent Auditors' Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	233
Schedule of Findings and Questioned Costs	236
Summary Schedule of Prior Audit Findings	238
Impact Fee Affidavit	239

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2020

AUDITOR GENERAL REPORTS SECTION

	Page Number
BOARD OF COUNTY COMMISSIONERS	
Independent Auditors' Report	242
Fund Financial Statements	244
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	323
Management Letter	325
Independent Accountants' Report	327
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER	
Independent Auditors' Report	330
Fund Financial Statements	332
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	345
Management Letter	347
Independent Accountants' Report	349
 PROPERTY APPRAISER	
Independent Auditors' Report	352
Fund Financial Statements	354
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	364
Management Letter	366
Independent Accountants' Report	368

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS-CONTINUED
Fiscal Year Ended September 30, 2020

	Page Number
SHERIFF	
Independent Auditors' Report	370
Fund Financial Statements	372
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	384
Management Letter	386
 SUPERVISOR OF ELECTIONS	
Independent Auditors' Report	390
Fund Financial Statements	392
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	402
Management Letter	404
 TAX COLLECTOR	
Independent Auditors' Report	408
Fund Financial Statements	410
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	423
Management Letter	425
Independent Accountants' Report	427



JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of Circuit Court & Comptroller

1801 27th Street

Vero Beach, FL 32960

Telephone: (772) 226-1516



March 12, 2021

To the Citizens of Indian River County
And the Honorable Members of the
Board of County Commissioners:

The Comprehensive Annual Financial Report of Indian River County, Florida for the fiscal year ended September 30, 2020, is respectfully submitted. State law requires that every general-purpose government publish a complete set of audited financial statements within nine months of the close of each fiscal year. This report was prepared by the Comptroller Division under the supervision of the Clerk of the Circuit Court and Comptroller. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Comptroller Division and is contingent upon the internal control established for this purpose.

The County has established a comprehensive internal control framework designed to ensure that the assets of the County are protected from loss, theft or misuse and to certify that the financial records and data used for preparing the financial statements are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The internal control system is designed to provide reasonable, rather than absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes two aspects: 1) the cost of internal control should not exceed the anticipated benefits; and 2) the valuation of the costs and benefits require estimates and judgment by management. All internal control evaluations take place within this framework. We believe the County's internal controls adequately safeguard its assets and provide reasonable assurance of properly recorded financial transactions.

Section 218.39, Florida Statutes, requires an annual audit of local governments. The unmodified opinion of the auditors (Rehmann Robson, LLC) on the County's financial statements for the year ended September 30, 2020 has been included in this report. The independent auditors' report is located at the front of the financial section of this report. The audit was also designed to meet the requirements of *Government Auditing Standards*, the Florida Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A), which provides basic financial information about the County and an overview of the County's activities. The MD&A immediately follows the independent auditors' report.

Profile of Indian River County

Indian River County, established on June 29, 1925 by an act of the Florida Legislature, is located on the central Atlantic coast of Florida, approximately 100 miles southeast of Orlando and 135 miles north of Miami. The County is bordered by Brevard County to the north, St. Lucie County to the south, and Osceola and Okeechobee Counties on the west. There are approximately 100 miles of waterfront land in the County, including 23 miles of Atlantic beaches.

The City of Vero Beach is the seat of County government. Indian River County is a non-charter county established under the Constitution and the Laws of the State of Florida. It is governed by a five member Board of County Commissioners (Board) elected at large from the five districts within the County. A County Administrator is appointed by the Board and is responsible for implementing the policies set forth by the Board. The Administrator is charged with the proper fiscal management of the resources of the County as well. In addition to the Board, there are five elected Constitutional Officers serving specific governmental functions: Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. Although the majority of the funding for all Constitutional Officers is part of the County's General Fund, the Board does not have direct responsibility for their operations. Each office is run separately within each of its respective legal guidelines.

Indian River County provides a full range of services including, but not limited to: construction and maintenance of roadways, sidewalks and other infrastructure, fire rescue/emergency services, law enforcement, library services, traffic operations and control, parks and recreational services, human services, building inspections, licenses and permits, water/sewer utility services, and refuse collection and disposal.

The Clerk of the Circuit Court and Comptroller (Clerk), Sheriff, and Supervisor of Elections submit proposed operating budgets to the Board prior to May 1. The Florida Department of Revenue receives budgets from the Property Appraiser prior to June 1 and from the Tax Collector prior to August 1. Once these budgets are approved, they are forwarded to the Board. The court-related function of the Clerk submits a budget to the Florida Clerks of Court Operations Corporation (CCOC) prior to May 1. These operating budgets include proposed expenditures and the sources to finance them as set forth in Section 28.36, Florida Statutes.

Constitutional Officers, all departments controlled by the Board of County Commissioners, and outside state and local agencies submit their proposed budgets to the Office of Management and Budget for assistance, review and compilation. The County Administrator then reviews all the budgets of the County departments, state agencies and nonprofit organizations, and makes his budget recommendations to the Board of County Commissioners in July of each year. The Board then holds public workshops to review the tentative budget by fund on a departmental level.

During September, public hearings are held pursuant to Section 200.065, Florida Statutes, in order for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board enacts ordinances to legally adopt (at the fund level) the budgets for all governmental fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function. Budgets for Enterprise and Internal Service funds are adopted on a basis consistent with generally accepted accounting principles. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as the total appropriations of a fund are not exceeded. Board approval to amend the budget is required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund. Appropriations for the County lapse at the close of the fiscal year. Unexpended ongoing project costs may be appropriated in the new fiscal year through a budget amendment.

This Comprehensive Annual Financial Report includes the funds of the primary government (the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector), and the blended component units consisting of the Emergency Services District and the Solid Waste Disposal District.

These component units were included because generally accepted accounting principles require that organizations which are fiscally dependent on the County and that financially benefit from the relationship with the County be reported with the primary government (the County) as the reporting entity. This Comprehensive Annual Financial Report does not include the Indian River County School District, the Indian River County Mosquito Control District or the Cleveland Clinic Indian River Hospital.

Local Economy

Indian River County's estimated population of 158,834 was a 2.51% increase over the previous year. While the population of the County has been steadily increasing, so has the median age of residents living here. Indian River County is ranked seventh among Florida counties by percent of population ages 65 and older with 33.8%. Nationally, average ages have risen due to the increasing age of the baby boomer generation as well as the increase in life expectancy for all Americans. In addition, Florida continues to be a popular destination for retirees.

Historically, Indian River County's economy was made up of agriculture (citrus and cattle) and tourism. Those industries have now been complemented with an increase in health care and information technology firms, light manufacturing, wholesale and retail trade and service sector jobs. The top three major employers in Indian River County, providing 9.71% of total employed persons, are the School District, Cleveland Clinic Indian River Hospital and Indian River County Government. The unemployment rate has increased from 3.7% in 2019 to 5.9% in 2020.

Piper Aircraft, Inc., whose headquarters for aircraft research, development and manufacturing operations are located in Vero Beach, is the largest manufacturing employer in the area. CVS Pharmacy operates a distribution center, which provides the distribution of products to all CVS locations in the southern half of Florida. The Atlantic beaches and the Indian River, along with the comfortable climate, provide the basis for a year-round tourism

industry. Residents can enjoy these resources at any of the County parks, the Sebastian Inlet State Park or the Pelican Island National Wildlife Refuge.

While Indian River County was not immune to the economic effects of COVID-19, the County did experience some positive economic activity. Total property tax values increased from \$18.6 billion in 2019 to \$19.6 billion in 2020. The citrus industry saw an increase in production of 13.8% from 2.9 million boxes in 2019 to 3.3 million in 2020. As reported previously, the population increased by 2.51%.

Indian River County also experienced some adverse economic data. While property tax values increased, construction activity decreased with 7.30% less building permits for new construction issued in 2020 over 2019. Additionally, while citrus production increased, acreage dedicated to citrus production decreased by 5% from 15,708 acres in 2019 to 14,990 acres in 2020. Lastly, even though the population increased, as indicated above, unemployment increased as well.

This economic activity data for the County in fiscal year 2020 is further confirmation of the effects of the pandemic. Please see the Statistical Section schedules 6 and 17 for additional information.

Long Term Financial Planning and Major Initiatives

Chapter 163 Florida Statutes and Florida Administrative Code Rule 9J-5 requires each local government to have a Comprehensive Land Use Plan. An important part of this plan is the Capital Improvements Plan (CIP) which evaluates the need for public facilities in support of the Future Land Use Element, to estimate the costs of improvements for which local government has fiscal responsibility, to analyze the fiscal capacity of the local government to finance and construct improvements, and to adopt financial policies to guide the funding and construction of the improvements. The CIP is updated annually and encompasses a period of five years. Listed below are some major projects included in the current CIP along with the source of funding and estimated costs:

- ❖ 58th Avenue from North of 57th Street to 85th Street/CR 510 Full Depth Reclamation - The \$7.3 million project consists of reconstructing the roadway utilizing full depth reclamation, milling and resurfacing, widening the existing shoulders to 5 feet, structural asphalt, surface asphalt, drainage improvements, waterline directional bore, utility adjustments, intersection improvements and signalization at 69th Street, signing and pavement markings. Funding is provided by a Florida Department of Transportation (FDOT) Small County Outreach Program (SCOP) grant, gas taxes and optional sales tax.
- ❖ 45th Street Beautification Project Phase II - The improvements include enclosing the Sub-lateral H Canal by culverting certain portions of the canal on the south side of 45th Street, adding a 6-foot sidewalk and landscaping improvements. The \$3.0 million project will be funded with gas taxes.

- ❖ Courthouse Renovations - The ongoing \$1.9 million renovations include the construction of a new courtroom on the second floor of the courthouse and conversion of the first floor Law Library into new office space. The project will be funded from impact fees, court facilities surcharges and optional sales tax.
- ❖ State Road 60 (SR60) and 43rd Avenue Intersection Improvements - Through the County Incentive Grant Program (CIGP) with FDOT, improvements will be completed at the intersection of State Road 60 and 43rd Avenue. The project includes adding right turn lanes along SR60, 43rd Avenue reconstruction and widening from a 2-lane undivided to 4-lane divided roadway, mill and resurface existing pavement, add bike lanes, pedestrian sidewalks and upgrade existing curb ramps to meet ADA standards. The FDOT and County agreed to share equally the total estimated construction costs of \$16.1 million. Optional sales tax will provide funding.
- ❖ Countywide Meter Replacement Program - The County is currently replacing close to 37,000 manual read meters to Automatic Meter Reading (AMR) meters at a cost of approximately \$14.7 million. Funding is provided by the Utilities operating fund. Operating funds are generated from water and sewer sales.

Major projects or initiatives that were completed during fiscal year 2020 are listed below:

- ❖ Landfill Segment 3, Cell 2 Expansion, Segment 2 Partial Closure and Landfill Gas System Expansion - The \$13.4 million project consisted of the expansion of a 10.6 acre segment located immediately to the east of the existing Segment 3, Cell 1. The partial closure of Segment 2 (approximately 25 acres in size) includes closure of the Segment 1 infill vertical expansion area and final elevations of Segment 2. The current Segment 3, Cell 1 is approximately 50% full; therefore, the new Segment 3, Cell 2 was constructed to handle future capacity of the landfill from Indian River County residents as required by the Florida Department of Environmental Protection.
- ❖ Sector 5 Beach Restoration - The \$6.6 million Sector 5 project placed approximately 123,800 cubic yards of beach compatible sand within the project area. The 3.1 mile section of shoreline sustained damages from Hurricane Matthew (2016), Hurricane Irma (2017) and Hurricane Dorian (2019).
- ❖ Premier Citrus Property - The 243.5 acre parcel located east of Interstate 95 was purchased due to increased growth within the County. The \$6.0 million parcel will assist with the need for additional sites to dispose of reclaimed water, as well as the possibility of creating a western corridor park and projects affiliated with the Indian River Lagoon Initiative.
- ❖ 1200 37th Street Right-of-Way - This \$1.6 million 2.2 acre parcel will be utilized for right-of-way and stormwater treatment purposes for the future extension of 11th Drive from 37th Street to 41st Street.

- ❖ Vero Lake Estates Paving from 101st Avenue to 96th Avenue - Construction of the paved roadway was completed at a cost of \$0.7 million.
- ❖ Old Dixie Highway and Highland Drive Intersection Improvements - The \$0.4 million project included milling and resurfacing, striping, overhead signal beacon system design, roadside swale grading, culverts, drainage, sidewalk and pedestrian ramp upgrades within the County right-of-way.

Relevant Financial Policies

In accordance with Section 218.415, Florida Statutes, the County adopted an investment policy, which guides the investment of County surplus funds. This policy establishes investment objectives, maturity and liquidity requirements, portfolio composition, risk and diversification requirements, and authorized investments. The primary objectives of investment activities are to preserve capital and maintain sufficient liquidity to meet anticipated cash flow needs. The secondary objective is to obtain competitive returns on the investment of County surplus funds.

On September 23, 2008, the County established the OPEB (Other Postemployment Benefits) Trust. An OPEB investment policy was approved by the Board of County Commissioners in February 2009. The objective of the policy was to provide short-term and long-term investment guidelines. This policy also outlines the same criteria as noted in the County's investment policy, as well as including performance measures. The County's policy is to fund the annual OPEB obligation monthly.

The County's goal is to maintain an overall fund balance equal to 30% of the annual budget in all of its taxing funds, which provides a three month cushion for operating expenses. The three month reserve is necessary due to the timing of property tax levies in the State of Florida. Although the fiscal year begins in October, property tax monies are not typically received until mid to late December, which would require the County to operate in a deficit position for the first two months of the fiscal year without this reserve. Reserve funds are needed in order to allow the County to respond to events without facing serious financial burdens. County policy is to maintain fund balance levels and prohibit the use of fund balance to fund recurring expenditures. Information on the County's fund balance policy can be found in County Note 16.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Indian River County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 37th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Indian River County also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2019. This was the fifth consecutive year the County has received this award. This program was developed by the GFOA to encourage and assist governments to extract information from the Comprehensive Annual Financial Report to produce a high-quality report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

In addition, Indian River County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2019-2020 fiscal year. This was the 29th consecutive year that the County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, financial plan, operations guide, and communications device.

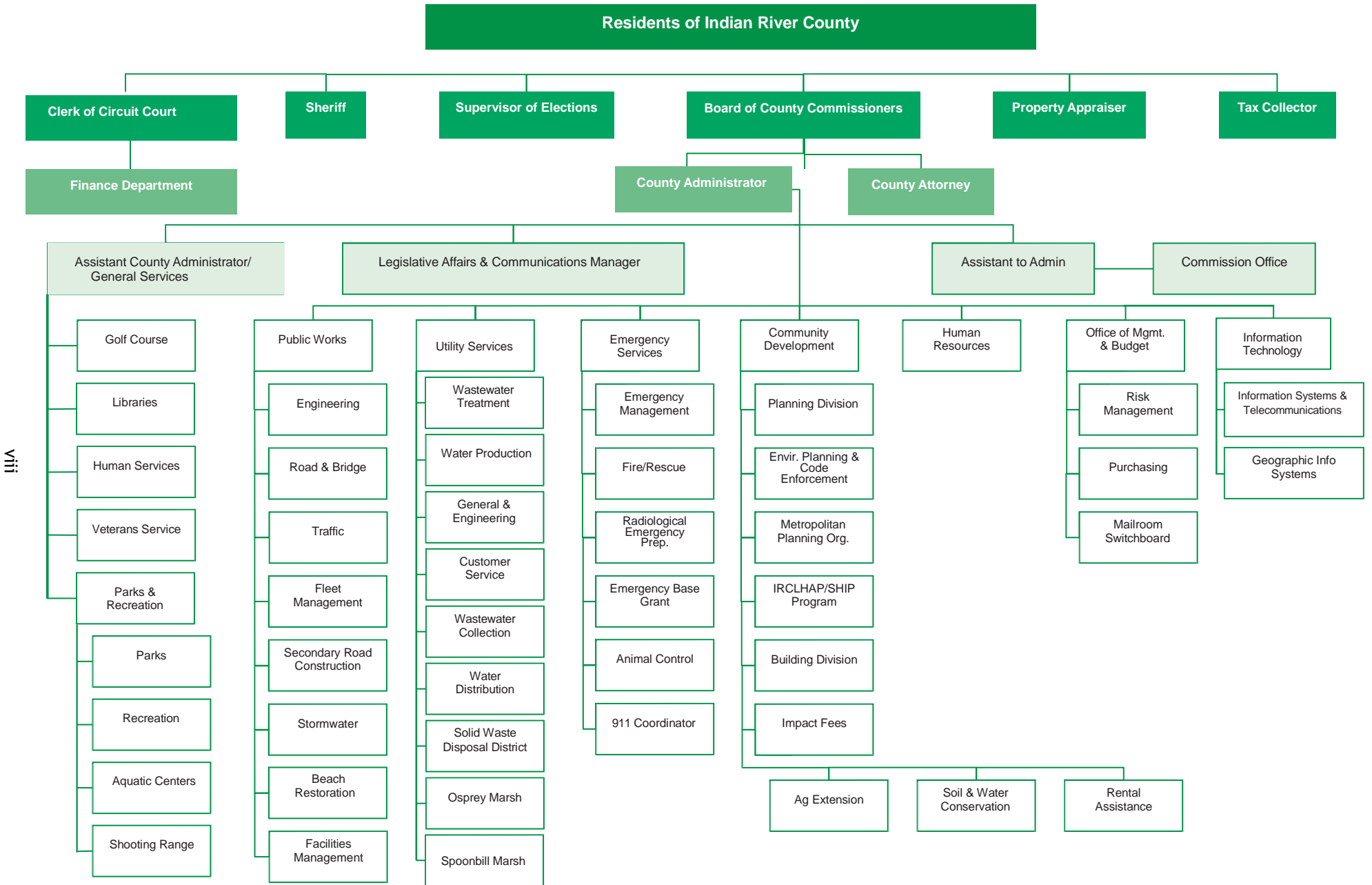
I would like to thank the entire staff of the Comptroller Division for their invaluable assistance in the preparation of this report. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner. Finally, thanks to the citizens for the trust you continue to place in your County and those who work to serve you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey R. Smith', written in a cursive style.

Jeffrey R. Smith, CPA, CGFO, CGMA
Clerk of the Circuit Court and Comptroller

Indian River County Board of County Commissioners Departmental Organization





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Indian River County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers
Indian River County, Florida

Report on the Financial Statements

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 **Indian River County, Florida** (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, business-type activities, each major fund and the aggregate remaining fund information of ***Indian River County, Florida*** as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of **Indian River County, Florida's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Rehmann Lohman LLC



Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report.

FINANCIAL HIGHLIGHTS

- The County's overall financial position improved over 2019.
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows by \$1,059.1 million (net position). Of this amount, \$63.7 million (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors. Further information can be found on page 8.
- The government's total net position increased by \$33.6 million or 3.3%. Governmental activities accounted for \$31.8 million of this increase and business-type activities accounted for the remaining \$1.8 million. Further information can be found on page 10.
- Governmental activities expenses reflected a 5.9% increase (\$201.4 million in 2019 to \$213.3 million in 2020) and business-type activities expenses reflected a 1.2% decrease (\$67.3 million in 2019 to \$66.5 million in 2020). Further information can be found on page 10.
- Unassigned fund balance for the general fund was \$56.3 million, or an 6.6% increase from the prior year general fund unassigned fund balance of \$52.8 million.

OVERVIEW OF 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 composed of three elements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

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 fiscal periods (e.g., uncollected grant revenue and earned but unused vacation leave).

Both of the government-wide 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 of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related functions. The major business-type activities include a water and sewer utility, a solid waste disposal district, a golf course, and a building department.

The government-wide financial statements include not only the Board of County Commissioners (BCC), but also the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The government-wide financial statements can be found on pages 21-23 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 the 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 a government's near-term financial 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 government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, special revenue funds, and capital projects fund. All are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements located behind the notes to the financial statements. The combining statements for the nonmajor governmental funds can be found on pages 119-166 of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 24-35 of this report.

Proprietary funds. The County maintains *two* different 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 its water and sewer utility, solid waste disposal district, golf course, and building department. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for fleet management, self-insurance, and information technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, solid waste disposal district, golf course, and building department, which are considered to be major funds of the County. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements behind the notes to the financial statements on pages 167-171 of this report. The basic proprietary fund financial statements can be found on pages 37-43 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Indian River County OPEB Trust holds the assets of the County's other postemployment benefits. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-112 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning Indian River County's progress in funding its obligations to provide other postemployment benefits to its employees, as well as information regarding the County's proportionate share of its pension liability. Required supplementary information can be found on pages 113-118 of this report.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$1,059.1 million at the close of the fiscal year.

Indian River County Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 322.9	\$ 286.8	\$ 125.2	\$ 130.9	\$ 448.1	\$ 417.7
Capital assets	596.2	580.6	224.3	217.1	820.5	797.7
Total assets	919.1	867.4	349.5	348.0	1,268.6	1,215.4
Deferred outflows of resources	59.8	50.4	4.2	3.7	64.0	54.1
Other liabilities	200.5	158.6	21.2	19.1	221.7	177.7
Long-term liabilities	27.8	33.9	10.9	12.4	38.7	46.3
Total liabilities	228.3	192.5	32.1	31.5	260.4	224.0
Deferred inflows of resources	12.0	18.5	1.1	1.5	13.1	20.0
Net position:						
Net investment in capital	592.2	569.4	221.3	212.2	813.5	781.6
Restricted	181.9	171.9	-	-	181.9	171.9
Unrestricted (deficit)	(35.5)	(34.5)	99.2	106.5	63.7	72.0
Total net position	\$ 738.6	\$ 706.8	\$ 320.5	\$ 318.7	\$ 1,059.1	\$ 1,025.5

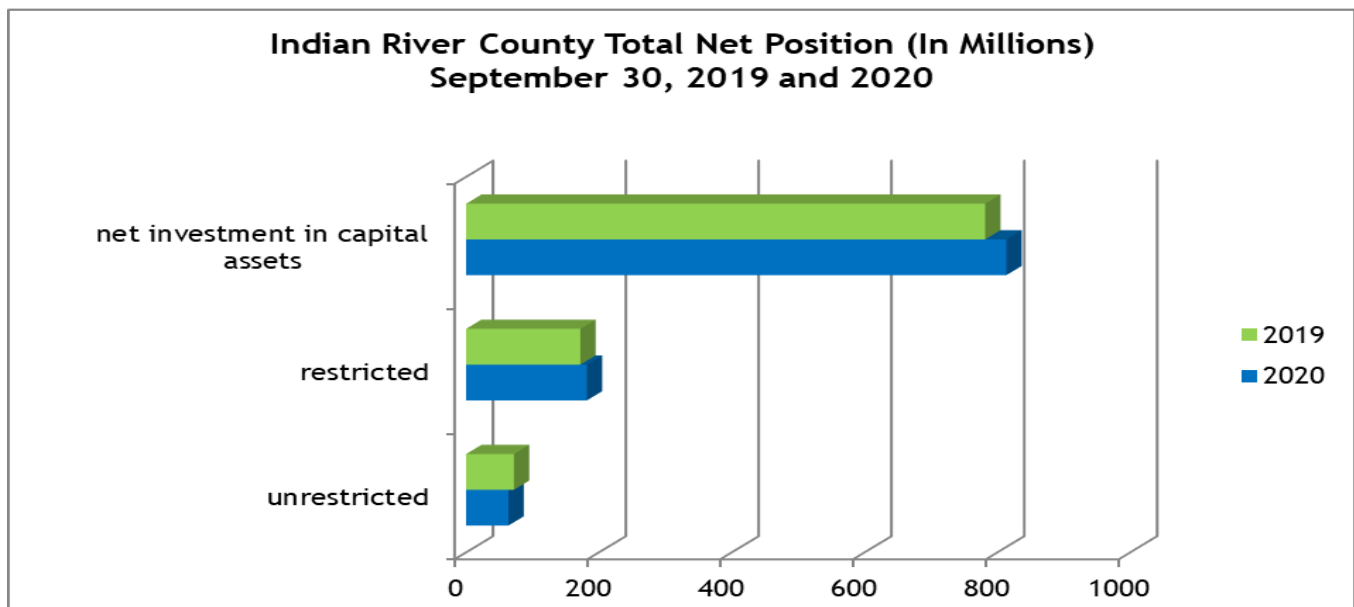
Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

Governmental Activities

In governmental activities, the increase in restricted net position was mainly due to an increase in net position restricted for capital projects and public safety. The increase in capital projects restricted net position was mainly caused by lower than expected expenditures for projects to be completed in future fiscal years. The increase in public safety restricted net position is due to increased property tax revenue for emergency services and increased public-safety related impact fees. The increase in net investment in capital assets was a result of completed construction projects and decreased outstanding debt. The decrease in unrestricted net position was due to an increase in the net pension liability.

Business-type Activities

In business-type activities, the increase in invested in capital assets was due to an increase in capital purchases and decreasing outstanding debt. The increase in invested in capital assets, along with the increase in the net pension liability, contributed to the decrease in unrestricted net position.



By far, the largest portion of the County's net position (77% or \$813.5 million) reflects its investment in capital assets (e.g., land, buildings, infrastructure, intangibles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

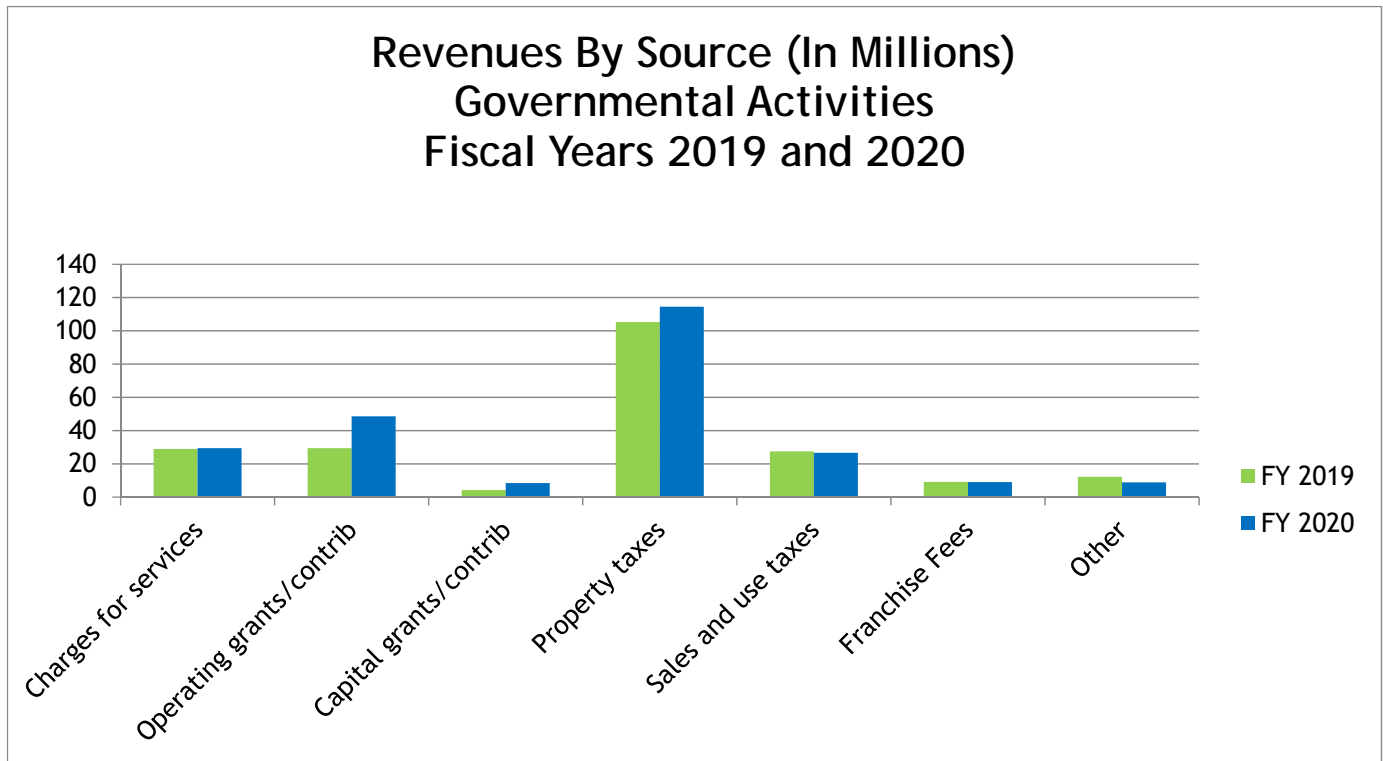
A portion of the County's net position (17% or \$181.9 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position (6% or \$63.7 million) may be used to meet the government's ongoing obligations to its citizens and creditors.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

Indian River County Changes in Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 29.4	\$ 28.9	\$ 57.9	\$ 56.7	\$ 87.3	\$ 85.6
Operating grants/contributions	48.6	29.4	0.3	0.008	48.9	29.4
Capital grants/contributions	8.4	4.2	8.0	14.0	16.4	18.2
General revenues:						
Property taxes	114.4	105.2	-	-	114.4	105.2
Sales taxes	26.6	27.5	-	-	26.6	27.5
Franchise fees	9.0	9.1	-	-	9.0	9.1
Other	8.8	12.2	2.0	3.8	10.8	16.0
Total revenues	<u>245.2</u>	<u>216.5</u>	<u>68.2</u>	<u>74.5</u>	<u>313.4</u>	<u>291.0</u>
Expenses:						
General government	32.5	31.4	-	-	32.5	31.4
Public safety	110.3	100.6	-	-	110.3	100.6
Physical environment	4.7	1.9	-	-	4.7	1.9
Transportation	29.2	31.2	-	-	29.2	31.2
Economic environment	0.7	0.5	-	-	0.7	0.5
Human services	11.6	9.6	-	-	11.6	9.6
Culture/recreation	16.5	17.9	-	-	16.5	17.9
Court related	7.3	7.9	-	-	7.3	7.9
Interest and fiscal charges	0.5	0.4	-	-	0.5	0.4
Water and sewer	-	-	42.8	45.1	42.8	45.1
Solid waste	-	-	15.8	14.7	15.8	14.7
Golf course	-	-	2.8	2.9	2.8	2.9
Building	-	-	5.1	4.6	5.1	4.6
Total expenses	<u>213.3</u>	<u>201.4</u>	<u>66.5</u>	<u>67.3</u>	<u>279.8</u>	<u>268.7</u>
Increase (decrease) in net position before transfers	31.9	15.1	1.7	7.2	33.6	22.3
Transfers	<u>(0.10)</u>	<u>(0.20)</u>	<u>0.10</u>	<u>0.20</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	31.8	14.9	1.8	7.4	33.6	22.3
Net position - beginning	706.8	691.9	318.7	311.3	1,025.5	1,003.2
Net position - ending	<u>\$ 738.6</u>	<u>\$ 706.8</u>	<u>\$ 320.5</u>	<u>\$ 318.7</u>	<u>\$ 1,059.1</u>	<u>\$ 1,025.5</u>

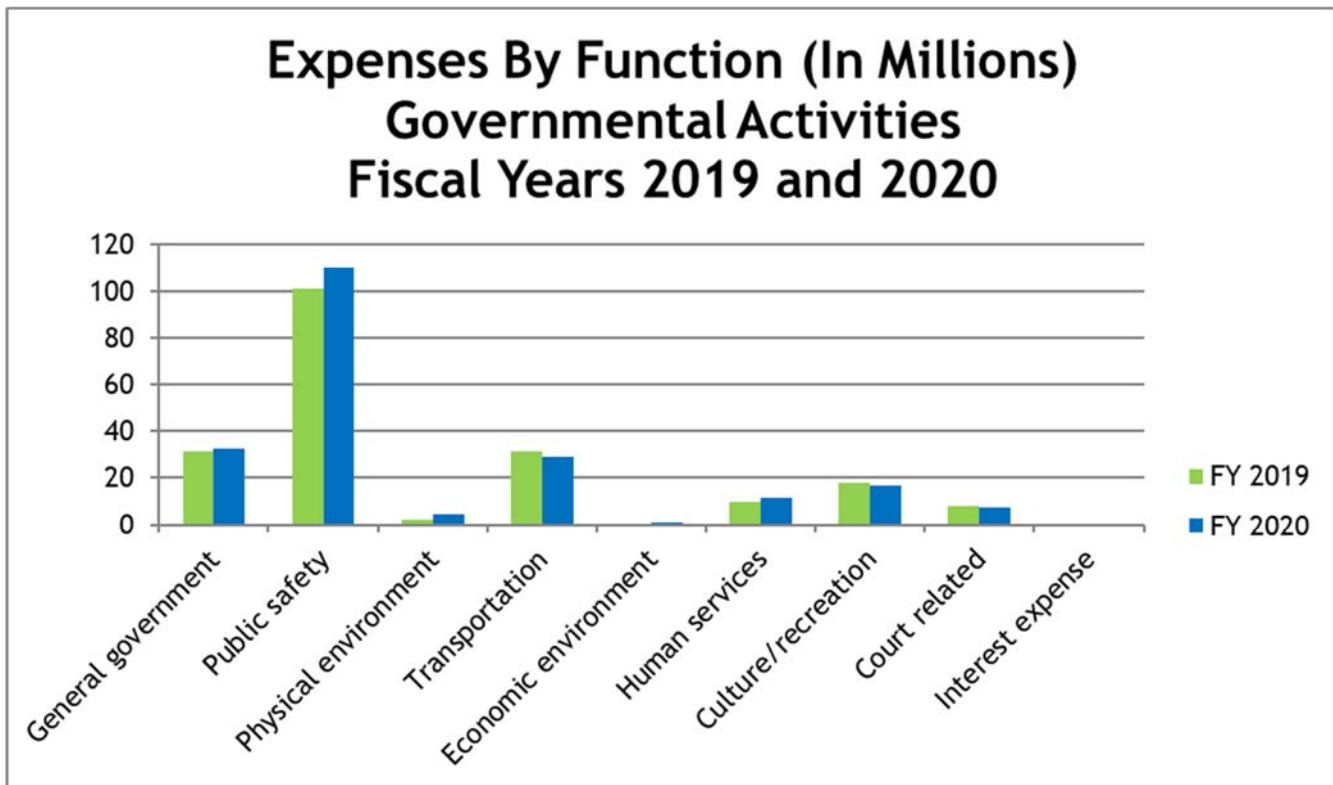
Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020



Governmental Activities

- Overall program revenues increased \$23.9 million due to increases in operating and capital grants and contributions, mainly from the CARES Act funding provided to local governments.
- Overall general revenues increased by \$4.8 million due to higher property tax collections as a result of increased property tax values and increased millage rates for the General and M.S.T.U. funds (increase of \$9.2 million or 8.7%) which was offset by a \$3.4 million decrease in other revenues (\$3.3 million was in interest earnings) and a \$0.9 million decrease in sales taxes. These decreases were the result of declining economic conditions caused by the coronavirus pandemic.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020



- The governmental activities expenses were \$11.9 million higher in 2020 than in 2019. This was mainly due to increases in public safety salaries and benefits and increases in human services-related expenditures to provide coronavirus relief to community agencies.

Business-type Activities

Business-type activities net position increased by \$1.8 million. Key elements of this increase are as follows:

- Overall program revenues decreased \$4.5 million. This was mainly due to a \$6.0 million decrease in capital grants and contributions resulting from decreased developer capital asset contributions. Charges for services increased \$1.2 million
- Other revenues decreased \$1.8 million due to decreased interest earnings.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

- Overall expenses were \$0.8 million or 1% higher in 2020 than in 2019. The water and sewer utilities expenses were \$2.3 million or about 5% lower in 2020 than in 2019 due a decrease in the write-off of outstanding balances under an amnesty program, the majority of which occurred in 2019. The solid waste expenses were \$1.7 million or 7% higher in 2020 than in 2019 due to landfill expansion-related costs. The golf course had \$0.1 million or less than 1% lower expenses in 2020 than in 2019. The building department had \$0.5 million or 9% higher expenses in 2020 than in 2019 due to increases in personnel and contracted labor services required to meet service level needs of developers and builders.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

Unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. Of the total fund balance, 23% (\$56.0 million) constitutes unassigned fund balance, which is available for spending at the County's discretion.

The remainder of fund balance is presented in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The County had fund balances in 1) a nonspendable category for inventories, prepaid items, and advances to other funds (\$1.0 million), 2) a restricted category for resources that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (\$170.6 million), 3) a committed category for constraints imposed by approval of ordinances and contracts by the Board of County Commissioners (\$2.3 million), and 4) an assigned category for constraints by the County's intent to use for specific purposes (\$9.5 million).

The two largest restricted amounts are in the Impact Fees Fund with a \$28.7 million restricted fund balance and the Optional Sales Tax Fund with a \$90.8 million restricted fund balance. Thirty-seven percent of the Impact Fees Fund (\$10.6 million) and thirty-six percent (\$32.4 million) of the Optional Sales Tax Fund is slated for major road expansions throughout the County in fiscal year 2021. The Optional Sales Tax Fund is a principal funding source in the five year Transportation Capital Improvement Program.

The County's governmental funds reported a combined fund balance of \$239.4 million, which is an increase of \$7.0 million over the prior year of \$232.4 million. Contributing factors to the \$7.0 million increase in fund balance are:

- Fund balance in the General Fund increased by \$3.4 million. This was due to increased tax revenues.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

- Fund balance in the Impact Fees Fund increased by \$4.9 million due to decreased expenditures for capital projects slated for future fiscal years.
- Fund balance in the Transportation Fund increased by \$0.8 million due to operating expenditures being lower than anticipated.
- Fund balance in the Emergency Services District Fund increased by \$5.0 million mainly due to an increase in tax revenues because of increasing home values and reimbursements from CARES Act funding.
- Fund balance in the Beach Restoration Fund decreased by \$5.9 million due to expenditures for the Sector 5 beach renourishment project.
- Fund balance in the Optional Sales Tax Fund increased by \$3.2 million due to decreased expenditures for capital projects slated for future fiscal years.

Proprietary funds

Unrestricted net position (deficit) at the end of the year amounted to \$17.2 million in the Solid Waste Disposal District (SWDD) Fund, (\$0.1) million in the Golf Course Fund, \$77.6 million in the County Utilities Fund, and \$4.5 million in the County Building Fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$17.8 million increase in operating appropriations between the original and final amended budget. The main components of the increase are as follows:

- \$13.8 million grants appropriations and prior year rollovers for the Senior Resource Association (SRA) to provide County-wide public transportation
- \$2.7 million for capital improvements
- \$0.7 million for Virgin Trains legal and professional services

Actual expenditures were \$17.6 million lower than anticipated for the following reasons:

- \$11.9 million in SRA grant costs not yet expended
- \$1.5 million in expenditures previously budgeted in the general fund that were ultimately paid from the CARES Act fund.
- \$1.0 million in unspent professional and other contractual services
- \$0.9 million in unspent salary and benefits expenditures
- \$0.4 million in unspent Virgin Trains legal and professional services

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

The General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual is shown on page 31.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$820.5 million (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings and improvements, intangibles, equipment, infrastructure and construction in progress. The overall increase in the County's investment in capital assets for the current fiscal year was 2.8%.

**Indian River County Capital Assets
(Net of Depreciation, In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 137.2	\$ 137.2	\$ 32.8	\$ 26.7	\$ 170.0	\$ 163.9
Right-of-way	66.8	63.2	-	-	66.8	63.2
Buildings and improvements	154.7	161.9	167.0	171.4	321.7	333.3
Equipment	30.9	28.5	5.5	4.6	36.4	33.1
Intangibles	2.2	2.4	2.3	2.2	4.5	4.6
Infrastructure	151.4	156.4	-	-	151.4	156.4
Construction in progress	53.0	31.0	16.7	12.2	69.7	43.2
Total	<u>\$ 596.2</u>	<u>\$ 580.6</u>	<u>\$ 224.3</u>	<u>\$ 217.1</u>	<u>\$ 820.5</u>	<u>\$ 797.7</u>

Governmental activities had the following major increases during the fiscal year:

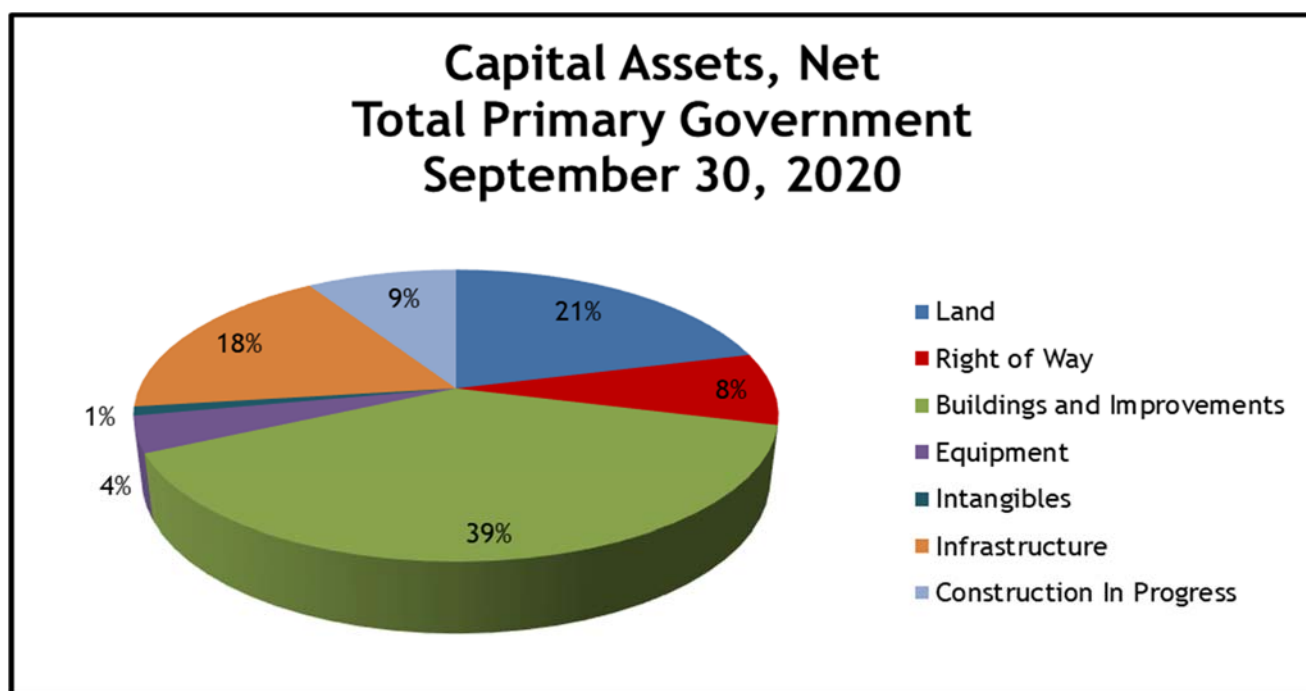
- An increase in right-of-way purchases for 37th Street from US1 to Indian River Boulevard.
- An increase in equipment due to the purchases of emergency services and road and bridge maintenance equipment.
- An increase in construction-in-progress due to the near completion of the Sector 5 beach renourishment project, improvements at the Jones Pier conservation area, and improvements at the Jackie Robinson Training Center.

Governmental activities only major decreases occurred in buildings and improvements and infrastructure as a result of increasing depreciation on existing assets.

Business-type activities major increases were in land due to a Utilities fund land purchase and construction in progress due to the countywide water meter replacement project and several other water and sewer projects.

Business-type activities only major decrease occurred in buildings and improvements as a result of increasing depreciation on existing assets.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020



Additional information on the County's capital assets can be found in Note 5 on pages 71-72 of this report.

Debt Administration

At the end of the current fiscal year, the County had total debt outstanding of \$6.0 million. The revenue bonds represent bonds secured solely by specified revenue sources.

**Indian River County's Outstanding Debt
General Obligation and Revenue Bonds
(In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>General Obligation Debt:</u>						
Limited General Oblig. Note, Series 2015	\$ -	\$ 7.3	\$ -	\$ -	\$ -	\$ 7.3
<u>Revenue Bonds/Notes:</u>						
Spring Training Facility, Series 2001	3.9	4.2	-	-	3.9	4.2
Water and Sewer Rev Note, Series 2015	-	-	2.1	3.2	2.1	3.2
Total	\$ 3.9	\$ 11.5	\$ 2.1	\$ 3.2	\$ 6.0	\$ 14.7

Additional information on the County's long-term debt can be found in Note 10 on pages 76-81 of this report.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

COVID-19 has had a significant impact on the proposed budget. The County has incurred additional expenses to respond to this public health crisis. Additionally, it has caused a significant reduction in various revenues that the County depends upon to fund the provision of services to the community. County staff has constructed the budget based upon conservative revenue estimates, per our normal practice. However, there is much more uncertainty in future projections due to many unknowns about COVID-19 and its potential impact on the economy going forward. The County has received a CARES Act allocation that may be used to fund some of the additional expenses necessitated by COVID-19. Staff continues to develop the CARES Act funding plan and will adjust the budget as appropriate as details are finalized.

For FY 2020/2021 the tax roll is increasing 5.33% countywide, which provides an additional \$5.9 million. However, due to COVID-19, this increase is offset by losses in other revenues, such as sales tax, state revenue sharing, gas tax, tourist taxes and other revenues, which are expected to decrease by \$5.5 million collectively. Unfortunately, the County's CARES Act allocation cannot be used to supplant revenue losses and therefore, the burden of these lost revenues is realized in the reduction of expenditures or the dependence on other revenue sources to balance the budget.

The County continues to focus on catching up on deferred maintenance and capital item replacement in the proposed budget. Funding for these items was drastically reduced to absorb the funding reduction during the previous economic downturn. While a concerted effort has been made to catch up on these items over the last several years, a substantial amount of work remains. The approved budget, which is the second year into the original five-year plan, includes \$8,681,900 in funding for these projects. Although challenging to fund given the current reduction in major revenues, staff continues to prioritize these projects.

The approved budget for FY 2020/2021 is \$393,534,815, a decrease of \$36,964,116 or 8.59% from the prior year. The largest individual expense in the budget is Personnel Services. In total, there is a decrease 0.95 net full-time (FT) positions for FY 2020/2021; BCC departments are decreasing one FT position, while Constitutional Officers reflect a net increase of 0.05 FT positions.

There are changes in the millage rates for fiscal year 2020/2021. Overall, the countywide millage rate is decreasing by 6.75%; this is reflective of the General Fund millage rate remaining the same, combined with the elimination of the Land Acquisition Bond millage of 0.2568 mills.

The M.S.T.U. Fund millage rate remains unchanged at 1.1506, while the Emergency Services District millage is at 2.3531 mills, which is a 0.0124 or 0.52% decrease.

Within the Solid Waste Fund, residential assessment rates are increasing by \$3.47 or 2.87% to \$124.37 per Equivalent Residential Unit. Commercial rates are increasing by \$2.29 or 5.45% to \$44.29 per Waste Generation Unit (W.G.U). The readiness-to-use fee is \$27.42 per W.G.U., an increase of \$2.73 or 11.06% from last fiscal year.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2020

As recommended in the Comprehensive Water, Wastewater, and Reclaimed Water Rate Study, an annual CPI adjustment of 1.5% was included for FY 2020/2021 in the Utilities Fund. In addition, four Streetlighting District assessments are decreasing as a result of Florida Power & Light's lower electric rates when compared to those of the City of Vero Beach. The Oceanside Street Paving M.S.B.U. assessment of \$415 per lot is scheduled to sunset in FY 2020/2021, as the five-year implementation is now complete.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Clerk of the Circuit Court and Comptroller
Attention: Comptroller Division
1801 27th Street
Vero Beach, FL 32960

BASIC FINANCIAL STATEMENTS



Indian River County, Florida
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 284,089,967	\$ 69,867,937	\$ 353,957,904
Accounts receivable - net	5,149,386	3,333,889	8,483,275
Internal balances	400,527	(400,527)	-
Due from other governments	28,620,236	743,320	29,363,556
Interest receivable	758,812	717,915	1,476,727
Inventories	527,459	1,461,946	1,989,405
Prepaid expenses	2,044,828	12,308	2,057,136
Current restricted assets:			
Cash and investments	1,115,146	45,138,785	46,253,931
Total current assets	322,706,361	120,875,573	443,581,934
Non-current assets:			
Capital assets - non-depreciable	261,934,290	51,636,853	313,571,143
Capital assets - depreciable	724,073,336	499,856,779	1,223,930,115
Capital assets - accumulated depreciation	(389,805,593)	(327,176,924)	(716,982,517)
Non-current restricted assets:			
Special assessments receivable	163,190	1,560,028	1,723,218
Impact fees receivable	-	260,846	260,846
Liens receivable	-	2,527,412	2,527,412
Total non-current assets	596,365,223	228,664,994	825,030,217
Total assets	919,071,584	349,540,567	1,268,612,151
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	55,220,257	3,651,419	58,871,676
Deferred outflows related to other postemployment benefits	4,519,939	408,330	4,928,269
Deferred charge on refunding	80,055	159,902	239,957
Total deferred outflows of resources	59,820,251	4,219,651	64,039,902
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	19,911,675	3,924,195	23,835,870
Retainage payable	-	392,219	392,219
Claims payable	2,649,000	-	2,649,000
Due to other governments	638,634	42,201	680,835
Other deposits held in escrow	23,430	1,000	24,430
Unearned revenues	2,436,402	1,435,277	3,871,679
Accrued compensated absences	6,571,403	816,642	7,388,045
Pollution remediation costs payable	63,533	251,300	314,833
Current liabilities (payable from current restricted assets):			
Accounts payable	-	11,895	11,895
Retainage payable	606,636	-	606,636
Accrued interest payable	440	2,932	3,372
Customer deposits	199,689	3,460,069	3,659,758
Notes payable	-	1,058,000	1,058,000
Lease payable	3,381	-	3,381
Closure and maintenance costs payable	-	1,949,965	1,949,965
Bonds payable	305,000	-	305,000
Total current liabilities	33,409,223	13,345,695	46,754,918
Non-current liabilities:			
Accrued compensated absences	7,759,680	307,728	8,067,408
Pollution remediation costs payable	1,546,467	-	1,546,467
Claims payable	5,295,000	-	5,295,000
Net pension liability	175,502,277	11,732,554	187,234,831
Net other postemployment benefits liability	1,254,552	130,088	1,384,640
Notes payable	-	1,074,000	1,074,000
Lease payable	8,752	-	8,752
Closure and maintenance costs payable	-	5,491,706	5,491,706
Bonds payable, net of premium and discount	3,560,000	-	3,560,000
Total non-current liabilities	194,926,728	18,736,076	213,662,804
Total liabilities	228,335,951	32,081,771	260,417,722
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,568,596	242,261	2,810,857
Deferred inflows related to other postemployment benefits	9,462,323	886,893	10,349,216
Total deferred inflows of resources	12,030,919	1,129,154	13,160,073
NET POSITION			
Net investment in capital assets	592,232,052	221,342,196	813,574,248
Restricted for:			
Transportation/road projects	26,601,322	-	26,601,322
Public safety	30,161,671	-	30,161,671
Court related costs	1,385,758	-	1,385,758
Housing assistance	1,397,192	-	1,397,192
Capital projects	94,121,082	-	94,121,082
Beach renourishment	16,129,172	-	16,129,172
Culture/recreation	8,598,384	-	8,598,384
Debt service	627,116	-	627,116
Environmental conservation/preservation	1,083,205	-	1,083,205
Special assessment projects	1,771,754	-	1,771,754
Unrestricted (deficit)	(35,583,743)	99,207,097	63,623,354
Total net position	\$ 738,524,965	\$ 320,549,293	\$ 1,059,074,258

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

Indian River County, Florida
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 32,530,843	\$ 8,216,420	\$ 15,397,903	\$ 2,010,114
Public safety	110,273,562	8,668,917	16,059,107	-
Physical environment	4,689,444	2,150	134,168	-
Transportation	29,192,110	7,268,659	6,834,320	2,544,110
Economic environment	731,507	-	57,002	-
Human services	11,647,461	314,202	9,645,195	-
Culture/recreation	16,485,742	2,106,421	204,124	3,798,663
Court related	7,286,197	2,816,548	258,770	-
Interest and fiscal charges	496,647	-	-	-
Total governmental activities	213,333,513	29,393,317	48,590,589	8,352,887
Business-type activities:				
Water and sewer	42,817,472	34,484,220	47,311	8,029,748
Solid waste	15,828,035	16,638,875	193,378	-
Golf course	2,814,165	3,234,590	-	-
Building	5,029,336	3,556,867	-	-
Total business-type activities	66,489,008	57,914,552	240,689	8,029,748
Total primary government	<u>\$ 279,822,521</u>	<u>\$ 87,307,869</u>	<u>\$ 48,831,278</u>	<u>\$ 16,382,635</u>

General revenues:
Property taxes, levied for general purposes
Property taxes, levied for debt service
Sales and use taxes
Franchise fees, levied on gross receipts
Interest earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (6,906,406)	\$ -	\$ (6,906,406)
(85,545,538)	-	(85,545,538)
(4,553,126)	-	(4,553,126)
(12,545,021)	-	(12,545,021)
(674,505)	-	(674,505)
(1,688,064)	-	(1,688,064)
(10,376,534)	-	(10,376,534)
(4,210,879)	-	(4,210,879)
(496,647)	-	(496,647)
(126,996,720)	-	(126,996,720)
-	(256,193)	(256,193)
-	1,004,218	1,004,218
-	420,425	420,425
-	(1,472,469)	(1,472,469)
-	(304,019)	(304,019)
(126,996,720)	(304,019)	(127,300,739)
109,831,793	-	109,831,793
4,608,719	-	4,608,719
26,552,956	-	26,552,956
9,005,020	-	9,005,020
5,104,542	1,991,158	7,095,700
3,745,498	6,263	3,751,761
(107,516)	107,516	-
158,741,012	2,104,937	160,845,949
31,744,292	1,800,918	33,545,210
706,780,673	318,748,375	1,025,529,048
\$ 738,524,965	\$ 320,549,293	\$ 1,059,074,258

Indian River County, Florida
Balance Sheet
Governmental Funds
September 30, 2020

	General	Impact Fees	Transportation
ASSETS			
Cash and investments	\$ 63,132,189	\$ 28,890,087	\$ 10,013,970
Accounts receivable	1,634,446	-	2,957
Special assessments receivable	-	-	163,190
Due from other funds	433,421	-	-
Due from other governments	16,786,376	169,844	588,036
Interest receivable	130,920	59,261	195,712
Inventories	208,855	-	-
Prepays and other assets	309,432	-	13,365
Advances to other funds	183,568	-	-
Total assets	<u>\$ 82,819,207</u>	<u>\$ 29,119,192</u>	<u>\$ 10,977,230</u>
LIABILITIES			
Accounts payable	\$ 5,770,007	\$ 294,107	\$ 951,270
Retainage payable	5,163	-	-
Due to other funds	517,431	-	-
Due to other governments	560,087	78,368	-
Other deposits held in escrow	185,109	-	-
Unearned revenues	541,449	-	-
Other deposits	23,430	-	-
Total liabilities	<u>7,602,676</u>	<u>372,475</u>	<u>951,270</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	338,395
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	16,068,984	-	343,403
Unavailable revenue - investment interest	38,978	17,848	6,176
Total deferred inflows of resources	<u>16,107,962</u>	<u>17,848</u>	<u>687,974</u>
FUND BALANCES			
Nonspendable:			
Inventories	208,855	-	-
Prepaid items	309,432	-	13,365
Advances to other funds	259,687	-	-
Restricted for:			
Transportation/road improvements	-	18,477,797	-
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	1,817,217	-
Fire/emergency services	-	1,298,911	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	212,195	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Coronavirus assistance	-	-	-
Debt service	-	-	-
Capital projects	-	1,626,893	-
Parks/recreational projects	815,990	5,295,856	-
Committed to:			
Economic incentives	1,022,573	-	-
Environmental conservation/preservation	-	-	-
Law enforcement/public safety	-	-	-
Library services	33,784	-	-
Parks/recreational projects	158,428	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Transportation/road improvements	-	-	9,324,621
Unassigned (deficit)	56,299,820	-	-
Total fund balances	<u>59,108,569</u>	<u>28,728,869</u>	<u>9,337,986</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 82,819,207</u>	<u>\$ 29,119,192</u>	<u>\$ 10,977,230</u>

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

Emergency Services District	Beach Restoration	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 20,559,843	\$ 11,671,873	\$ 90,440,820	\$ 25,350,490	\$ 250,059,272
2,217,326	-	61,000	439,166	4,354,895
-	-	-	-	163,190
376,810	-	851,024	5,159	1,666,414
617,314	4,604,811	3,583,196	2,230,872	28,580,449
43,558	23,917	189,405	48,063	690,836
48,591	-	-	22,251	279,697
21,057	250	-	113,778	457,882
-	-	-	-	183,568
<u>\$ 23,884,499</u>	<u>\$ 16,300,851</u>	<u>\$ 95,125,445</u>	<u>\$ 28,209,779</u>	<u>\$ 286,436,203</u>
\$ 1,703,996	\$ 164,476	\$ 1,979,996	\$ 3,145,976	\$ 14,009,828
-	-	594,216	7,257	606,636
-	-	-	932,024	1,449,455
-	-	-	179	638,634
-	-	-	14,580	199,689
-	-	-	1,894,953	2,436,402
-	-	-	-	23,430
<u>1,703,996</u>	<u>164,476</u>	<u>2,574,212</u>	<u>5,994,969</u>	<u>19,364,074</u>
-	-	-	-	338,395
2,098,725	-	-	-	2,098,725
617,315	4,604,811	1,703,556	1,736,057	25,074,126
13,119	7,203	57,044	14,447	154,815
<u>2,729,159</u>	<u>4,612,014</u>	<u>1,760,600</u>	<u>1,750,504</u>	<u>27,666,061</u>
48,591	-	-	22,251	279,697
21,057	250	-	113,778	457,882
-	-	-	-	259,687
-	-	-	6,121,639	24,599,436
-	-	-	1,279,250	1,279,250
-	-	-	1,373,953	1,373,953
-	-	-	4,593,974	6,411,191
19,381,696	-	-	-	20,680,607
-	-	-	1,168,169	1,168,169
-	11,524,111	-	-	11,524,111
-	-	-	1,333,844	1,333,844
-	-	-	-	212,195
-	-	-	1,083,205	1,083,205
-	-	-	1,771,754	1,771,754
-	-	-	544	544
-	-	-	27,133	27,133
-	-	-	627,116	627,116
-	-	90,790,633	-	92,417,526
-	-	-	-	6,111,846
-	-	-	-	1,022,573
-	-	-	1,042,421	1,042,421
-	-	-	76,921	76,921
-	-	-	-	33,784
-	-	-	-	158,428
-	-	-	146,169	146,169
-	-	-	-	9,324,621
-	-	-	(317,815)	55,982,005
<u>19,451,344</u>	<u>11,524,361</u>	<u>90,790,633</u>	<u>20,464,306</u>	<u>239,406,068</u>
<u>\$ 23,884,499</u>	<u>\$ 16,300,851</u>	<u>\$ 95,125,445</u>	<u>\$ 28,209,779</u>	<u>\$ 286,436,203</u>

Indian River County, Florida
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
September 30, 2020

Total governmental fund balances	\$ 239,406,068
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	594,610,308
Long-term liabilities, including bonds payable (\$3,784,945), accrued compensated absences (\$14,136,244) capital leases (\$12,133), accrued interest payable (\$440), and accrued pollution remediation costs (\$1,610,000), are not due and payable in the current period and, therefore, not reported in the funds.	(19,543,762)
On the governmental fund statements, a net pension or OPEB plan liability is not recorded until an amount is due and payable and the plan's fiduciary net position is not sufficient for payment of those benefits. On the statement of net position, the County's proportionate share of the net pension liability (\$167,249,452) of the cost-sharing defined benefit pension plans in which the County participates is reported. The County's net OPEB liability (\$1,241,122) of the single employer defined benefit plan is also reported on the statement of net position. Additionally, deferred outflows (\$48,089,138) and deferred inflows (\$2,547,541) related to pensions and deferred outflows (\$4,460,600) and deferred inflows (\$9,343,207) related to OPEB are also reported.	(127,831,584)
Special assessments, ambulance services, and state and federal grant receivables, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	27,511,246
Accrued interest receivable is not recognized in the current period because the resources are not available and, therefore, not reported in the funds.	154,815
Internal service funds are used by management to charge the costs of certain activities, such as insurance, fleet, and information technology services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>24,217,874</u>
Net position of governmental activities	<u><u>\$ 738,524,965</u></u>

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



Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Impact Fees	Transportation
REVENUES			
Taxes	\$ 76,282,083	\$ -	\$ -
Permits, fees and special assessments	9,462,719	7,500,725	490,819
Intergovernmental	17,883,159	-	3,081,998
Charges for services	8,303,097	-	95,538
Judgments, fines and forfeits	1,067,687	-	500
Interest	1,519,989	422,066	156,602
Miscellaneous	4,949,097	6,000	419,027
Total revenues	<u>119,467,831</u>	<u>7,928,791</u>	<u>4,244,484</u>
EXPENDITURES			
Current:			
General government	24,329,577	658,555	342,210
Public safety	55,247,350	-	-
Physical environment	325,033	-	1,001,821
Transportation	4,202,981	1,424,274	13,873,064
Economic environment	473,417	-	-
Human services	5,298,834	-	-
Culture/recreation	11,117,375	900,282	-
Court related	5,979,428	-	-
Debt service:			
Principal	3,314	-	-
Interest and other fiscal charges	279	-	-
Capital projects	-	-	-
Total expenditures	<u>106,977,588</u>	<u>2,983,111</u>	<u>15,217,095</u>
Excess of revenues over (under) expenditures	<u>12,490,243</u>	<u>4,945,680</u>	<u>(10,972,611)</u>
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	-	111,746
Transfers in	4,216,086	-	11,724,151
Transfers out	(13,292,530)	-	(77,319)
Total other financing sources (uses)	<u>(9,076,444)</u>	<u>-</u>	<u>11,758,578</u>
Net change in fund balances	3,413,799	4,945,680	785,967
Fund balances at beginning of year	<u>55,694,770</u>	<u>23,783,189</u>	<u>8,552,019</u>
Fund balances at end of year	<u>\$ 59,108,569</u>	<u>\$ 28,728,869</u>	<u>\$ 9,337,986</u>

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

Emergency Services District	Beach Restoration	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 34,801,213	\$ 1,017,849	\$ 18,984,618	\$ 9,907,705	\$ 140,993,468
-	-	-	505,025	17,959,288
355,120	76,028	5,732	12,336,388	33,738,425
7,194,148	-	-	1,782,726	17,375,509
19,000	-	-	310,841	1,398,028
506,083	230,101	1,460,299	422,874	4,718,014
517,727	-	1,593,398	951,167	8,436,416
43,393,291	1,323,978	22,044,047	26,216,726	224,619,148
-	-	-	2,259,010	27,589,352
37,826,281	-	-	2,374,605	95,448,236
-	-	-	392,439	1,719,293
-	-	-	7,134,865	26,635,184
-	-	-	246,593	720,010
-	-	-	6,153,560	11,452,394
-	7,432,799	-	2,221,384	21,671,840
-	-	-	556,673	6,536,101
-	-	-	7,558,000	7,561,314
-	-	-	325,774	326,053
-	-	17,302,374	-	17,302,374
37,826,281	7,432,799	17,302,374	29,222,903	216,962,151
5,567,010	(6,108,821)	4,741,673	(3,006,177)	7,656,997
287,126	-	-	-	398,872
-	193,933	-	1,636,061	17,770,231
(802,755)	-	(1,491,475)	(3,115,663)	(18,779,742)
(515,629)	193,933	(1,491,475)	(1,479,602)	(610,639)
5,051,381	(5,914,888)	3,250,198	(4,485,779)	7,046,358
14,399,963	17,439,249	87,540,435	24,950,085	232,359,710
\$ 19,451,344	\$ 11,524,361	\$ 90,790,633	\$ 20,464,306	\$ 239,406,068

Indian River 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, 2020

Net change in fund balances - total governmental funds \$ 7,046,358

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	38,606,865	
Less current year adjustments to capital assets	(132,312)	
Less current year loss on assets	(133,616)	
Less current year depreciation	<u>(22,909,661)</u>	15,431,276

Payments of bond and note principal, pollution remediation, and capital lease costs are expenditures in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.

Bond principal payment	290,000	
Note principal payment	7,268,000	
Capital lease	3,314	
Pollution remediation costs	<u>5,300</u>	7,566,614

Changes in accrued compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,676,053)

Governmental funds report interest expenditures based on when they are paid.

The statement of activities reports these expenses as they are incurred. This is the net number of the prior year and current year accrual.

Deferred charge on refunding amortization expense	(170,872)	
Accrued capital lease interest expense	<u>278</u>	(170,594)

Governmental funds report contributions in defined benefit pension plans as expenditures.

However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liabilities and is reported as part of deferred outflows of resources.

3,313,177

In the statement of activities, pension expense is recorded for the County's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the County participates. Also included in the statement of activities is the County's OPEB expense for the single employer defined benefit plan.

(23,000,231)

Internal service funds are used by management to charge the costs of insurance, fleet and information technology services to individual funds. The net costs of the internal service funds are reported in governmental activities.

2,605,937

Governmental funds report non-exchange transactions when the applicable eligibility requirements have been met and resources are available. However, in the statement of activities, non-exchange transactions are recognized when the eligibility requirements are met. This is the net number of the prior year and current year accrual.

20,773,173

Some interest revenues reported in the statement of activities do not provide current financial resources, therefore, are not reported as revenues in governmental funds. This is the net number of the prior year and current year accrual.

(145,365)

Change in net position of governmental activities		<u>\$ 31,744,292</u>
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The accompanying notes are an integral part of the financial statements.

Indian River County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 75,018,191	\$ 75,018,191	\$ 76,282,083	\$ 1,263,892
Permits, fees and special assessments	8,948,050	8,948,050	9,462,719	514,669
Intergovernmental	14,392,886	28,572,158	17,883,159	(10,688,999)
Charges for services	10,504,728	8,931,899	8,303,097	(628,802)
Judgments, fines and forfeits	1,211,963	1,161,963	1,067,687	(94,276)
Interest	362,024	362,024	1,519,989	1,157,965
Miscellaneous	4,037,884	4,439,800	4,949,097	509,297
Total revenues	<u>114,475,726</u>	<u>127,434,085</u>	<u>119,467,831</u>	<u>(7,966,254)</u>
EXPENDITURES				
Current:				
General government	25,117,126	26,623,060	24,329,577	2,293,483
Public safety	55,479,754	56,009,586	55,247,350	762,236
Physical environment	510,076	572,724	325,033	247,691
Transportation	1,160,000	15,034,612	4,202,981	10,831,631
Economic environment	503,942	509,740	473,417	36,323
Human services	5,829,644	6,094,785	5,298,834	795,951
Culture/recreation	11,678,894	13,558,970	11,117,375	2,441,595
Court related	6,507,840	6,158,232	5,979,428	178,804
Debt service:				
Principal	-	-	3,314	(3,314)
Interest and other fiscal charges	-	-	279	(279)
Total expenditures	<u>106,787,276</u>	<u>124,561,709</u>	<u>106,977,588</u>	<u>17,584,121</u>
Excess of revenues over (under) expenditures	<u>7,688,450</u>	<u>2,872,376</u>	<u>12,490,243</u>	<u>9,617,867</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,597,902	2,670,640	4,216,086	1,545,446
Transfers out	(11,934,745)	(13,292,531)	(13,292,530)	1
Total other financing sources (uses)	<u>(10,336,843)</u>	<u>(10,621,891)</u>	<u>(9,076,444)</u>	<u>1,545,447</u>
Net change in fund balances	(2,648,393)	(7,749,515)	3,413,799	<u>\$ 11,163,314</u>
Fund balances at beginning of year	<u>2,648,393</u>	<u>7,749,515</u>	<u>55,694,770</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,108,569</u>	

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

Indian River County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Impact Fees Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Permits, fees and special assessments	\$ 4,179,997	\$ 4,179,997	\$ 7,500,725	\$ 3,320,728
Interest	47,500	47,500	422,066	374,566
Miscellaneous	-	-	6,000	6,000
Total revenues	<u>4,227,497</u>	<u>4,227,497</u>	<u>7,928,791</u>	<u>3,701,294</u>
EXPENDITURES				
General government	467,670	1,049,978	658,555	391,423
Public safety	175,000	175,000	-	175,000
Transportation	5,152,000	10,593,667	1,424,274	9,169,393
Culture/recreation	1,041,913	2,989,961	900,282	2,089,679
Total expenditures	<u>6,836,583</u>	<u>14,808,606</u>	<u>2,983,111</u>	<u>11,825,495</u>
Net change in fund balances	(2,609,086)	(10,581,109)	4,945,680	<u>\$ 15,526,789</u>
Fund balances at beginning of year	<u>2,609,086</u>	<u>10,581,109</u>	<u>23,783,189</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,728,869</u>	

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

Indian River County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Transportation Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Permits, fees and special assessments	\$ 451,250	\$ 451,250	\$ 490,819	\$ 39,569
Intergovernmental	3,042,779	3,042,779	3,081,998	39,219
Charges for services	92,150	92,150	95,538	3,388
Judgments, fines and forfeits	-	-	500	500
Interest	42,750	42,750	156,602	113,852
Miscellaneous	373,825	373,825	419,027	45,202
Total revenues	<u>4,002,754</u>	<u>4,002,754</u>	<u>4,244,484</u>	<u>241,730</u>
EXPENDITURES				
General government	362,756	373,867	342,210	31,657
Physical environment	1,078,028	1,211,622	1,001,821	209,801
Transportation	15,003,150	15,998,530	13,873,064	2,125,466
Total expenditures	<u>16,443,934</u>	<u>17,584,019</u>	<u>15,217,095</u>	<u>2,366,924</u>
Excess of revenues over (under) expenditures	<u>(12,441,180)</u>	<u>(13,581,265)</u>	<u>(10,972,611)</u>	<u>2,608,654</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	111,746	111,746
Transfers in	11,692,691	11,840,401	11,724,151	(116,250)
Transfers out	(77,319)	(77,319)	(77,319)	-
Total other financing sources (uses)	<u>11,615,372</u>	<u>11,763,082</u>	<u>11,758,578</u>	<u>(4,504)</u>
Net change in fund balances	<u>(825,808)</u>	<u>(1,818,183)</u>	<u>785,967</u>	<u>\$ 2,604,150</u>
Fund balances at beginning of year	<u>825,808</u>	<u>1,818,183</u>	<u>8,552,019</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,337,986</u>	

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

Indian River County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Emergency Services District Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 34,231,964	\$ 34,231,964	\$ 34,801,213	\$ 569,249
Intergovernmental	52,250	68,706	355,120	286,414
Charges for services	6,167,405	6,399,492	7,194,148	794,656
Judgments, fines and forfeits	4,750	4,750	19,000	14,250
Interest	71,250	71,250	506,083	434,833
Miscellaneous	190	190	517,727	517,537
Total revenues	<u>40,527,809</u>	<u>40,776,352</u>	<u>43,393,291</u>	<u>2,616,939</u>
EXPENDITURES				
Public safety	<u>40,014,095</u>	<u>43,237,148</u>	<u>37,826,281</u>	<u>5,410,867</u>
Total expenditures	<u>40,014,095</u>	<u>43,237,148</u>	<u>37,826,281</u>	<u>5,410,867</u>
Excess of revenues over (under) expenditures	<u>513,714</u>	<u>(2,460,796)</u>	<u>5,567,010</u>	<u>8,027,806</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	287,126	287,126
Transfers out	<u>(673,492)</u>	<u>(826,659)</u>	<u>(802,755)</u>	<u>23,904</u>
Total other financing sources (uses)	<u>(673,492)</u>	<u>(826,659)</u>	<u>(515,629)</u>	<u>311,030</u>
Net change in fund balances	<u>(159,778)</u>	<u>(3,287,455)</u>	<u>5,051,381</u>	<u>\$ 8,338,836</u>
Fund balances at beginning of year	<u>159,778</u>	<u>3,287,455</u>	<u>14,399,963</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,451,344</u>	

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

Indian River County, Florida
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Beach Restoration Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 997,500	\$ 997,500	\$ 1,017,849	\$ 20,349
Intergovernmental	-	1,748,751	76,028	(1,672,723)
Interest	9,500	9,500	230,101	220,601
Total revenues	<u>1,007,000</u>	<u>2,755,751</u>	<u>1,323,978</u>	<u>(1,431,773)</u>
EXPENDITURES				
Culture/recreation	<u>2,112,704</u>	<u>11,114,057</u>	<u>7,432,799</u>	<u>3,681,258</u>
Total expenditures	<u>2,112,704</u>	<u>11,114,057</u>	<u>7,432,799</u>	<u>3,681,258</u>
Excess of revenues over (under) expenditures	<u>(1,105,704)</u>	<u>(8,358,306)</u>	<u>(6,108,821)</u>	<u>2,249,485</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>193,933</u>	<u>193,933</u>	<u>193,933</u>	-
Total other financing sources (uses)	<u>193,933</u>	<u>193,933</u>	<u>193,933</u>	-
Net change in fund balances	(911,771)	(8,164,373)	(5,914,888)	<u>\$ 2,249,485</u>
Fund balances at beginning of year	<u>911,771</u>	<u>8,164,373</u>	<u>17,439,249</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,524,361</u>	

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



Indian River County, Florida
Statement of Fund Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 17,584,575	\$ 894,703	\$ 43,722,873	\$ 7,665,786	\$ 69,867,937	\$ 35,145,841
Accounts receivable - net	152,361	1,664	3,139,075	40,789	3,333,889	794,491
Due from other funds	135,462	-	-	-	135,462	-
Due from other governments	271,877	3,624	453,088	14,731	743,320	39,787
Interest receivable	41,673	1,585	658,789	15,868	717,915	67,976
Inventories	-	111,769	1,350,177	-	1,461,946	247,762
Prepays and other assets	-	11,500	808	-	12,308	1,586,946
Current restricted assets:						
Cash and investments	8,106,914	-	37,031,871	-	45,138,785	-
Total current assets	26,292,862	1,024,845	86,356,681	7,737,174	121,411,562	37,882,803
Non-current assets:						
Capital assets - non-depreciable	12,522,347	6,622,459	32,428,273	63,774	51,636,853	134,672
Capital assets - depreciable	38,375,210	5,101,567	455,808,111	571,891	499,856,779	4,704,510
Capital assets - accumulated depreciation	(17,056,903)	(2,243,632)	(307,444,947)	(431,442)	(327,176,924)	(3,247,457)
Non-current restricted assets:						
Special assessments receivable	-	-	1,560,028	-	1,560,028	-
Impact fees receivable	-	-	260,846	-	260,846	-
Liens receivable	-	-	2,527,412	-	2,527,412	-
Total non-current assets	33,840,654	9,480,394	185,139,723	204,223	228,664,994	1,591,725
Total assets	60,133,516	10,505,239	271,496,404	7,941,397	350,076,556	39,474,528
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	217,640	176,482	2,662,130	595,167	3,651,419	504,765
Deferred outflows related to other postemployment benefits	24,157	6,938	303,793	73,442	408,330	59,339
Deferred amounts on refundings	-	-	159,902	-	159,902	-
Total deferred outflows of resources	241,797	183,420	3,125,825	668,609	4,219,651	564,104
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	966,814	51,669	2,668,208	237,504	3,924,195	5,901,847
Retainage payable	-	-	392,219	-	392,219	-
Due to other funds	-	352,421	-	-	352,421	-
Claims payable	-	-	-	-	-	2,649,000
Due to other governments	-	11,654	-	30,547	42,201	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	69,938	12,195	1,353,144	1,435,277	-
Pollution remediation costs payable	-	-	251,300	-	251,300	-
Accrued compensated absences	49,038	29,645	612,578	125,381	816,642	93,691
Total current liabilities (payable from current assets)	1,015,852	516,327	3,936,500	1,746,576	7,215,255	8,644,538
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	11,895	-	11,895	-
Accrued interest payable	-	-	2,932	-	2,932	-
Closure and maintenance costs payable	1,949,965	-	-	-	1,949,965	-
Notes payable	-	-	1,058,000	-	1,058,000	-
Customer deposits	165,243	-	3,294,826	-	3,460,069	-
Total current liabilities (payable from restricted assets)	2,115,208	-	4,367,653	-	6,482,861	-
Total current liabilities	3,131,060	516,327	8,304,153	1,746,576	13,698,116	8,644,538
Non-current liabilities:						
Accrued compensated absences	15,700	43,151	227,962	20,915	307,728	101,148
Advance from other funds	-	183,568	-	-	183,568	-
Claims payable	-	-	-	-	-	5,295,000
Closure and maintenance costs payable	5,491,706	-	-	-	5,491,706	-
Net pension liability	664,449	558,460	8,540,918	1,968,727	11,732,554	1,626,471
Net other postemployment benefits liability	8,115	2,491	97,520	21,962	130,088	13,430
Notes payable	-	-	1,074,000	-	1,074,000	-
Total non-current liabilities	6,179,970	787,670	9,940,400	2,011,604	18,919,644	7,036,049
Total liabilities	9,311,030	1,303,997	18,244,553	3,758,180	32,617,760	15,680,587
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	10,033	17,837	214,076	315	242,261	21,055
Deferred inflows related to other postemployment benefits	53,286	15,577	661,252	156,778	886,893	119,116
Total deferred inflows of resources	63,319	33,414	875,328	157,093	1,129,154	140,171
NET POSITION						
Net investment in capital assets	33,826,409	9,480,394	177,849,348	186,045	221,342,196	1,418,822
Unrestricted (deficit)	17,174,555	(129,146)	77,653,000	4,508,688	99,207,097	22,799,052
Total net position	\$ 51,000,964	\$ 9,351,248	\$ 255,502,348	\$ 4,694,733	\$ 320,549,293	\$ 24,217,874

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

Indian River County, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 16,638,875	\$ 3,234,590
Total operating revenues	16,638,875	3,234,590
OPERATING EXPENSES		
Personal services	865,765	633,933
Material, supplies, services and other operating	13,790,934	1,912,628
Depreciation	1,171,336	252,108
Total operating expenses	15,828,035	2,798,669
Operating income (loss)	810,840	435,921
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	193,378	-
Interest income	463,843	17,359
Gain on disposal of assets	4,220	156
Interest expense	-	(15,496)
Loss on disposal of assets	-	-
Total nonoperating revenues (expenses)	661,441	2,019
Income (loss) before transfers and capital grants and contributions	1,472,281	437,940
Capital grants and contributions	-	18,553
Transfers	(777,875)	-
Change in net position	694,406	456,493
Total net position - beginning	50,306,558	8,894,755
Total net position - ending	\$ 51,000,964	\$ 9,351,248

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ 34,484,220	\$ 3,556,867	\$ 57,914,552	\$ 35,437,701
34,484,220	3,556,867	57,914,552	35,437,701
11,073,448	3,054,391	15,627,537	3,708,834
17,269,676	1,894,988	34,868,226	30,332,140
14,335,660	79,957	15,839,061	397,905
42,678,784	5,029,336	66,334,824	34,438,879
(8,194,564)	(1,472,469)	(8,420,272)	998,822
-	-	193,378	8,813
1,383,740	126,216	1,991,158	523,889
1,887	-	6,263	-
(138,517)	-	(154,013)	-
(171)	-	(171)	(1,254)
1,246,939	126,216	2,036,615	531,448
(6,947,625)	(1,346,253)	(6,383,657)	1,530,270
8,058,506	-	8,077,059	173,672
885,391	-	107,516	901,995
1,996,272	(1,346,253)	1,800,918	2,605,937
253,506,076	6,040,986	318,748,375	21,611,937
\$ 255,502,348	\$ 4,694,733	\$ 320,549,293	\$ 24,217,874

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 16,568,032	\$ 3,259,917
Cash paid to suppliers for goods and services	(14,737,911)	(2,019,923)
Cash paid to employees for services	(795,023)	(582,772)
Net cash provided by (used in) operating activities	1,035,098	657,222
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	(777,875)	-
Operating grants	1,011,083	2,387
Net cash provided by (used in) noncapital financing activities	233,208	2,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(15,496)
Payments on advances from other funds	-	(352,942)
Proceeds from advances from other funds	-	316,900
Proceeds from sales of capital assets	4,220	156
Purchase of capital assets	(1,623,052)	(384,905)
Bond paying agent fees	-	-
Capital contributed by others	-	-
Net cash flows provided by (used in) capital and related financing activities	(1,618,832)	(436,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	484,932	18,482
Net cash provided by investing activities	484,932	18,482
Net increase (decrease) in cash and investments	134,406	241,804
Cash and investments at beginning of year	25,557,083	652,899
Cash and investments at end of year	\$ 25,691,489	\$ 894,703
Classified as:		
Current assets	\$ 17,584,575	\$ 894,703
Restricted assets	8,106,914	-
Total	\$ 25,691,489	\$ 894,703

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ 35,065,923	\$ 3,967,060	\$ 58,860,932	\$ 36,603,226
(16,450,403)	(1,899,140)	(35,107,377)	(31,022,082)
(10,140,871)	(2,772,662)	(14,291,328)	(3,494,342)
8,474,649	(704,742)	9,462,227	2,086,802
885,391	-	107,516	901,995
66,522	-	1,079,992	-
951,913	-	1,187,508	901,995
(1,042,000)	-	(1,042,000)	-
(52,371)	-	(67,867)	-
-	-	(352,942)	-
-	-	316,900	-
1,887	-	6,263	-
(16,541,214)	(126,015)	(18,675,186)	(225,803)
(4,150)	-	(4,150)	-
3,577,597	-	3,577,597	-
(14,060,251)	(126,015)	(16,241,385)	(225,803)
1,492,735	138,707	2,134,856	561,490
1,492,735	138,707	2,134,856	561,490
(3,140,954)	(692,050)	(3,456,794)	3,324,484
83,895,698	8,357,836	118,463,516	31,821,357
\$ 80,754,744	\$ 7,665,786	\$ 115,006,722	\$ 35,145,841
\$ 43,722,873	\$ 7,665,786	\$ 69,867,937	\$ 35,145,841
37,031,871	-	45,138,785	-
\$ 80,754,744	\$ 7,665,786	\$ 115,006,722	\$ 35,145,841

Continued

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 810,840	\$ 435,921
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	1,171,336	252,108
Work in progress reclassified as expense	-	-
(Increase) Decrease in assets:		
Accounts receivable	(38,253)	(273)
Due from other funds	(452)	-
Due from other governments	(23,638)	10,324
Inventories	-	5,232
Impact fees receivable	-	-
Special assessments receivable	-	-
Liens receivable	-	-
Prepaid expenses	-	(10,262)
Increase (Decrease) in liabilities:		
Accounts payable	(232,452)	(105,359)
Due to other governments	(1,514)	3,094
Retainage payable	-	-
Customer deposits	(8,500)	-
Closure and maintenance costs payable	(713,011)	-
Pollution remediation costs payable	-	-
Net pension liability	126,615	95,480
Deferred inflows of resources related to the net pension liability	(24,492)	(19,120)
Deferred outflows of resources related to the net pension liability	(25,355)	(18,469)
Net OPEB liability	(6,181)	(1,709)
Deferred intflows of resources related to the net OPEB liability	(9,649)	1,375
Deferred outflows of resources related to the net OPEB liability	4,971	(2,669)
Unearned revenues	-	15,276
Claims payable	-	-
Accrued compensated absences	4,833	(3,727)
Total adjustments	224,258	221,301
Net cash provided by (used in) operating activities	\$ 1,035,098	\$ 657,222
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in fair value of investments	\$ 7,320	\$ 1,496
Contributed property, infrastructure, and equipment	\$ -	\$ 18,553
Capital assets purchased through accounts payable	\$ 14,245	\$ -

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ (8,194,564)	\$ (1,472,469)	\$ (8,420,272)	\$ 998,822
14,335,660	79,957	15,839,061	397,905
2,873	-	2,873	-
136,214	(40,789)	56,899	710,228
-	-	(452)	-
(115,188)	5,800	(122,702)	455,298
68,271	-	73,503	19,384
235,146	-	235,146	-
323,527	-	323,527	-
138,220	-	138,220	-
(808)	112	(10,958)	(367,424)
166,178	(7,636)	(179,269)	(31,903)
(1,607)	3,372	3,345	-
194,846	-	194,846	-
(10,191)	-	(18,691)	-
-	-	(713,011)	-
251,300	-	251,300	-
1,660,526	483,628	2,366,249	363,241
(332,527)	(96,848)	(472,987)	(72,741)
(321,207)	(93,552)	(458,583)	(70,265)
(78,505)	(19,330)	(105,725)	(17,226)
63,150	15,549	70,425	13,858
(122,569)	(30,181)	(150,448)	(26,895)
12,195	445,182	472,653	-
-	-	-	(310,000)
63,709	22,463	87,278	24,520
16,669,213	767,727	17,882,499	1,087,980
\$ 8,474,649	\$ (704,742)	\$ 9,462,227	\$ 2,086,802

\$ 10,206	\$ 1,599	\$ 20,621	\$ 10,428
\$ 5,010,563	\$ -	\$ 5,029,116	\$ 173,672
\$ 927,882	\$ 18,178	\$ 960,305	\$ 172,903

Indian River County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash	\$ 11,123,022	\$ 76,576
Investments, at fair value		
Index funds	-	16,523,170
U.S. government securities funds	-	12,843,800
Money market fund	-	3,210,957
Total assets	<u>\$ 11,123,022</u>	<u>\$ 32,654,503</u>
LIABILITIES		
Due to other governments	\$ 6,482,959	\$ -
Escrow deposits	2,374,072	-
Other deposits held in escrow	2,265,991	-
Total liabilities	<u>\$ 11,123,022</u>	<u>-</u>
NET POSITION		
Net position restricted for OPEB		32,654,503
Total net position		<u>\$ 32,654,503</u>

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

Indian River County, Florida
Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Fund
For the Year Ended September 30, 2020

ADDITIONS

Employer contributions	\$ 2,206,025
Net appreciation in fair value of investments	2,520,594
Less investment expense	<u>(2,115)</u>
Net investment income	<u>2,518,479</u>
Total additions	<u>4,724,504</u>

DEDUCTIONS

Benefit payments	<u>2,577,846</u>
Total deductions	<u>2,577,846</u>
Change in net position	2,146,658
Net position - beginning	<u>30,507,845</u>
Net position - ending	<u><u>\$ 32,654,503</u></u>

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



Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

<u>Note</u>	<u>Page</u>	<u>Note</u>	<u>Page</u>
1 Summary of Significant Accounting Policies	48	4 Property Tax Revenues	70
Reporting Entity	48	5 Capital Assets	71
Measurement Focus and Basis of Accounting	49	6 Restricted Cash and Investments	73
Basis of Presentation	53	7 Interfund Balances	73
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances	55	8 Interfund Transfers	74
Cash and Investments	55	9 Accounts Payable	75
Allowance for Doubtful Accounts	56	10 Long-term Liabilities	76
Receivables and Payables	56	Changes in Long-term Liabilities	76
Inventories	56	Governmental Activities	77
Prepaid and Other Assets	57	Annual Debt Service Payments	77
Restricted Net Position	57	Spring Training Facility Rev Bonds	77
Capital Assets	57	Limited General Obligation Ref Note	80
Capitalization of Interest	58	Business-type Activities	80
Deferred Outflows/Inflows of Resources	59	Annual Debt Service Payments	80
Pensions/Net Pension Liability	60	Water and Sewer Revenue	
Net OPEB Liability	60	Refunding Note, Series 2015	80
Unearned Revenues	60	Compensated Absences	81
Accrued Compensated Absences	61	11 Provision for Closure Costs	82
Obligation for Bond Arbitrage Rebate	61	12 Pollution Remediation	83
Landfill Closure Costs	61	13 Retirement Plan	84
Unamortized Bond Discounts and Premiums	61	14 Other Postemployment Benefits Plan	96
Capital Contributions	62	15 Leases	104
2 Stewardship, Compliance and Accountability	62	16 Fund Balance	106
Budgets and Budgetary Accounting	62	17 Net Position	108
3 Cash and Investments	64	18 Risk Management	109
Deposits	64	19 Commitments and Contingencies	110
Accrued Interest	64	Litigation	110
Investments	65	Contracts and Other Commitments	111
OPEB Trust Investments	69	Grants	112
		COVID-19	112

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Indian River County, Florida, (the “County”) is a political subdivision of the State pursuant to Article VIII, Section 1(a) of the Constitution of the State of Florida. Created on June 29, 1925 by an act of Legislature, separating it from St. Lucie County. The County encompasses approximately 497 square miles of land with an estimated population of 158,834. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with state statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity’s financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. As required by generally accepted accounting principles, 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) it 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

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. Based on these criteria, management determined that the Solid Waste Disposal District and the Emergency Services District were the only organizations that should be included in the County's financial statements as blended component units.

Blended Component Units

Solid Waste Disposal District (SWDD) - Created pursuant to County Ordinance 87-67, the Board of County Commissioners serves as the governing body for and has operational responsibility over the SWDD. The Board also sets the non ad valorem assessment fees for the SWDD. Although legally separate, the SWDD is appropriately blended as a proprietary fund type (enterprise) component unit into the primary government.

Emergency Services District (EMS) - Created pursuant to County Ordinance 90-25, the Board of County Commissioners serves as the governing body for and has operational responsibility over the EMS. The Board also sets the millage rate for the EMS. Although legally separate, the EMS is appropriately blended as a governmental fund type (special revenue) component unit into the primary government.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

1. Government-wide Financial Statements - Continued

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. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows/inflows of resources, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net expense of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Issuance of long-term debt is recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect. However, interfund services provided and used, such as the sale of gas and diesel from Fleet Management to the government, are not eliminated in the statement of activities.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

2. Fund Financial Statements - Continued

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives cash.

Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of special assessments due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Non-current portions of special assessment receivables are offset by deferred inflows of resources.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect fund balances, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

2. Fund Financial Statements - Continued

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The issuance of long-term debt is recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Proprietary fund operating revenues, such as charges for services and premiums charged to the County and employees under various insurance programs, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Principal operating expenses include salary and benefits, cost of sales and services, claims, and insurance premiums. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Issuance of long-term debt is recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

Fiduciary Funds

The fiduciary funds financial statements include financial information for the agency fund and the other postemployment benefit trust fund. The agency fund of the County primarily represents assets held by the County in a custodial capacity for other individuals or governments. The other postemployment benefits trust fund (OPEB Trust) accounts for activities of the OPEB Trust, which accumulates resources for health insurance benefit payments for current retirees and for current employees upon their retirement. The agency and OPEB Trust fund statements are presented using the accrual basis of accounting.

C. Basis of Presentation

GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments* sets forth minimum criteria (percentage of the assets, liabilities, deferred outflows/inflows of resources, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds that either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major Funds

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those accounted for and reported in another fund.

Impact Fees Fund - The Impact Fees Fund accounts for the receipt of various impact fees. Funds are used for the construction of roads and bridges, correctional, public safety, library, park, public building, and solid waste facilities. Funds are also used for administrative expenditures of monitoring the aforementioned activities.

Transportation Fund - The Transportation Fund accounts for expenditures incurred for the maintenance and repair of County roads. Financing is provided by the 5th and 6th cent gas taxes, county gas tax and transfers from the General Fund.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Presentation - Continued

1. Governmental Major Funds - Continued

Emergency Services District Fund - The Emergency Services District Fund accounts for the expenditures of providing fire protection and advanced life support to the County. Financing is provided by ad valorem taxes.

Beach Restoration Fund - The Beach Restoration Fund accounts for the expenditures of funds to preserve and improve County beaches. Funds are provided by grant funding and the levy of a local tourist development tax.

Optional Sales Tax Fund - The Optional Sales Tax Fund, a capital projects fund, accounts for revenues generated by the local option one-cent sales tax and some capital grants that use the local option one-cent sales tax as matching funds.

2. Proprietary Major Funds

Solid Waste Disposal District Fund - The Solid Waste Disposal District Fund accounts for the revenues, expenses, assets and liabilities associated with the County landfill.

Golf Course Fund - The Golf Course Fund accounts for the revenues, expenses, assets and liabilities associated with the Golf Course.

County Utilities Fund - The County Utilities Fund accounts for the revenues, expenses, assets and liabilities associated with the County water and sewer system.

County Building Fund - The County Building Fund accounts for revenues, expenses, assets and liabilities associated with the County building permit and inspection program.

3. Other Fund Types

Internal Service Funds - Internal Service Funds account for Fleet Management, Self Insurance and Information Technology services provided to other departments of the County on a cost reimbursement basis.

Agency Fund - The Agency Fund is used to account for assets held in a custodial capacity by the County for other governmental units, other funds, individuals and businesses. Examples include payroll deductions, self insurance premiums, and developer escrow funds.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Presentation - Continued

3. Other Fund Types - Continued

Other Postemployment Benefits Trust Fund - The Other Postemployment Benefits Trust Fund (OPEB Trust) accounts for activities of the OPEB Trust, which accumulates resources for health insurance benefit payments for current retirees and for current employees upon their retirement. Contributions are recorded when earned and benefit payments and refunds when incurred within each year.

4. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide Statement of Net Position.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

1. Cash and Investments

Cash reported on the financial statements includes bank deposits, cash on hand, certificates of deposit, money market accounts, and all highly liquid investments with maturities of ninety days or less when purchased. Investments consist of U.S. Treasury Securities, U.S. Government Agency Securities, Florida PRIME Fund (formerly known as the Local Government Surplus Funds Trust Fund Investment (SBA) Fund A), the Florida Trust Day to Day Fund (Florida Trust), and the Florida Cooperative Liquid Assets Securities System (FLCLASS). Investments are reported at market value based upon the custodian bank's valuation. The FLCLASS and Florida Trust values are presented at Net Asset Value (NAV), which reflects fair value. The Florida PRIME is valued at amortized cost. Refer to Note 3C, Investments, for further information on individual investments.

The County maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pools are classified as cash and investments for financial statement purposes.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

1. Cash and Investments - Continued

In addition, longer-term investments are held by several of the County's funds and are reported as restricted cash on these statements. Cash and investments of the constitutional officers are maintained in separate accounts, but have been combined with the Board's cash and investments for financial statement purposes. When restricted and unrestricted resources are available, expenses are paid first from restricted resources.

2. Allowance for Doubtful Accounts

The County provides an allowance for water and sewer and ambulance services accounts receivables that may become uncollectible. At September 30, 2020, the allowance for water and sewer services was \$424,493 and the allowance for ambulance services was \$114,932. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2020.

3. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are shown net of allowance for doubtful accounts. Water and sewer receivables in excess of 120 days and ambulance services receivables in excess of 180 days for self-pay accounts and 365 days for commercial insurance accounts comprise the trade accounts receivable allowance for doubtful accounts.

4. Inventories

Inventories are valued at cost, which approximates market, using the "first-in, first-out" method of accounting, with the exception of the Golf Course and Fleet Internal Service Fund's inventories, which are valued using the average cost method of accounting. Inventories of all funds are recorded as expenditures (expenses) when consumed rather than when purchased.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

5. Prepays and Other Assets

Prepaid items in the governmental funds represent prepayments for services that will be used in future periods. The County's policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

6. Restricted Net Position

Certain resources of the County are classified as restricted net position on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position. Further information on the restrictions can be found in Note 17.

7. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, right-of-ways, water and sewer distribution systems, beach restoration, stormwater systems and similar items), and intangible assets (e.g. software, easements, and rights), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost. Donated capital assets, donated works of art, historical treasures and similar assets, as well as capital assets that are received in a service concession arrangement are reported at original acquisition value. Transfers of capital assets within the County are recorded at their carrying value at the time of the transfer.

The costs of normal maintenance and repairs that do not add to the value of the asset nor materially extend its useful life are not capitalized.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

7. Capital Assets - Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The Board holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court and Comptroller, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them under Florida Law.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net position.

Property, plant, equipment, intangible, and infrastructure assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	10 - 50
Machinery and equipment	3 - 10
Utility distribution system	25 - 50
Road and bridge infrastructure	20 - 50
Fiberoptics	20
Software	3-5
Beach preservation infrastructure	7
Stormwater infrastructure	30

8. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the County did not have any capitalized interest.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the deferred charge on refundings in the amount of \$239,957 in this category on the government-wide Statement of Net Position. A deferred charge on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, unavailable revenue, which arises under the modified accrual basis of accounting and is reported on the governmental funds balance sheet in the total amount of \$27,666,061. The sources of the unavailable revenue are a special assessment on road paving, ambulance service billings, state and federal grants, and investment interest. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to the above two deferred items, there are deferred outflows and inflows items related to pensions as calculated in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. These deferred outflows and inflows will be recognized as adjustments to pension expense in future reporting years. Also, there are deferred outflows and inflows items related to OPEB as calculated in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Detail on the composition of the deferred inflows and outflows related to pensions and OPEB are further discussed in Notes 13 and 14.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

10. Pensions/Net Pension Liability

The County participates in both the Florida Retirement System (FRS), which operates a defined benefit and compensation plan, and the Health Insurance Subsidy Program (HIS Program), which is a defined benefit plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, and fiduciary net position are determined on the same basis as the FRS. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees. The benefit payments are attributable to those employees past periods of service, less the amount of the cost-sharing pension plans' fiduciary net position. See Note 13 for additional information.

11. Net Other Postemployment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Benefits Plan and additions to/deductions from the County's fiduciary net position have been determined on the same basis as they are reported by the County. For this purpose, the County recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of the purchase of one year or less, which are reported at cost.

12. Unearned Revenues

Unearned revenues represent revenues, which are available but unearned. At September 30, 2020, the total amount of unearned revenues reported on the statement of net position for the governmental activities is \$2,436,402 and for the business-type activities is \$1,435,277.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

13. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations.

14. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of 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 debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the “revenue reduction” approach in accounting for rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2020.

15. Landfill Closure Costs

Under the terms of current state and federal regulations, the Solid Waste Disposal District (SWDD) is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The SWDD recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and post-closure costs are recognized in the Solid Waste Disposal District Enterprise Fund.

16. Unamortized Bond Discounts and Premiums

Bond discounts and premiums associated with the issuance of proprietary fund revenue bonds are amortized according to the straight-line method over the remaining life of the bonds. For financial reporting, unamortized bond discounts and premiums are netted against the applicable long-term debt.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

17. Capital Contributions

The capital contributions accounted for in the proprietary fund types represent contributions from other funds, developers, state and federal grant programs, and impact fees charged to new customers for their anticipated burden on the existing system. The contributions amount is reported after non-operating revenues and expenses on the Statement of Revenues, Expenses, and Changes in Fund Net Position in accordance with GASB Statement 33. Capital contributions for the governmental funds are reported on the Statement of Activities in accordance with GASB Statement 34 and represent contributions of capital assets from developers and state agencies.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) The constitutional officers submit, at various times, to the Board and to certain divisions within the Florida Department of Revenue and the Florida Clerks of Court Operations Corporation, a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the Florida Statutes.
- (2) The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser included in the General Fund.
- (3) Constitutional officers, all departments controlled by the Board, and outside state and local agencies submit their proposed budgets to the Office of Management and Budget for assistance, review and compilation. The County Administrator then reviews all County departments, state agencies and nonprofit organization's budgets and makes his budget recommendation to the Board.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Budgets and Budgetary Accounting - Continued

(4) On or before July 15 of each year, the County Administrator and the Director of the Office of Management and Budget, as the Board's designated budget officer, submit to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and the means of financing them. The Board then holds workshops to review the tentative budget by fund on a departmental level.

(5) During September, public hearings are held pursuant to Section 200.065 of the Florida Statutes in order for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board enacts ordinances to legally adopt the budgets at the fund level. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function.

(6) Formal budgetary integration on an object level is used as a management control device for the governmental and proprietary funds of the County. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as management does not exceed the total appropriations of a fund. Board approval to amend the budget is only required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund.

(7) Budgets for the governmental and proprietary fund types are adopted on a basis consistent with generally accepted accounting principles.

(8) Appropriations for the County lapse at the close of the fiscal year. Unexpected ongoing project costs may be appropriated in the new fiscal year through a budget amendment.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions. The following table reconciles the caption totals on the Statements of Net Position with the amounts discussed in the footnotes below.

Cash and investments - Statement of Net Position:

Cash and investments		\$ 353,957,904
Restricted cash and investments		46,253,931
Cash - Statement of Fiduciary Net Position-Agency Fund		11,123,022
	Total	<u>\$ 411,334,857</u>
Deposits		\$ 135,241,537
Investments		276,093,320
	Total	<u>\$ 411,334,857</u>

A. Deposits

At September 30, 2020, the carrying amount of the primary government's deposits, including \$11,123,022 in the Agency Fund, was \$135,241,537, and the bank balance was \$139,670,560. The County's policy requires all deposits with financial institutions to be 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer, in accordance with Chapter 280, Florida Statutes, also known as the Florida Security for Public Deposits Act. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

B. Accrued Interest

Interest earnings on U.S. Treasury Notes and government agency bonds are recorded in the cash and investment pools and then allocated to each fund based on each fund's average monthly balance. As of September 30, 2020, accrued interest for the County's portfolio totaled \$806,078. The remaining accrued interest is reflected in utilities and road paving assessments.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments

As of September 30, 2020, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Investment Portfolio Percentage***	Credit Risks*
Fixed Rate Debt Instruments:				
U.S. Treasuries	\$ 81,623,670	0.59	29.56	% N/A
U.S. Agencies:**				
Federal Farm Credit Bureau	43,101,030	1.32	15.61	AA+
Federal Home Loan Bank	22,993,300	1.26	8.33	AA+
Federal Home Loan Mortgage	61,069,740	1.63	22.12	AA+
Federal National Mortgage Assoc.	18,170,480	0.70	6.58	AA+
Other Market Rate Investments:				
Florida Trust Day to Day Fund	348,881	0.08	0.13	AAAm
Florida PRIME	3,660,428	0.18	1.33	AAAm
FLSTAR	5,015,954	0.10	1.82	AAAm
FLCLASS	38,944,659	0.23	14.10	AAAm
W&S Sinking Fund Reserve:				
U.S. Treasuries	1,165,178	0.17	0.42	N/A
Total Fair Value	<u>\$ 276,093,320</u>		<u>100.00</u>	%
Weighted Average Maturity of Investments		<u>0.90</u>		

* Ratings based upon Standard and Poor's

** The weighted calculation considers the investments are carried until full maturity (i.e. call dates are not considered).

***Percentages calculated do not include the cash and deposits portion of the portfolio.

Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets, as determined by the County's investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's fair value measurements for U.S. Treasuries and U.S. Agencies are categorized as Level 2 and are valued by the County's custodian bank using independent pricing services based on the type of asset. The pricing services may use

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Fair Value Measurement - Continued

valuation models or matrix pricing, which consider benchmark yields, reported trades, broker/dealer quotes, benchmark securities, bids or offers, and reference data. Florida PRIME is valued at amortized cost. There are no restrictions or limitations on withdrawals, however, Florida PRIME may, on the occurrence of an event that has material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours. The County's investments in the Florida Cooperative Liquid Assets Securities Systems (FLCLASS), Florida Short Term Asset Reserve (FLSTAR) and the Florida Trust, all external local government investment pools organized under the laws of the State of Florida, are presented at Net Asset Value (NAV), which reflects fair value. The objectives of the FLCLASS, FLSTAR and Florida Trust are to generate investment income while maintaining safety and liquidity. There were no unfunded commitments as of September 30, 2020. Investments may be redeemed weekly/daily based on similar investments of other clients.

Interest Rate Risk

The County's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. All investments must have stated maturities of ten (10) years or less and no more than 25% of the portfolio shall be invested in instruments with stated final maturities greater than five (5) years. The portfolio shall have securities with varying maturity and at least 10% of the portfolio shall be invested in readily available funds. All constitutional officers with the exception of the Tax Collector and Clerk of Circuit Court and Comptroller (Clerk) follow this policy. The Tax Collector's policy is to limit maturities to 24 months or less. The Clerk's policy is to limit maturities to three years or less and maintain at least 50% of the portfolio in readily available funds.

Credit Risk

Florida Statutes Section 218.415 limit investments to the following:

1. Direct obligations of the United States Treasury;
2. Florida PRIME (formerly known as Fund A);
3. Florida Local Government Investment Trust Funds (Florida Trust);
4. Interest-bearing time deposits or savings in qualified public depositories as defined in Section 280.02 Florida Statutes;
5. Federal agencies and instrumentalities;

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Credit Risk - Continued

6. Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;
7. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
8. Repurchase agreements with a term of one year or less collateralized by direct obligations of the United States Government which have maturities of three (3) years or less and a market value 103% or more of the repurchase amount.

Concentration Risk

The Indian River County Board of County Commissioners, the Clerk of the Circuit Court and Comptroller, and the Tax Collector follow their own investment policies. The policies have established asset allocation and issuer limits to reduce concentration of credit risk. Their investments are stated at fair value.

The County's investment policy does not allow for more than 20% of the entire portfolio to be invested in any one issuer, with the exception of United States Treasury Obligations and state authorized pools. No more than 10% of the portfolio may be placed in certificates of deposit (CD) and no more than \$6.5 million of the portfolio may be placed in certificates of deposit with any one financial institution. No more than 10% of the entire cash and investment portfolio may be placed in any one money market fund, mutual fund, or intergovernmental investment pool.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Concentration Risk - Continued

The Tax Collector's cash and investment policy limits portfolio composition to the following maximum guidelines:

Local Government Surplus Funds Trust Fund (Florida Prime)	75%
Florida Trust Day to Day Fund (Florida Trust)	75%
Florida Cooperative Liquid Assets Securities System (FLCLASS)	75%
Direct Obligations of the U.S. Government	25%
Money Market, CD's, and Savings Accounts	95%
Securities & Exchange Commission Money Funds	25%
Bank Super NOW Accounts	95%
Bank Repo Agreements	25%
United States Government Agencies	25%

The Clerk's cash and investment policy limits portfolio composition to no more than 10% or \$1 million in certificates of deposit with ant one qualified public depository financial institution and no more than 40% of the portfolio in any one money market fund, non-operating checking or savings account, or intergovernmental investment pool.

Custodial Credit Risk

The Board's investment policy pursuant to Section 218.415 (18), Florida Statutes requires securities to be registered and shall be held with a third party custodian and all securities purchased by, and all collateral obtained by, the Board shall be held in the name of the Board. The securities must be held in an account separate and apart from the assets of the financial institution. As of September 30, 2020, the Boards's investment portfolio in U.S. Treasuries, U.S. Agencies, and money market funds, was held by The Bank of New York/Mellon. Additional Board investments in FLSTAR were held by JP Morgan Chase & Co. The Board and Tax Collector's investments in the FLCLASS were held by Wells Fargo Bank, N.A. Additional Tax Collector investments include the Florida Trust Day to Day Fund, which was held by UMB Fund Services and the Florida PRIME, which was held by the Bank of New York/Mellon.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

D. OPEB Trust Investments

Funds are held in the name of the Indian River County OPEB Trust (OPEB Trust), an irrevocable trust, by a third party custodian, Bank of New York/Mellon. The contribution for the year ended September 30, 2020 was \$2,206,025. Cash balance in the OPEB Trust at September 30, 2020 was \$76,576. The investments are reported at fair value based upon market-close price on the last business day of each month.

The County approved a separate investment policy for the OPEB Trust assets on February 3, 2009 (last amended on December 4, 2018). The County adopted a broadly diversified investment portfolio composition consisting of equity, debt, and cash. Asset allocations are divided between short-term and long-term investments. Short-term asset allocations include cash and investments with maturities of 180 days or less. Long-term asset allocations range from 0-60% for equities, 0-60% for fixed income securities, and 0-100% for cash and cash equivalents.

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 7.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

As of September 30, 2020, the OPEB Trust had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>	<u>Portfolio Percentage</u>
Vanguard 500 Index	\$ 7,508,027	N/A	23.04 %
Vanguard All World Ex-US	6,517,414	N/A	20.00
Vanguard Mid Cap Index	1,667,098	N/A	5.12
Vanguard Small Cap Index	830,631	N/A	2.55
Vanguard Short-Term Treasury	9,632,870	2.80	29.57
Vanguard Intermediate Treasury	3,210,930	5.70	9.86
Vanguard Prime Money Market	3,210,957	0.15	9.86
Total Fair Value	<u>\$ 32,577,927</u>		<u>100.00 %</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

D. OPEB Trust Investments - Continued

The County has the following recurring fair value measurements for investments in the OPEB Trust as of September 30, 2020:

	Level 1	Level 2	Level 3	Total
Index funds	\$ 16,523,170	\$ -	\$ -	\$ 16,523,170
U.S. government securities funds	12,843,800	-	-	12,843,800
Money market fund	3,210,957	-	-	3,210,957
Total investments	<u>\$ 32,577,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,577,927</u>

Investments classified as Level 1 of the fair value hierarchy are valued using quoted prices in active markets from the County's custodian bank.

NOTE 4 - PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2019-2020 fiscal year were levied in October 2019. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - CAPITAL ASSETS

A. Governmental Activities

Primary Government Governmental activities:	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 137,204,375	\$ 32,067	\$ (7,820)	\$ -	\$ 137,228,622
Construction in progress	31,032,003	27,703,388	(117,260)	(5,605,230)	53,012,901
Right-of-way	63,257,408	311,778	-	3,185,546	66,754,732
Intangibles	1,359,119	3,849	-	-	1,362,968
Infrastructure	3,575,067	-	-	-	3,575,067
Total capital assets, not being depreciated	236,427,972	28,051,082	(125,080)	(2,419,684)	261,934,290
Capital assets, being depreciated:					
Buildings and improvements	254,337,357	413,855	(322,384)	306,358	254,735,186
Equipment	83,119,278	9,190,080	(3,280,610)	384,518	89,413,266
Intangibles	5,179,558	121,352	(82,578)	53,915	5,272,247
Infrastructure	371,207,609	1,794,996	(24,861)	1,674,893	374,652,637
Total capital assets, being depreciated	713,843,802	11,520,283	(3,710,433)	2,419,684	724,073,336
Less accumulated depreciation for:					
Buildings and improvements	(92,455,008)	(7,823,907)	284,654	-	(99,994,261)
Equipment	(54,675,125)	(6,692,104)	2,828,976	-	(58,538,253)
Intangibles	(4,139,317)	(347,211)	62,578	-	(4,423,950)
Infrastructure	(218,404,786)	(8,444,343)	-	-	(226,849,129)
Total accumulated depreciation	(369,674,236)	(23,307,565)	3,176,208	-	(389,805,593)
Total capital assets, being depreciated, net	344,169,566	(11,787,282)	(534,225)	2,419,684	334,267,743
Governmental activities capital assets, net	\$ 580,597,538	\$ 16,263,800	\$ (659,305)	\$ -	\$ 596,202,033

Depreciation expense, which includes amortization expense on intangible assets, was charged to the functions/programs of the primary government's governmental activities as follows:

General government	\$ 3,909,080
Public safety	6,315,893
Physical environment	1,048,873
Transportation	8,115,229
Economic environment	527
Human service	135,181
Culture/recreation	3,328,702
Court related	56,176
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>397,904</u>
Total depreciation expense - governmental activities	<u>\$ 23,307,565</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - CAPITAL ASSETS - Continued

B. Business-type Activities

Primary Government Business-type activities:	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land, improvements to land	\$ 26,743,876	\$ 6,009,325	\$ -	\$ -	\$ 32,753,201
Intangibles	2,004,534	145,695	-	-	2,150,229
Construction in progress	12,159,867	11,358,039	(2,873)	(6,781,610)	16,733,423
Total capital assets, not being depreciated	40,908,277	17,513,059	(2,873)	(6,781,610)	51,636,853
Capital assets, being depreciated:					
Buildings, distribution systems, & improvements	467,497,598	3,147,989	(6,609)	6,602,249	477,241,227
Intangibles	1,321,831	-	(10,768)	-	1,311,063
Equipment	19,409,052	2,386,560	(670,484)	179,361	21,304,489
Total capital assets, being depreciated	488,228,481	5,534,549	(687,861)	6,781,610	499,856,779
Less accumulated depreciation for:					
Buildings, distribution systems, & improvements	(296,068,840)	(14,175,179)	6,609	-	(310,237,410)
Intangibles	(1,174,213)	(36,625)	10,768	-	(1,200,070)
Equipment	(14,782,500)	(1,627,257)	670,313	-	(15,739,444)
Total accumulated depreciation	(312,025,553)	(15,839,061)	687,690	-	(327,176,924)
Total capital assets, being depreciated, net	176,202,928	(10,304,512)	(171)	6,781,610	172,679,855
Business-type activities capital assets, net	\$ 217,111,205	\$ 7,208,547	\$ (3,044)	\$ -	\$ 224,316,708

Depreciation expense, which includes amortization expense on intangible assets, was charged to the functions/programs of the primary government's business-type activities as follows:

Solid Waste Disposal District	\$ 1,171,337
Golf Course	252,108
County Utilities	14,335,659
County Building	<u>79,957</u>

Total depreciation expense - business-type activities **\$15,839,061**

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 6 - RESTRICTED CASH AND INVESTMENTS

Various bond covenants, resolutions, and state regulations require that the County restrict cash and investments. Restricted cash and investments are as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Sinking funds/current portion of debt	\$ 308,821	\$ 1,256,276	\$ 1,565,097
Renewal and replacement	-	3,485,928	3,485,928
Retainage payable	606,636	-	606,636
Customer deposits	199,689	3,460,069	3,659,758
Capital construction	-	29,494,841	29,494,841
Closure and maintenance costs	-	7,441,671	7,441,671
Total	<u>\$ 1,115,146</u>	<u>\$ 45,138,785</u>	<u>\$ 46,253,931</u>

NOTE 7 - INTERFUND BALANCES

Interfund balances at September 30, 2020, consisted of the following:

Receivable Fund	Payable Fund	Amount
Major Governmental Funds:		
General Fund	Metropolitan Planning Organization Fund	\$ 75,000
General Fund	Federal/State Grants Fund	6,000
General Fund	Golf Course Enterprise Fund	352,421
		<u>433,421</u>
Emergency Services District Fund	General Fund	<u>376,810</u>
Optional Sales Tax Fund	Jackie Robinson Training Complex Reserve Fund	<u>851,024</u>
Vero Lakes Estate Fund	General Fund	2,462
East Gifford Stormwater Fund	General Fund	10
Street Lighting Districts Fund	General Fund	2,687
		<u>5,159</u>
Total Governmental Funds		<u>\$ 1,666,414</u>
Major Enterprise Fund:		
Solid Waste Disposal District Fund	General Fund	<u>\$ 135,462</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 7 - INTERFUND BALANCES - Continued

Amounts due from the General Fund represent excess fees and payments of the constitutional officers remitted to various funds subsequent to September 30, 2020. In September 2017, the General Fund loaned \$1,100,000 to the Golf Course Fund for a new irrigation system at an interest rate of 1.5%. In January 2020, the General Fund loaned \$316,900 to the Golf Course Enterprise Fund to purchase new golf carts at an interest rate of 3%. The amount reported as due from the Golf Course Enterprise Fund is the current portion of the scheduled payments due to the General Fund in fiscal year 2021. The amounts due from the nonmajor governmental funds represent short-term cash loans that are expected to be repaid within the next twelve months. The remaining amount due from the Golf Course Fund is reported as an interfund advance.

Interfund advances at September 30, 2020, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Enterprise Fund	\$ 183,568

This amount is considered a long-term advance between major funds expected to be paid in fiscal years 2022 and 2023. This amount has been presented as nonspendable on the General Fund balance sheet.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2020, consisted of the following:

<u>Transfers In:</u>							
<u>Transfers Out:</u>	<u>General Fund</u>	<u>Beach Restoration Fund</u>	<u>Transportation Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>County Utilities Fund</u>	<u>Internal Service Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 193,933	\$ 11,692,691	\$ 1,139,589	\$ -	\$ 266,317	\$ 13,292,530
Transportation Fund	-	-	-	-	77,319	-	77,319
Emergency Services District Fund	802,755	-	-	-	-	-	802,755
Optional Sales Tax Fund	1,311,278	-	-	150,000	30,197	-	1,491,475
Nonmajor Governmental Funds	2,012,053	-	-	346,472	-	757,138	3,115,663
Solid Waste Disposal District Fund	-	-	-	-	777,875	-	777,875
Internal Service Funds	90,000	-	31,460	-	-	-	121,460
Total	<u>\$ 4,216,086</u>	<u>\$ 193,933</u>	<u>\$ 11,724,151</u>	<u>\$ 1,636,061</u>	<u>\$ 885,391</u>	<u>\$ 1,023,455</u>	<u>\$ 19,679,077</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 8 - INTERFUND TRANSFERS - Continued

Transfers are used for the following purposes: 1) use unrestricted general fund revenues to finance transportation activities which are accounted for in a special revenue fund, 2) use unrestricted general fund revenues for beach restoration activities which must be accounted for in another fund, 3) use unrestricted general fund revenues to offset a portion of salaries and benefits expenses for an employee accounted for in the health insurance fund, 4) use unrestricted general fund revenues to early payoff a general obligation note payable, 5) transfer a capital asset paid for by the SWDD fund to the utilities fund, 6) use unrestricted stormwater revenues to offset Osprey Marsh employee costs accounted for in the utilities fund, 7) use capital project fund revenues for improvements to the Jackie Robinson Training Complex and subsidize the North Sebastian Septic to Sewer incentive program, 8) move insurance funds received in a prior year to the correct fund, and 9) provide matching funds for grants, and 10) move revenues from the fund state law requires to collect them to the fund that state law requires to expend them.

NOTE 9 - ACCOUNTS PAYABLE

Payables at September 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Total Payables
Governmental Activities:			
General	\$ 3,925,291	\$ 1,844,716	\$ 5,770,007
Impact Fees	290,712	3,395	294,107
Transportation	551,522	399,748	951,270
Emergency Services	315,508	1,388,488	1,703,996
Beach Restoration	157,023	7,453	164,476
Optional Sales Tax	1,979,996	-	1,979,996
Other Governmental	8,856,278	191,545	9,047,823
Total Governmental Activities	<u>\$ 16,076,330</u>	<u>\$ 3,835,345</u>	<u>\$ 19,911,675</u>
Business-type Activities:			
Payable from current assets:			
Solid Waste	\$ 927,887	\$ 38,927	\$ 966,814
Golf Course	24,277	27,392	51,669
Utilities	2,189,922	478,286	2,668,208
Building	103,299	134,205	237,504
Payable from restricted assets:			
Utilities	11,895	-	11,895
Total Business-type Activities	<u>\$ 3,257,280</u>	<u>\$ 678,810</u>	<u>\$ 3,936,090</u>

Included in salaries and benefits payable is a liability to the Florida Retirement System (FRS) for pension contributions due for the month of September 2020. The amounts due to FRS at September 30, 2020 are \$361,586 for governmental activities and \$59,753 for business-type activities. Payments to FRS are made by the fifth working day of the following month. The County has not engaged in any short-term debt activity during fiscal year 2020 other than that listed in Note 8.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
Spring Training Facility Revenue Bonds - Series 2001	\$ 4,155,000	\$ -	\$ 290,000	\$ 3,865,000	\$ 305,000
Notes and leases from direct borrowings and direct placements:					
Limited General Obligation Refunding Note	7,268,000	-	7,268,000	-	-
Capital lease	15,447	-	3,314	12,133	3,381
Total notes and leases from direct borrowings and direct placements	7,283,447	-	7,271,314	12,133	3,381
Other liabilities:					
Pollution remediation	1,615,300	-	5,300	1,610,000	63,533
Claims payable	8,254,000	23,627,530	23,937,530	7,944,000	2,649,000
Compensated absences	12,630,510	8,180,489	6,479,916	14,331,083	6,571,403
Total other liabilities	22,499,810	31,808,019	30,422,746	23,885,083	9,283,936
Governmental activities long-term liabilities	<u>\$ 33,938,257</u>	<u>\$ 31,808,019</u>	<u>\$ 37,984,060</u>	<u>\$ 27,762,216</u>	<u>\$ 9,592,317</u>
Business-type Activities:					
Notes from direct borrowings and direct placements:					
Water & Sewer Revenue Refunding Note	\$ 3,174,000	\$ -	\$ 1,042,000	\$ 2,132,000	\$ 1,058,000
Other liabilities:					
Pollution remediation	-	251,300	-	251,300	251,300
Landfill closure and maintenance costs	8,154,682	1,515,017	2,228,028	7,441,671	1,949,965
Compensated absences	1,037,092	850,868	763,590	1,124,370	816,642
Total notes payable and other liabilities	12,365,774	2,617,185	4,033,618	10,949,341	4,075,907
Business-type activities long-term liabilities	<u>\$ 12,365,774</u>	<u>\$ 2,617,185</u>	<u>\$ 4,033,618</u>	<u>\$ 10,949,341</u>	<u>\$ 4,075,907</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Primary Government

Governmental Activities

Annual Debt Service Payments - Governmental Activities

The annual debt service payments for bonds and notes from direct borrowings and direct placements outstanding at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest
2021	\$ 305,000	\$ 194,013
2022	305,000	178,000
2023	320,000	162,750
2024	340,000	146,750
2025-2029	1,960,000	462,000
2030-2031	635,000	40,750
Total	3,865,000	<u>\$ 1,184,263</u>
Less:		
Current portion	305,000	
Non-current	<u>\$ 3,560,000</u>	

Spring Training Facility Revenue Bonds

Purpose - On August 15, 2001, the County issued \$16,810,000 of Spring Training Facility Revenue Bonds, Series 2001. The Series 2001 bonds are being issued by the County to provide funds, together with other available funds, to (1) finance a portion of the cost of acquisition and expansion of a spring training facility currently known as the “Jackie Robinson Training Complex”; (2) pay a premium for a municipal bond insurance policy and a debt service reserve account surety bond, and (3) pay certain costs and expenses incurred in connection with the issuance of the Series 2001 bonds.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Spring Training Facility Revenue Bonds - Continued

Pledge of Revenues - The principal and interest on the Series 2001 bonds will be payable from and secured by a first lien upon and pledge of the following, together with any investment income realized on any funds held under the Resolution, except the Cost of Issuance Account and the Rebate Fund:

1. Payments received by the County from the State of Florida pursuant to Section 212.20, Florida Statutes; and
2. The Fourth Cent Tourist Development Tax levied by the County in Ordinance No. 2000-029, enacted pursuant to Section 125.0104(3)(1), Florida Statutes; and
3. Eighty-six percent (86%) of the Local Government Half-Cent Sales Tax distributed to the County, pursuant to Chapter 218, Part VI, Florida Statutes.

The foregoing are collectively referred to herein as the “pledged revenues”. These revenue streams are pledged for the remaining term of the bonds and are listed on Schedule 25 in the statistical section.

The Fourth Cent Tourist Development Tax and the Local Government Half-Cent Sales Tax pledged to the payment of debt service on the Series 2001 bonds are automatically released as a pledged revenue for the Series 2001 bonds immediately following the April 1, 2021 principal payment on the Series 2001 bonds.

On February 26, 2019, the County elected a partial redemption of the bonds outstanding and maturing on 2021 and 2031. The principal amount of the redeemed bonds totaled \$1,125,000. The net economic gain was \$91,579 and will be amortized over the remaining life of the debt. The unamortized balance as of September 30, 2020 is \$80,055 and is reflected as a deferred outflow of resources on the government-wide Statement of Net Position.

The current principal and interest payments of \$491,625 represent 4.99% of total pledged revenues. All three revenue sources totaled \$9,841,736 for the current fiscal year. The County applied 98% of the state subsidy and none of the Half-Cent Sales Tax or Fourth-Cent Tourist Tax to the debt service payments. The total principal and interest remaining to be paid on the bonds is \$5,049,263.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Spring Training Facility Revenue Bonds - Continued

Bonds Issued - At September 30, 2020, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2020
Spring Training Facility Revenue Bonds, Series 2001	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 3,865,000</u>

Remaining Mandatory Redemption - The Series 2001 Term Bonds are subject to mandatory redemption prior to maturity, by lot, at par plus accrued interest, according to the following schedule:

Term Bonds due April 1, 2021	
Date	Principal Amount
April 1, 2021	\$ 305,000
Term Bonds due April 1, 2027	
Date	Principal Amount
April 1, 2022	\$ 305,000
April 1, 2023	320,000
April 1, 2024	340,000
April 1, 2025	355,000
April 1, 2026	375,000
April 1, 2027	390,000
Term Bonds due April 1, 2031	
Date	Principal Amount
April 1, 2028	\$ 410,000
April 1, 2029	430,000
April 1, 2030	455,000
April 1, 2031	180,000

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Limited General Obligation Refunding Note, Series 2015

Purpose - On April 7, 2015, the County voted to redeem \$19,075,000 of outstanding 2006 Limited General Obligation Bonds with a 7 year note from Regions Capital Advantage, Inc. The refunding ultimately saved the County \$1.2 million over the 7 year remaining life of the bonds.

On May 19, 2020, the County approved to early payoff the remaining balance of the Note in the amount of \$7,268,000 on July 1, 2020.

Business-type Activities

Annual Debt Service Payments - Business-type Activities

The annual debt service payments for notes from direct borrowings and direct placements outstanding at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Note Series 2015	
	Principal	Interest
2021	\$ 1,058,000	\$ 35,178
2022	1,074,000	17,721
Total	2,132,000	<u>\$ 52,899</u>
Less:		
Current portion	1,058,000	
Non-current	<u>\$ 1,074,000</u>	

Water and Sewer Revenue Refunding Note, Series 2015

Purpose - On August 18, 2015, the County voted to early call all of the outstanding 2005 Water and Sewer Revenue Refunding Bonds. The County paid down 50% of the debt (\$7,100,000) with cash and refinanced the remaining 50% (\$7,105,000) with a 7 year note.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Water and Sewer Revenue Refunding Note, Series 2015 - Continued

The total amount borrowed included the cost of issuance and accrued interest totaling \$66,000, for a grand total of \$7,171,000.

The aggregate difference in debt service between the Series 2005 bonds (\$18,866,875) and the Series 2015 note (\$7,653,356), cash contribution and September 1, 2016 principal and interest payment (\$9,162,642) was \$2,050,877. The net economic gain was \$583,991; which included the refinancing, accrued interest, and cash contribution. This lowered the annual debt service by \$1.2 million. The net economic gain is amortized over the 7 year life of the note. The unamortized balance of the deferred amount on the refunding at September 30, 2020 is \$159,902 and is reflected as a deferred outflow of resources on the Statement of Net Position.

Pledge of Revenues - The note is collateralized, for the remaining term of the note, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments. Annual principal and interest payments of \$1,094,371 represent approximately eight percent of net revenues of \$13,106,552 of the utility system. The total principal and interest remaining to be paid on the 2015 note is \$2,184,899. Refer to Schedule 14 in the statistical section for further detail.

Rate Covenant - Net revenues shall be sufficient to pay 100% of reserve and 120% of current year principal and interest requirements.

Maturity and Interest Rate - Interest payments are made semiannually beginning September 1, 2016 through September 1, 2022. Annual principal payments begin September 1, 2016 and end September 1, 2022. The interest rate is fixed at 1.65%. Note may be paid early without any prepayment penalty.

C. Compensated Absences

For the governmental activities compensated absences liability, the General Fund normally liquidates 74 percent, and the Transportation and Emergency Services District funds normally liquidate 6 percent and 17 percent, respectively. The remaining 3 percent is liquidated by other governmental and internal service funds.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 11 - PROVISION FOR CLOSURE COSTS

Current regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) require the Solid Waste Disposal District (SWDD) to place a final cover on closed landfill areas, and to maintain those areas for up to thirty years after closure. The SWDD annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The SWDD recognizes the expenses associated with the final closure and post-closure maintenance of the landfill areas over the active life of those areas. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used.

The total unrecognized closure and post-closure costs are approximately \$11.6 million. These costs will be recognized in future periods as the remaining capacity is filled. The County's policy is to fund 100% of the current year's allocation (based upon the consulting engineers' report) of both closure and post-closure care.

Required closure and post-closure sub-accounts:

	<u>Capacity Used</u>	<u>Estimated Closing</u>	<u>Amount</u>
<u>Closure Costs</u>			
Class I - Segments III, Cell I	90%	2022	\$ 4,763,882
Construction and Demolition	93%	2027	1,034,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	1,563,435
Construction and Demolition	N/A	N/A	79,488
Total account balance at 9/30/20			<u><u>\$ 7,441,671</u></u>

All amounts recognized are based on what it would cost to perform all closure and post-closure functions in current dollars. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The SWDD is required by FDEP to annually show proof of ability to finance closure and post-closure costs. The SWDD is making annual deposits to a closure and post-closure cost escrow account to provide for the financing of future closure-related expenses. At September 30, 2020, \$7,430,173 was on deposit at the Florida Cooperative Liquid Assets Securities System (FLCLASS) and \$11,498 was on deposit in the County's Operating account.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 11 - PROVISION FOR CLOSURE COSTS - Continued

A summary of changes in the landfill closure liability account is as follows:

	Balance 10/1/2019	Deposits	Withdrawals	Balance 09/30/20
Closure and long-term care costs	\$ 8,154,682	\$ 1,515,017	\$ (2,228,028)	\$ 7,441,671

Of the \$7,441,671 liability for closure and long-term care costs, management estimates that \$1,949,965 will be due and payable within one year.

NOTE 12 - POLLUTION REMEDIATION

In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, a consultant evaluated three sites to assess pollution remediation liabilities. The consultant calculated for each site an expected value (EV) estimate for pollution remediation based on three plausible mitigation scenarios. An obligating event occurred at each of the following sites requiring the County (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$1,861,300 at September 30, 2020 for the three sites. Of the \$1,861,300 liability for pollution remediation, management estimates that \$314,833 will be due and payable within one year. The pollution remediation obligation is an estimate and subject to changes resulting from price increases and reductions, technology, and changes in applicable laws or regulations. There are no estimated recoveries that would reduce the liability.

Governmental Activities:

- 1) **South Gifford Road closed landfill** - The nature of the pollution remediation obligation is chlorinated solvent contamination. The consultant will conduct monitoring, bioremediation and reporting with the FDEP. The amount of the estimated year end liability is \$1,600,000 and will be paid from the Optional Sales Tax Fund.
- 2) **Old Administration Building** - The nature of the pollution remediation obligation is closed underground storage tank contamination. The consultant will conduct monitoring and reporting with the FDEP. The amount of the estimated year end liability is \$10,000 and will be paid from the General Fund.

Total Governmental Activities liability: \$1,610,000

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 12 - POLLUTION REMEDIATION - Continued

Business-type Activities:

- 3) *Premier Citrus Property* - The nature of the pollution remediation obligation is aboveground storage tank petroleum and/or pesticide and herbicide contamination. The consultant will conduct monitoring, bioremediation and reporting with the FDEP. The amount of the estimated year end liability is \$251,300 and will be paid from the Utilities Operating Fund.

Total Business-type Activities liability: \$251,300

NOTE 13 - RETIREMENT PLAN

General Information: All of the County's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Program). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a county, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description: The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Benefits Provided: Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the 5 highest years of salary for each year of credited service.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least 6 years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life equal to 3% of their final average compensation based on the 5 highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2% of their final average compensation based on the 5 highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3% (3.33% for judges and justices) of their final average compensation based on the 5 highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to 8 years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011 and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

July 1, 2011 and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions: The State of Florida establishes contribution rates for participating employers and employees in section 121.71 Florida Statutes. Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2020 were: Regular class 10.00%, Special Risk 24.45%, Special Risk Administrative Support 35.84%, Senior Management 27.29%, DROP 16.98%, and Elected Official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%. Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with the 3% employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

The County's actuarial contribution to FRS under the Pension Plan for the year ended September 30, 2020, was \$12,265,839. Employee contributions for September 30, 2020 were \$2,153,645. Both employer and employee contributions were equal to 100% of the required contribution.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pension Plan: At September 30, 2020, the Division of Retirement calculated the County's liability of \$156,966,332 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

employers, actuarially determined. At June 30, 2020, the County's proportion share was 0.3622% for the FRS Pension Plan. This was an increase of 0.0123% from its proportionate share measured as of June 30, 2019.

The County anticipates that the pension liability will be liquidated in the following manner: General Fund 53 percent, Emergency Services District Fund 34 percent, Transportation Fund 4 percent, Enterprise Funds 7 percent, and the remaining 2 percent is by the Other Governmental Funds and Internal Service Funds.

For the year ended September 30, 2020, the County's calculated total increase of actuarially determined pension expense was \$23,524,032. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,007,420	\$ -
Changes in assumptions	28,415,892	-
Net difference between projected and actual earnings on pension plan investments	9,345,928	-
Changes in proportion and differences between County contributions and proportionate share of contributions	5,448,481	877,100
County contributions subsequent to the measurement date	3,190,741	-
Total	<u>\$ 52,408,462</u>	<u>\$ 877,100</u>

The deferred outflows of resources related to the pension plan totaling \$3,190,741 resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2021	\$ 9,961,832
2022	15,514,963
2023	13,187,658
2024	7,883,640
2025	1,792,528
Total	<u>\$ 48,340,621</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Actuarial Assumptions: The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	July 1, 2020
Measurement date:	June 30, 2020
Discount rate:	6.80%
Long-term expected rate of return:	6.80%, net of pension plan investment expense, including inflation
Inflation:	2.40%
Salary increase:	3.25%, including inflation
Mortality:	PUB-2010 base table, projected generationally with Scale MP-2018
Actuarial cost method:	Individual Entry Age

The actuarial assumptions that determined the total pension liability used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in actuarial assumptions occurred in 2020:

- The long-term expected rate of return was decreased from 6.90% to 6.80%.

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments are not based on historical returns, but instead are based on a forward-looking capital market economic model. The allocation policy's description of each class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based upon a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.2%	2.2%	1.2%
Fixed Income	19%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100%			

Assumed inflation-mean 2.4% 1.7%

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the County's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the actuarially determined contribution is contributed in full each year. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the County's proportionate share of the net pension liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the County's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of NPL	\$ 250,648,853	\$ 156,966,332	\$ 78,722,283

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (877) 377-1737 or (850) 488-5706. This report identifies statements that were prepared in accordance with generally accepted accounting principles, the measurement focus and basis of accounting, various investment valuations, various pension plan benefits, assumptions used, and many other details.

Retiree Health Insurance Subsidy (HIS) Program

Plan Description: The HIS Program is a cost-sharing, multiple-employer, defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system. It was established under Section 112.363, Florida Statutes. Benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. HIS Program is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS Program payment of \$5 for each year of creditable service completed. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a HIS Program benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS Program contribution rate was 1.66%. There are no employee contributions required. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The County's actuarial contributions to the HIS Program totaled \$1,444,839 for the fiscal year ended September 30, 2020.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to HIS Program: At September 30, 2020, the Division of Retirement calculated the County's liability of \$30,268,499 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the County's proportional share was 0.2479% for the HIS Program. This was an increase of 0.0051% from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$1,707,140. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,238,165	\$ 23,352
Changes in assumptions	3,254,725	1,759,994
Net difference between projected and actual earnings on pension plan investments	24,167	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,583,420	150,411
County contributions subsequent to the measurement date	362,737	-
Total	<u>\$ 6,463,214</u>	<u>\$ 1,933,757</u>

The deferred outflows of resources related to HIS Program totaling \$362,737 resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2021	\$ 1,153,167
2022	855,395
2023	233,739
2024	542,760
2025	739,066
Thereafter	642,593
Total	<u>\$ 4,166,720</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Actuarial Assumptions: The total pension liability for the HIS Program in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	July 1, 2020
Measurement date:	June 30, 2020
Discount rate:	2.21%
Long-term expected rate of return:	N/A
Municipal bond rate:	2.21%
Inflation:	2.40%
Salary increase:	3.25% average, including inflation
Mortality:	PUB-2010 base table, projected generationally with Scale MP-2018
Actuarial cost method:	Individual Entry Age

The actuarial assumptions that determined the total HIS Program pension liability used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The following changes in actuarial assumptions occurred in 2020:

- The municipal rate used to determine the total pension liability decreased from 3.87% to 2.21%.
- The mortality assumption changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Discount Rate for HIS Program: In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-term Expected Rate of Return: As stated above, the HIS Program is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the County's proportionate share of the Net Pension Liability (NPL) of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the County's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of NPL	\$ 34,989,033	\$ 30,268,499	\$ 26,404,755

HIS Plan Fiduciary Net Position: Detailed information regarding the HIS Program's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (877) 377-1737 or (850) 488-5706.

Total Pension Liability - FRS Pension and HIS Program Combined

At September 30, 2020, the Division of Retirement calculated the County's total liability of \$187,234,831 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the County's total proportional share was 0.6101%. This was an increase of 0.0173% from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$26,989,704. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the pension and HIS program from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,245,585	\$ 23,352
Changes in assumptions	31,670,617	1,759,994
Net difference between projected and actual earnings on pension plan investments	9,370,095	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,031,901	1,027,511
County contributions subsequent to the measurement date	3,553,478	-
Total	<u>\$ 58,871,676</u>	<u>\$ 2,810,857</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Total Pension Liability - FRS Pension and HIS Program Combined - Continued

The deferred outflows of resources totaling \$3,553,478 resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2021	\$ 11,130,809
2022	16,344,488
2023	13,372,924
2024	8,419,058
2025	2,562,974
Thereafter	677,089
Total	<u>\$ 52,507,342</u>

FRS Investment Plan

Plan Description: The County contributes to the Investment Plan, a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees already participating in DROP are not eligible to participate in this program.

Benefits Provided: Service retirement benefits are based upon the value of the member's account upon retirement. Employers and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

FRS Investment Plan - Continued

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions: Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06% of payroll and by forfeited benefits of Investment Plan members. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances to various approved investment choices.

Allocations to the investment member's accounts during the 2019-2020 fiscal year are based on a percentage of gross compensation by class as follows: Regular class 6.30%, Special Risk class 14.00%, Senior Management Service class 7.67%, and County Elected Officers' class 11.34%. This includes the employee contribution of 3%.

The County's Investment Plan contributions and pension expense totaled \$2,253,519 for fiscal year ended September 30, 2020. Employee contributions totaled \$454,653 for the same period.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)

A. Plan Description

On September 23, 2008, the Board of County Commissioners approved resolution number 2008-163, establishing an irrevocable trust (OPEB Trust) to separately identify assets accumulated to pay OPEB benefits for eligible retirees. The OPEB Trust includes the Board of County Commissioners and the five constitutional officers (Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector). The resolution also established the Board of County Commissioners as trustees of the OPEB Trust and the authority for the trustees to amend the benefit provisions.

The OPEB Trust is a single-employer defined benefit plan (OPEB Plan). The OPEB plan subsidizes the cost of health care for employees hired prior to February 1, 2006 and their eligible dependents according to the provisions of the substantive plan (the plan as understood by the employer and plan members). Employees hired on or after February 1, 2006, will not be eligible for any subsidy, regardless of the years of service or Medicare eligibility.

Active participants as well as retirees are subject to the same benefits and rules. Retired employees are permitted to remain covered under the County's medical and life insurance plans as long as they pay a premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Florida Statute 112.0801. The retiree has the option to continue with the County group health plan or elect Medicare Advantage Plan.

The implicit rate subsidy applies to health and life insurance coverage since the premiums charged are based upon a blending of younger active employees and older retired employees. Health insurance monthly premiums, effective October 1, 2019, range from \$295 for single coverage Medicare participants to \$1,167.50 for family coverage. Life insurance is available to retirees at a flat rate of \$.70 per \$1,000 of coverage (to a maximum of \$20,000 until the age of 70). After 70, the maximum amount of life insurance is \$10,000.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

A. Plan Description - Continued

The County subsidizes the cost of the health premiums for each retiree based upon their years of service and employment date (as mentioned above); a 2% discount is given for each year of service based upon the following table:

Hired Before 2/1/2006				Hired On or After 2/1/2006
Retirement Date	Service	Under Age 65	Retiree or Spouse Medicare Eligible	
Before 10/1/2004		No Subsidy	60%*	No Subsidy
			**	
After 10/1/2004 but on or before 1/31/2009***	Less than 15 years	No Subsidy	20% Subsidy**	
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)**	
After 1/31/2009***	Less than 15 years	No Subsidy	No Subsidy	
	At least 15 years	2% per Year of Service (maximum of 40%)	Subsidy Ceases****	

*60% Subsidy if Medicare Eligible prior to October 1, 2004 or 20% if becoming Medicare Eligible after October 1, 2004

**Additional Subsidy will be paid to Medicare Eligible retirees regardless of which plan they are enrolled in (County's medical plan or Medicare Advantage Plan) and regardless of whether they become Medicare Eligible before or after October 1, 2004.

***Employees who commit by June 1, 2008 to retire before January 31, 2009 will receive subsidy as if retired before June 1, 2008.

****Effective May 1, 2016 and prospectively, subsidy does not cease until both Retiree and Spouse are Medicare eligible.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

A. Plan Description - Continued

The OPEB Trust financial statements are reported using the accrual basis of accounting and are included in the Indian River County Comprehensive Annual Financial Report. Questions regarding the OPEB Plan may be directed to the Finance Director.

At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,536
Retired participants	<u>536</u>
Total participants	<u>2,072</u>

There are two classes of participants at October 1, 2019:

Regular and senior management	1,313
Special risk	<u>759</u>
Total participants	<u>2,072</u>

The average employer's contribution was \$1,466 per employee, approximately 2.49% of current payroll. Financial statements for the OPEB Trust are included in this report and can be found on pages 44-45. A separate, stand-alone financial report is not issued by the County. The OPEB Trust investments can be found in Note 3D.

B. Contributions and Funding Policy

The Board of County Commissioners, in concert with the OPEB Board of Trustees, has the authority to establish and amend the funding policy of the OPEB Plan. The OPEB Trust is advance funded by the County. For the year ended September 30, 2020 the County contributed \$2.2 million to the qualifying OPEB Trust. Plan members receiving benefits contributed \$2.6 million. We anticipate that the OPEB liability will be liquidated in the following manner: General Fund 56 percent, Transportation Fund 6 percent, Emergency Services District Fund 28 percent, Enterprise Funds 8 percent, Internal Service Funds 1 percent, and the remaining 1 percent is by the Other Governmental Funds. It is the County's policy to base future OPEB Trust contributions on the annual required contribution (ARC) in subsequent annual actuarial reports. Custodial and individual fund administrative fees are paid from the portfolio dividend and interest income.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

C. Net OPEB Liability

The County's net OPEB liability was measured as of October 1, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the County at September 30, 2020, were as follows:

Total OPEB Liability	\$ 34,039,143
Plan fiduciary net position	<u>(32,654,503)</u>
County's net OPEB liability	<u><u>\$ 1,384,640</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	95.93%
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D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions Used to Determine Net OPEB Liability:

Actuarial Cost Method	Entry age normal
Inflation	2.50%
Discount Rate	6.00%
Salary Increases	3.7% to 7.8%, including inflation, varies by plan type and years of service.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

D. Actuarial Methods and Assumptions - Continued

Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.24%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the per capita health costs.

Other Information:

Notes	There were no benefit changes during the year.
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E. Discount Rate

Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

E. Discount Rate - Continued

Calculation of the Single Discount Rate - Continued

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB Plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation the expected rate of return on OPEB Plan investments is 6.00%, the municipal bond rate is 2.41%; and the resulting SDR is 6.00%. The County has adopted a broadly diversified investment portfolio composition consisting of equity, debt, and cash. Asset allocations are divided between short-term and long-term investments. Short-term asset allocations include cash and investments with maturities of 180 days or less. Long-term asset allocations range from 0-60% for equities, 0-60% for fixed income securities, and 0-100% for cash.

The County has a policy and a track record of depositing a full amount of the Actuarially Determined Contribution developed under the Entry Age Method. Consequently, the plan's fiduciary net position is projected to be sufficient to pay benefits and the resulting SDR is 6.00%.

F. Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the SDR, the following presents the plan's net OPEB liability, calculated using a SDR of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a SDR that is one percent lower or one percent higher:

**Sensitivity of Net OPEB Liability
to the Single Discount Rate Assumption**

1% Decrease (5.00%)	Current Single Discount Rate Assumption (6.00%)	1% Increase (7.00%)
<u>\$ 3,857,389</u>	<u>\$ 1,384,640</u>	<u>\$(864,355)</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

F. Sensitivity of Net OPEB Liability - Continued

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

**Sensitivity of Net OPEB Liability
to the Healthcare Cost Trend Rate Assumption**

	Current Healthcare Cost	
1% Decrease (5.5% down to 3.24%)	Trend Rate Assumption (6.5% down to 4.24%)	1% Increase (7.5% down to 5.24%)
\$(1,321,106)	\$ 1,384,640	\$ 4,475,056

G. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 9/30/2019	\$ 33,207,465	\$ 30,507,845	\$ 2,699,620
Changes for the year:			
Service cost	638,013	-	638,013
Interest	1,953,393	-	1,953,393
Contributions - employer	-	2,206,025	(2,206,025)
Net investment income	-	2,518,479	(2,518,479)
Experience	2,869,333	-	2,869,333
Assumptions	(2,051,215)	-	(2,051,215)
Benefit payments	(2,577,846)	(2,577,846)	-
Net changes	831,678	2,146,658	(1,314,980)
Balances at 9/30/2020	<u>\$ 34,039,143</u>	<u>\$ 32,654,503</u>	<u>\$ 1,384,640</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the County recognized OPEB expense of (\$104,244). At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,395,837	\$ -
Changes of assumptions	-	9,789,886
Net difference between projected and actual earnings on OPEB plan investments	532,432	559,330
	<u>\$ 4,928,269</u>	<u>\$ 10,349,216</u>

I. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

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

<u>Year Ending September 30</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (876,334)
2022	(876,334)
2023	(925,819)
2024	(1,070,305)
2025	(930,474)
Thereafter	(741,681)
Total	<u>\$ (5,420,947)</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 15 - LEASES

A. Operating Leases

The County has entered into non-cancelable operating leases, both as lessor and lessee. Lease terms vary from 1 to 99 years. Lease revenues totaled \$769,509 and lease expenditures totaled \$256,827 for the year ended September 30, 2020. The County also leases other equipment and office facilities as both lessor and lessee on a month-to-month basis.

1. Future Minimum Lease Receipts

Year	Amount
2021	\$ 673,193
2022	593,244
2023	542,272
2024	493,475
2025	419,321
2026-2030	1,744,562
2031-2035	859,492
2036-2040	559,835
2041-2045	530,110
2046-2050	1,000
Total future minimum receipts	<u>\$ 6,416,504</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 15 - LEASES - Continued

A. Operating Leases - Continued

The property being leased is included in the Statement of Net Position governmental activities and business-type activities columns and has a cost of \$32,314,621 and a carrying value of \$20,205,277. Current year depreciation on property being leased was \$663,926.

2. Future Minimum Lease Payments

The following is a schedule of minimum future lease payments to be paid by the County for various non-cancelable operating leases such as office space and office equipment as of September 30, 2020:

Year	Amount
2021	\$ 238,904
2022	126,913
2023	47,912
2024	20,887
2025	19,559
2026-2030	7,500
2031-2035	7,500
2036-2040	5,400
2041-2045	4,500
2046-2050	3,600
2051-2055	2,400
2056-2060	1,500
2061-2065	1,500
2066-2070	1,500
2071-2075	300
Total future minimum lease payments	<u><u>\$ 489,875</u></u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 15 - LEASES - Continued

B. Capital Lease

The County has entered into a noncancelable capital lease. Assets acquired under this lease totaled \$20,855 for the fiscal year ended September 30, 2020. The following is a schedule, by years, of minimum future lease payments to be paid for noncancelable capital leases as of September 30:

Year	Amount
2021	\$ 3,592
2022	3,592
2023	3,592
2024	1,796
Total future minimum lease payments	<u>\$ 12,572</u>

NOTE 16 - FUND BALANCE

GASB Statement 54, *Fund Balance Reporting and Governmental Funds Type Definitions*, requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

A. Categories

There are five categories of fund balance for governmental funds under Statement 54:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to remain intact.

Restricted - Use of these resources is based on the constraints imposed externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts whose use is constrained by the approval of a County ordinance by the Board of County Commissioners. This category also includes existing resources on hand to satisfy the obligations that arise from contractual obligations entered into by the Board of County Commissioners.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 16 - FUND BALANCE - Continued

A. Categories - Continued

Assigned - The Board of County Commissioners is the governing body authorized to assign fund balance amounts to be used for specific purposes. This assignment is done through the budget approval and amendment process. Amounts appropriated to eliminate a budgetary deficit in a subsequent year are reported in this category as well.

Unassigned - Residual amounts in the general fund that do not meet any of the other fund balance classifications.

B. Fund Balance Policy

On September 21, 2010, the County approved a Fund Balance and Reserve Policy that set forth the following reserves of fund balance in the General, Transportation, and Emergency Services District Funds:

Emergency/Disaster Relief Reserve - A balance of no less than 5% of budgeted operating expenditures for the current fiscal year will be reserved only for the purpose of responding to natural and man-made disasters. Disasters include: hurricanes, tropical storms, floods, wildfires, or terrorist activities. These funds can only be used to respond and provide relief after such a disaster. Funds will be replenished over a five-year period after the completion of the recovery from the disaster.

Budget Stabilization Reserve - A balance of no less than 5% of budgeted operating expenditures for the current fiscal year will be reserved only for the purpose of revenue declines or unfunded mandates from the state and federal governments. Funds utilized due to revenue declines will be replenished over a five-year period. Funds utilized for unfunded mandates or unanticipated expenditures cannot be used for more than a three-year period and must be replenished within five-years after the three-year period.

At September 30, 2020, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 7,650,000	\$ 7,650,000	\$ 15,300,000
Transportation Fund	950,000	950,000	1,900,000
Emergency Services District Fund	2,250,000	2,250,000	4,500,000
Total	<u>\$ 10,850,000</u>	<u>\$ 10,850,000</u>	<u>\$ 21,700,000</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 16 - FUND BALANCE - Continued

B. Fund Balance Policy - Continued

The General Fund reserves are included in the unassigned fund balance on the balance sheet. The Transportation Fund reserves are included in the assigned fund balance and the Emergency Services District Fund reserves are included in the restricted fund balance on the balance sheet. Emergency/Disaster Relief and Budget Stabilization Reserve amounts may only be revised by the Board of County Commissioners.

Minimum Fund Balance - The approved fund balance policy dictates the County's attempt to maintain a minimum fund balance in the General, Transportation, and Emergency Services District funds of 20% of budgeted annual operating expenditures. The minimum fund balance level may be revised by the County Administrator or his designee.

C. Spending Hierarchy

For all governmental funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

D. Fund Balance Deficit

The Metropolitan Planning Organization Fund, a nonmajor Governmental Fund, had a deficit in fund balance of \$89,708 at September 30, 2020. This deficit will be eliminated by grant proceeds in fiscal year 2021. The Jackie Robinson Training Complex Reserve Fund, a nonmajor Governmental Fund, had a deficit in fund balance of \$227,670 at September 30, 2020. This deficit will be eliminated by tourist tax collections in future fiscal years.

NOTE 17 - NET POSITION

A. Net Position Restricted by Enabling Legislation

The government-wide statement of net position for the primary government reports \$181,876,656 of restricted net position, of which \$119,270,840 is restricted by enabling legislation.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 18 - RISK MANAGEMENT

General Liability, Property, Worker's Compensation and Medical

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The County established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage as follows:

	<u>10/01/15 to 9/30/2020</u>
Worker's Compensation	\$ 650,000
General Liability	200,000
Auto Liability	200,000
Property Damage	200,000
Error or Omissions	200,000
Annual Aggregate	2,000,000

All departments of the County participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience and actual estimates of the amounts needed to pay current year claims. The County has received workers compensation reimbursements totaling \$3,072 for fiscal year 2020, \$41,832 for fiscal year 2019, and \$1,685 for fiscal year 2018.

The County purchases excess insurance to cover claims in excess of the amounts listed above. There is a 5% deductible per location for property damages arising due to a hurricane under the reinsurance policy.

The County is also self insured for medical claims covering employees and their eligible dependents. As required by Section 112.081, Florida Statutes, retirees and their eligible dependents are provided the same health care coverage as is offered to active employees; however, the retirees are responsible for payment of the premiums. Medical claims are paid from premiums contributed by employees, retirees and by the County. Premiums and contributions are determined by projected claims based on historical and actuarial experience. The self insurance medical plan assumes all risk for claims, other than worker's compensation, up to \$300,000 per occurrence.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 18 - RISK MANAGEMENT - Continued

General Liability, Property, Worker's Compensation and Medical - Continued

The County has purchased a reinsurance policy to cover claims in excess of these limits. There were medical claim reimbursements totaling \$1,022,187 for fiscal year 2020, \$670,688 for fiscal year 2019, and \$471,549 for fiscal year 2018.

The claims liability of \$7,944,000 reported at September 30, 2020, is based on the requirements of generally accepted governmental accounting standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Estimates for claims incurred but not reported are actuarially determined and recorded. Based on the actuary's report, \$2,649,000 will be liquidated over the next twelve months.

Changes in the fund's claim liability amount during the current and prior three fiscal years are as follows:

	Balance at Fiscal Year Beginning	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2016-2017	\$ 8,512,520	\$ 16,364,331	\$ (16,621,851)	\$ 8,255,000
2017-2018	8,255,000	21,400,694	(21,216,694)	8,439,000
2018-2019	8,439,000	25,995,950	(26,180,950)	8,254,000
2019-2020	8,254,000	23,627,530	(23,937,530)	7,944,000

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined and at September 30, 2020, unrestricted net position of \$22,070,750 has been designated for this purpose.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in litigation regarding a zoning dispute and other matters, and may be required to pay damages at a future date. While the ultimate amount of damages is currently unknown, management has estimated that the amount is likely to equal or exceed \$3,917,250. Accordingly, management has recorded an estimated liability in that amount in the financial statements.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 19 - COMMITMENTS AND CONTINGENCIES - Continued

A. Litigation - Continued

Various other suits and claims are currently pending against the County. It is impossible for the County to accurately quantify the exposure involved given the jury's latitude in assessing compensatory and punitive damages, and the court's latitude in awarding attorney's fees. The County intends to vigorously defend against these lawsuits and believes it has a good chance of prevailing on their merits. The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management and based on the advice of legal counsel, the ultimate disposition of lawsuits will not have a material adverse effect on the financial position of the County.

B. Contracts and Other Commitments

The County has various contracts and commitments outstanding at September 30, 2020. In the General Fund, contracts are for janitorial services, beach park landscape and custodial maintenance, legislative consulting services and external auditing services. In the Special Revenue Funds, contracts are for the Courthouse renovations, Indian River Blvd. and 8th Street signalization and intersection improvements, beach profile surveys and monitoring, several conservation area improvements as well as a variety of other road paving and drainage projects. In the Capital Projects Fund, contracts are for intersection improvements at State Road 60 and 43rd Avenue, 58th Avenue full depth reclamation project, 43rd Avenue improvements from 18th Street to 26th Street, P25 radio system migration project, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for the golf course maintenance, aquifer wells rehabilitation project, Countywide meter replacement program, Roseland elevated storage tank conversion, pump station and water transmission mainstem, and various other water and sewer projects. In the Internal Service Funds, contracts are for benefit administration services and GIS aerial imagery.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 19 - COMMITMENTS AND CONTINGENCIES - Continued

B. Contracts and Other Commitments - Continued

A summary of these projects at September 30, 2020, is as follows:

	Total Contract Price	Total Paid as of September 30, 2020	Remaining Balance at September 30, 2020
General	\$ 3,338,260	\$ (1,787,648)	\$ 1,550,612
Special Revenue	9,277,222	(6,408,159)	2,869,063
Capital Projects	35,577,950	(11,688,226)	23,889,724
Enterprise	18,858,071	(10,074,741)	8,783,330
Internal Service	583,391	(286,232)	297,159
Total	<u>\$ 67,634,894</u>	<u>\$ (30,245,006)</u>	<u>\$ 37,389,888</u>

C. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, any such adjustments would not be significant.

D. COVID-19

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. County staff will closely monitor the situation and make necessary adjustments as needed to maintain its sound financial position.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2020

Schedule of the County's Proportionate Share of the Net Pension Liability
Florida Retirement System (FRS) Defined Benefit Pension Plan

Fiscal Year Ending September 30,	Plan Sponsor Measurement Date June 30,	County's Proportion of the FRS Net Pension Liability	County's Proportionate Share of the FRS Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.3622%	\$ 156,966,332	\$ 71,329,133	220.06%	78.85%
2019	2019	0.3499%	\$ 120,518,805	\$ 68,038,591	177.13%	82.61%
2018	2018	0.3461%	\$ 104,240,729	\$ 65,771,799	158.49%	84.26%
2017	2017	0.3484%	\$ 103,046,280	\$ 64,801,659	159.02%	83.89%
2016	2016	0.3356%	\$ 84,737,012	\$ 60,358,527	140.39%	84.88%
2015	2015	0.3067%	\$ 39,616,455	\$ 57,879,163	68.45%	92.00%
2014	2014	0.3018%	\$ 18,416,343	\$ 55,095,601	33.43%	96.09%

Schedule of the County's Proportionate Share of the Net Pension Liability
Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Fiscal Year Ending September 30,	Plan Sponsor Measurement Date June 30,	County's Proportion of the HIS Net Pension Liability	County's Proportionate Share of the HIS Net Pension Liability	County's Covered Payroll	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.2479%	\$ 30,268,499	\$ 86,079,134	35.16%	3.00%
2019	2019	0.2428%	\$ 27,171,124	\$ 81,262,395	33.44%	2.63%
2018	2018	0.2397%	\$ 25,374,133	\$ 78,355,087	32.39%	2.15%
2017	2017	0.2374%	\$ 25,383,666	\$ 75,720,001	33.52%	1.64%
2016	2016	0.2281%	\$ 26,578,559	\$ 70,444,190	37.73%	0.97%
2015	2015	0.2232%	\$ 22,760,252	\$ 67,812,302	33.56%	0.50%
2014	2014	0.2186%	\$ 20,441,863	\$ 64,984,255	31.46%	0.99%

The County implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Information on the above defined benefit pension plan's annual money-weighted rate of return on pension plan investments can be obtained in a separately issued report. Information may also be requested by calling the Florida Department of Management Services at (844) 377-1888 or online at frs.myflorida.com, click on publications, then annual reports.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2020

Schedule of the County's Contributions
Florida Retirement System (FRS) Defined Benefit Pension Plan

Fiscal Year Ending September 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	County's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2020	\$ 12,325,839	\$ 12,325,839	\$ -	\$ 71,928,506	17.14%
2019	\$ 11,186,468	\$ 11,186,468	\$ -	\$ 69,181,344	16.17%
2018	\$ 10,011,292	\$ 10,011,292	\$ -	\$ 65,642,971	15.26%
2017	\$ 9,099,495	\$ 9,099,495	\$ -	\$ 64,835,532	14.03%
2016	\$ 8,660,907	\$ 8,660,907	\$ -	\$ 61,851,481	14.01%
2015	\$ 7,503,166	\$ 7,503,166	\$ -	\$ 57,717,461	13.00%
2014	\$ 6,760,058	\$ 6,760,058	\$ -	\$ 56,156,975	11.94%

Schedule of the County's Contributions
Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Fiscal Year Ending September 30,	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	County's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2020	\$ 1,444,839	\$ 1,444,839	\$ -	\$ 87,086,582	1.66%
2019	\$ 1,373,064	\$ 1,373,064	\$ -	\$ 82,736,898	1.66%
2018	\$ 1,299,514	\$ 1,299,514	\$ -	\$ 78,304,866	1.66%
2017	\$ 1,262,482	\$ 1,262,482	\$ -	\$ 76,071,289	1.66%
2016	\$ 1,198,477	\$ 1,198,477	\$ -	\$ 72,247,706	1.66%
2015	\$ 918,200	\$ 918,200	\$ -	\$ 67,455,498	1.36%
2014	\$ 782,940	\$ 782,940	\$ -	\$ 66,229,010	1.18%

The County implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Indian River County, Florida
Required Supplementary Information
Fiscal Year Ended September 30, 2020

Schedules of Changes in Net OPEB Liability and Related Ratios

Fiscal year ending September 30,	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 638,013	\$ 528,585	\$ 498,665	\$ 673,067
Interest on the total OPEB liability	1,953,393	1,943,022	2,443,943	2,405,638
Difference between expected and actual experience	2,869,333	-	2,762,722	-
Changes of assumptions and other inputs	(2,051,215)	-	(11,946,117)	-
Benefit payments	(2,577,846)	(2,238,521)	(2,037,101)	(2,494,672)
Net change in total OPEB liability	831,678	233,086	(8,277,888)	584,033
Total OPEB liability - beginning	33,207,465	32,974,379	41,252,267	40,668,234
Total OPEB liability - ending (a)	\$ 34,039,143	\$ 33,207,465	\$ 32,974,379	\$ 41,252,267
Plan fiduciary net position				
Employer contributions	\$ 2,206,025	\$ 2,178,500	\$ 2,461,947	\$ 2,274,341
OPEB plan net investment income	2,518,479	1,047,018	1,425,540	2,387,483
Benefit payments	(2,577,846)	(2,238,521)	(2,037,101)	(2,494,672)
Net change in plan fiduciary net position	2,146,658	986,997	1,850,386	2,167,152
Plan fiduciary net position - beginning	30,507,845	29,520,848	27,670,462	25,503,310
Plan fiduciary net position - ending (b)	\$ 32,654,503	\$ 30,507,845	\$ 29,520,848	\$ 27,670,462
Net OPEB liability - ending (a) - (b)	\$ 1,384,640	\$ 2,699,620	\$ 3,453,531	\$ 13,581,805
Plan fiduciary net position as a percentage of total OPEB liability	95.93%	91.87%	89.53%	67.08%
Covered payroll*	\$ 88,630,805	\$ 82,697,197	\$ 80,387,008	\$ 77,080,800
Net OPEB liability as a percentage of covered payroll	1.56%	3.26%	4.30%	17.62%

Notes to Schedule:

Covered-employee payroll presented above is an estimate based on the data submitted for the valuation. GASB Statement 75 defined covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ended September 30, 2020).

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

* Estimate

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2020

Schedule of OPEB Contributions

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2020	\$ 1,005,952	\$ 2,206,025	\$ (1,200,073)	\$ 88,630,805	2.49%
2019	\$ 1,107,134	\$ 2,178,500	\$ (1,071,366)	\$ 82,697,197	2.63%
2018	\$ 1,061,118	\$ 2,461,947	\$ (1,400,829)	\$ 80,387,008	3.06%
2017	\$ 2,583,447	\$ 2,274,341	\$ 309,106	\$ 77,080,800	2.95%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Indian River County, Florida

Required Supplementary Information

For the Year Ended September 30, 2020

Notes to Schedule of OPEB Contributions

Valuation Date: October 1, 2019
Notes: Actuarially determined contribution rates are calculated as of October 1, the beginning of the fiscal year preceding the year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	8 years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.7% to 7.8%, including inflation; varies by plan type and years of service.
Investment Rate of Return	6.00%
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 to 2013 and include generational projections.
Health Care Trend Rates	Based on the Getzen Model, with trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.24%.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2019, Actuarial Valuation Report dated March 13, 2020.
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the per capita health costs.

Other Information:
Notes: There were no benefit changes during the year.

**Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2020**

Schedule of OPEB Investment Returns Multiyear

FY Ending September 30,	Annual Return*
2020	7.99%
2019	3.45%
2018	4.95%
2017	9.00%

**Annual money-weighted rate of return, net of
investment expenses.*

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND
SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Court Facilities-	To account for the court facility surcharge, additional court costs, the additional recording fee for court technology, and improvements made to court facilities.
Section 8 Rental Assistance-	To account for the provision of rental assistance for low income housing. Financing is provided by grants from the U.S. Department of Housing and Urban Development.
Secondary Roads Construction-	To account for the expenditures of road and bridge construction, roadway, bridge and right-of-way maintenance and drainage, and related administrative costs. Financing is provided by collections of the local option gas tax.
Special Law Enforcement-	To account for the expenditures of providing law enforcement equipment. Financing is provided by confiscation of monies and property in accordance with Section 932.704 of the Florida Statutes.
Tree Ordinance Fines-	To account for fines assessed against individuals for illegal removal of protected trees. Funds are used for park improvements.
Tourist Development-	To account for the proceeds from the levy of a local option Tourist Development tax. Funds are used to attract tourism trade and for the benefit of County residents.
911 Surcharge-	To account for the receipt of the 911 surcharge on all telephone bills of the County. Monies are used to pay the operating costs of the 911 Emergency Center.
Drug Abuse-	To account for the collection of fines on criminal drug cases. Monies are used for drug prevention and education programs.

State Housing Initiatives
Partnership-

To account for State funds distributed under the State Housing Initiatives Partnership Act. The purpose of this program is to provide for the creation and preservation of affordable housing. Funds are provided by the documentary stamp taxes.

Metropolitan Planning Organization-

To account for expenditures incurred for planning community transportation in the County. Financing is provided by grants.

Native Uplands Land Acquisition-

To account for expenditures related to the acquisition of native habitat preserve areas and for the management of such lands. Funding is provided by developers of property who pay to mitigate native uplands destruction where native upland plant communities will be destroyed.

CDBG Neighborhood Stabilization
Program-

To account for the proceeds from the Community Development Block Grant. The purpose of this grant is to provide neighborhood stabilization through resale and rental of housing units purchased by the grant funds.

SHIP Coronavirus Relief-

To account for revenues and expenditures from the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal grant. This grant was provided to assist with rental and mortgage assistance, related expenses, and housing rehabilitation by State Housing Initiative Partnership (SHIP) jurisdictions.

Florida Boating Improvement Program-

To account for boat registration fees which may be used for providing recreational channel marking, public launching facilities, and other boating-related activities.

Disabled Access Program-

To account for fines assessed against individuals for illegal use of handicapped parking spaces.

Federal/State Grants-	To account for revenues and expenditures of various grants from Federal and State agencies.
Traffic Education Program-	To account for the proceeds of an additional \$3 add-on to traffic fines authorized by County Ordinance. Proceeds must be used for traffic education programs.
CARES Act-	To account for revenues and expenditures from the Coronavirus Aid, Relief, and Economic Security (CARES) Act federal grant. This grant was provided to assist with navigating the impact of the COVID-19 outbreak.
Land Acquisition-	To account for expenditures incurred in the purchase of environmentally sensitive land, preservation of water sources, historic sites and agricultural lands. Financing is provided by bond proceeds and state grants.
East Gifford Stormwater-	To account for expenditures of funds for stormwater improvements in the East Gifford Watershed. Funds are provided by non-ad valorem taxes.
Vero Lake Estates-	To account for the expenditure of funds to improve roads in the Vero Lake Estates subdivision. Funds are provided by the levying of special assessments.
Jackie Robinson Training Complex Reserve-	To provide additional improvements to the Jackie Robinson Training Complex per a lease agreement. Funds are provided from tourist tax and one-cent sales tax.
Clerk Special Revenue-	To account for the proceeds from a special recording fee to be used for computer linkage and modernizing the Clerk of the Circuit Court and Comptroller's public records system.
Sheriff Special Revenue-	To account for the expenditure of grants, fines, and restricted revenues received by the Sheriff.

Supervisor of Elections Special Revenue-	To account for revenues and expenditures from state grants for voter education and pollworker activities.
Street Lighting Districts-	To account for the costs of providing street lights. Financing is provided by the levying of special assessments.
CDBG Neighborhood Stabilization Program 3 Grant (NSP3)-	To account for the proceeds from the Community Development Block Neighborhood Stabilization Program 3 Grant. The purpose of this grant is to provide neighborhood stabilization through resale of housing units purchased with the grant funds.

DEBT SERVICE FUNDS

Spring Training Facility Bonds-	To account for the accumulation of State assistance and tourist tax monies pledged to pay the principal, interest, and fiscal charges on the Spring Training Facility Bonds.
Land Acquisition Bonds-	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges related to the Land Acquisition Bonds and Note.

MAJOR CAPITAL PROJECTS FUND

Optional Sales Tax-	To account for revenues generated by the local option one cent sales tax. Monies are used for various capital projects.
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Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue			
	Court Facilities	Section 8 Rental Assistance	Secondary Road Construction	Special Law Enforcement
ASSETS				
Cash and investments	\$ 281,315	\$ 452,849	\$ 6,469,341	\$ 340,921
Accounts receivable	-	1,074	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	1,981,775	-
Interest receivable	527	95	14,022	617
Inventories	-	-	-	-
Prepays and other assets	-	4,978	-	-
Total Assets	<u>\$ 281,842</u>	<u>\$ 458,996</u>	<u>\$ 8,465,138</u>	<u>\$ 341,538</u>
LIABILITIES				
Accounts payable	\$ 37,626	\$ 17,758	\$ 773,846	\$ -
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Other deposits held in escrow	-	-	-	-
Unearned revenues	-	89,807	-	-
Total Liabilities	<u>37,626</u>	<u>107,565</u>	<u>773,846</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - state and federal grants	-	-	1,565,430	-
Unavailable revenue - investment interest	158	-	4,223	186
Total Deferred Inflows of Resources	<u>158</u>	<u>-</u>	<u>1,569,653</u>	<u>186</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	4,978	-	-
Restricted for:				
Transportation/road improvements	-	-	6,121,639	-
Court-related costs and improvements	244,058	-	-	-
Housing assistance	-	346,453	-	-
Law enforcement/public safety	-	-	-	341,352
Tourism-related activities	-	-	-	-
Boating related projects	-	-	-	-
Land acquisition	-	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-	-
Voting/election activities	-	-	-	-
Coronavirus assistance	-	-	-	-
Debt service	-	-	-	-
Committed to:				
Environmental conservation/preservation	-	-	-	-
Law Enforcement/public safety	-	-	-	-
Assigned to:				
Law enforcement/public safety	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>244,058</u>	<u>351,431</u>	<u>6,121,639</u>	<u>341,352</u>
Total Liabilities and Fund Balances	<u>\$ 281,842</u>	<u>\$ 458,996</u>	<u>\$ 8,465,138</u>	<u>\$ 341,538</u>

Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse	State Housing Initiatives Partnership	Metropolitan Planning Organization
\$ 666,488 18,600	\$ 1,296,817	\$ 1,323,511	\$ 314,924	\$ 634,602	\$ 1,201
-	-	-	-	21,768	-
-	-	75,412	-	465	93,053
1,354	1,223	2,721	637	1,313	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 686,442	\$ 1,298,040	\$ 1,401,644	\$ 315,561	\$ 658,148	\$ 94,254
\$ - 952	\$ 129,503	\$ 31,561	\$ -	\$ 8,818	\$ 15,909
-	-	-	-	-	-
-	-	-	-	-	75,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	72,649	-
952	129,503	31,561	-	81,467	90,909
-	-	11,168	-	465	93,053
408	368	820	192	395	-
408	368	11,988	192	860	93,053
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	575,821	-
-	-	1,358,095	315,369	-	-
-	1,168,169	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
685,082	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
685,082	1,168,169	1,358,095	315,369	575,821	(89,708)
\$ 686,442	\$ 1,298,040	\$ 1,401,644	\$ 315,561	\$ 658,148	\$ 94,254

125

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue		
	CDBG		
	Native Uplands Land Acquisition	Neighborhood Stabilization Program	SHIP Coronavirus Relief
ASSETS			
Cash and investments	\$ 372,541	\$ 263,528	\$ 554,671
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	50,000	15,941	-
Interest receivable	775	513	1,163
Inventories	-	-	-
Prepays and other assets	-	-	2,292
Total Assets	<u>\$ 423,316</u>	<u>\$ 279,982</u>	<u>\$ 558,126</u>
LIABILITIES			
Accounts payable	\$ 9,439	\$ 3,154	\$ 4,088
Retainage payable	6,305	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Other deposits held in escrow	-	-	-
Unearned revenues	-	-	551,833
Total Liabilities	<u>15,744</u>	<u>3,154</u>	<u>555,921</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - state and federal grants	50,000	15,941	-
Unavailable revenue - investment interest	233	155	350
Total Deferred Inflows of Resources	<u>50,233</u>	<u>16,096</u>	<u>350</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	2,292
Restricted for:			
Transportation/road improvements	-	-	-
Court-related costs and improvements	-	-	-
Housing assistance	-	260,732	-
Law enforcement/public safety	-	-	-
Tourism-related activities	-	-	-
Boating related projects	-	-	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Coronavirus assistance	-	-	-
Debt service	-	-	-
Committed to:			
Environmental conservation/preservation	357,339	-	-
Law Enforcement/public safety	-	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Unassigned (deficit)	-	-	(437)
Total Fund Balances	<u>357,339</u>	<u>260,732</u>	<u>1,855</u>
Total Liabilities and Fund Balances	<u>\$ 423,316</u>	<u>\$ 279,982</u>	<u>\$ 558,126</u>

Special Revenue

Florida Boating Improvement Program	Disabled Access Program	Federal/State Grants	Traffic Education Program	CARES Act	Land Acquisition
\$ 1,331,930	\$ 72,302	\$ 449	\$ 133,233	\$ 2,996,131	\$ 1,085,990
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,621	-	-	-
2,739	149	-	265	11,096	2,245
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,334,669</u>	<u>\$ 72,451</u>	<u>\$ 12,070</u>	<u>\$ 133,498</u>	<u>\$ 3,007,227</u>	<u>\$ 1,088,235</u>
\$ -	\$ -	\$ 6,070	\$ -	\$ 1,879,531	\$ 4,354
-	-	-	-	-	-
-	-	6,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,097,220	-
-	-	12,070	-	2,976,751	4,354
-	-	-	-	-	-
825	45	-	80	3,343	676
<u>825</u>	<u>45</u>	<u>-</u>	<u>80</u>	<u>3,343</u>	<u>676</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	72,406	-	133,418	-	-
-	-	-	-	-	-
1,333,844	-	-	-	-	-
-	-	-	-	-	1,083,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,133	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,333,844</u>	<u>72,406</u>	<u>-</u>	<u>133,418</u>	<u>27,133</u>	<u>1,083,205</u>
<u>\$ 1,334,669</u>	<u>\$ 72,451</u>	<u>\$ 12,070</u>	<u>\$ 133,498</u>	<u>\$ 3,007,227</u>	<u>\$ 1,088,235</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue			
	East Gifford Stormwater	Vero Lakes Estates	Jackie Robinson Training Complex Reserve	Clerk Special Revenue
ASSETS				
Cash and investments	\$ 26,440	\$ 1,140,071	\$ 648,788	\$ 1,064,842
Accounts receivable	-	-	-	17,032
Due from other funds	10	2,462	-	-
Due from other governments	-	-	-	2,605
Interest receivable	55	2,012	1,488	-
Inventories	-	-	-	-
Prepays and other assets	-	-	-	106,508
Total Assets	<u>\$ 26,505</u>	<u>\$ 1,144,545</u>	<u>\$ 650,276</u>	<u>\$ 1,190,987</u>
LIABILITIES				
Accounts payable	\$ -	\$ 14	\$ 26,474	\$ 34,528
Retainage payable	-	-	-	-
Due to other funds	-	-	851,024	-
Due to other governments	-	-	-	179
Other deposits held in escrow	-	-	-	14,580
Unearned revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>14</u>	<u>877,498</u>	<u>49,287</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - state and federal grants	-	-	-	-
Unavailable revenue - investment interest	17	606	448	-
Total Deferred Inflows of Resources	<u>17</u>	<u>606</u>	<u>448</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	106,508
Restricted for:				
Transportation/road improvements	-	-	-	-
Court-related costs and improvements	-	-	-	1,035,192
Housing assistance	-	-	-	-
Law enforcement/public safety	-	-	-	-
Tourism-related activities	-	-	-	-
Boating related projects	-	-	-	-
Land acquisition	-	-	-	-
Stormwater, street lighting, and other special assessments	26,488	1,143,925	-	-
Voting/election activities	-	-	-	-
Coronavirus assistance	-	-	-	-
Debt service	-	-	-	-
Committed to:				
Environmental conservation/preservation	-	-	-	-
Law Enforcement/public safety	-	-	-	-
Assigned to:				
Law enforcement/public safety	-	-	-	-
Unassigned (deficit)	-	-	(227,670)	-
Total Fund Balances	<u>26,488</u>	<u>1,143,925</u>	<u>(227,670)</u>	<u>1,141,700</u>
Total Liabilities and Fund Balances	<u>\$ 26,505</u>	<u>\$ 1,144,545</u>	<u>\$ 650,276</u>	<u>\$ 1,190,987</u>

Special Revenue				Debt Service		Total Nonmajor Governmental Funds
Sheriff Special Revenue	Supervisor of Elections Special Revenue	Street Lighting Districts	CDBG NSP3 Grant	Spring Training Facility Bonds		
\$ 2,366,716	\$ 83,988	\$ 610,067	\$ 190,674	\$ 626,160	\$ 25,350,490	
380,692	-	-	-	-	439,166	
-	-	2,687	-	-	5,159	
-	-	-	-	-	2,230,872	
-	-	1,295	391	1,368	48,063	
22,251	-	-	-	-	22,251	
-	-	-	-	-	113,778	
<u>\$ 2,769,659</u>	<u>\$ 83,988</u>	<u>\$ 614,049</u>	<u>\$ 191,065</u>	<u>\$ 627,528</u>	<u>\$ 28,209,779</u>	
\$ 150,984	\$ -	\$ 12,319	\$ -	\$ -	\$ 3,145,976	
-	-	-	-	-	7,257	
-	-	-	-	-	932,024	
-	-	-	-	-	179	
-	-	-	-	-	14,580	
-	83,444	-	-	-	1,894,953	
<u>150,984</u>	<u>83,444</u>	<u>12,319</u>	<u>-</u>	<u>-</u>	<u>5,994,969</u>	
-	-	-	-	-	1,736,057	
-	-	389	118	412	14,447	
-	-	389	118	412	1,750,504	
22,251	-	-	-	-	22,251	
-	-	-	-	-	113,778	
-	-	-	-	-	6,121,639	
-	-	-	-	-	1,279,250	
-	-	-	190,947	-	1,373,953	
2,373,334	-	-	-	-	4,593,974	
-	-	-	-	-	1,168,169	
-	-	-	-	-	1,333,844	
-	-	-	-	-	1,083,205	
-	-	601,341	-	-	1,771,754	
-	544	-	-	-	544	
-	-	-	-	-	27,133	
-	-	-	-	627,116	627,116	
-	-	-	-	-	1,042,421	
76,921	-	-	-	-	76,921	
146,169	-	-	-	-	146,169	
-	-	-	-	-	(317,815)	
<u>2,618,675</u>	<u>544</u>	<u>601,341</u>	<u>190,947</u>	<u>627,116</u>	<u>20,464,306</u>	
<u>\$ 2,769,659</u>	<u>\$ 83,988</u>	<u>\$ 614,049</u>	<u>\$ 191,065</u>	<u>\$ 627,528</u>	<u>\$ 28,209,779</u>	

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue		
	Court Facilities	Section 8 Rental Assistance	Secondary Road Construction
REVENUES			
Taxes	\$ -	\$ -	\$ 3,598,127
Permits, fees and special assessments	-	-	-
Intergovernmental	-	2,556,861	285,495
Charges for services	586,384	31,410	-
Judgments, fines and forfeits	-	-	-
Interest	3,367	2,425	126,627
Miscellaneous	-	-	83,124
Total revenues	<u>589,751</u>	<u>2,590,696</u>	<u>4,093,373</u>
EXPENDITURES			
Current:			
General government	17,628	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	5,987,622
Economic environment	-	-	-
Human services	-	2,565,567	-
Culture/recreation	-	-	-
Court related	556,673	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>574,301</u>	<u>2,565,567</u>	<u>5,987,622</u>
Excess of revenues over (under) expenditures	<u>15,450</u>	<u>25,129</u>	<u>(1,894,249)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	740	-	-
Transfers out	-	-	(188,362)
Total other financing sources (uses)	<u>740</u>	<u>-</u>	<u>(188,362)</u>
Net changes in fund balances	16,190	25,129	(2,082,611)
Fund balances at beginning of year	<u>227,868</u>	<u>326,302</u>	<u>8,204,250</u>
Fund balances at end of year	<u>\$ 244,058</u>	<u>\$ 351,431</u>	<u>\$ 6,121,639</u>

Special Revenue					
Special Law Enforcement	Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse	State Housing Initiatives Partnership
\$ -	\$ -	\$ 1,017,849	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	822,353	-	285,582
41,860	-	-	-	-	282,792
97,465	79,900	-	-	37,530	-
6,005	10,450	8,436	20,015	4,735	8,783
-	-	499	89	-	7,343
145,330	90,350	1,026,784	842,457	42,265	584,500
-	-	-	-	-	-
-	-	-	576,410	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,139	285,582
-	26,974	917,852	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	26,974	917,852	576,410	1,139	285,582
145,330	63,376	108,932	266,047	41,126	298,918
-	-	-	-	-	-
(158,110)	-	-	(286,624)	-	-
(158,110)	-	-	(286,624)	-	-
(12,780)	63,376	108,932	(20,577)	41,126	298,918
354,132	621,706	1,059,237	1,378,672	274,243	276,903
\$ 341,352	\$ 685,082	\$ 1,168,169	\$ 1,358,095	\$ 315,369	\$ 575,821

Continued

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue		
	Metropolitan Planning Organization	Native Uplands Land Acquisition	CDBG Neighborhood Stabilization Program
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	414,586	-	40,446
Charges for services	-	10,580	-
Judgments, fines and forfeits	-	-	-
Interest	-	8,704	2,525
Miscellaneous	-	7,750	204,674
Total revenues	<u>414,586</u>	<u>27,034</u>	<u>247,645</u>
EXPENDITURES			
Current:			
General government	506,729	-	-
Public safety	-	-	-
Physical environment	-	231,016	-
Transportation	-	-	-
Economic environment	-	-	36,593
Human services	-	-	-
Culture/recreation	-	131,889	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>506,729</u>	<u>362,905</u>	<u>36,593</u>
Excess of revenues over (under) expenditures	<u>(92,143)</u>	<u>(335,871)</u>	<u>211,052</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(92,143)	(335,871)	211,052
Fund balances at beginning of year	<u>2,435</u>	<u>693,210</u>	<u>49,680</u>
Fund balances at end of year	<u><u>\$ (89,708)</u></u>	<u><u>\$ 357,339</u></u>	<u><u>\$ 260,732</u></u>

Special Revenue

SHIP Coronavirus Relief	Florida Boating Improvement Program	Disabled Access Program	Federal/State Grants	Traffic Education Program	CARES Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
20,468	79,129	-	919,933	-	5,879,112
-	-	-	-	-	-
-	-	160	-	50,224	-
1,855	27,364	1,169	-	2,035	27,133
-	-	-	-	-	-
<u>22,323</u>	<u>106,493</u>	<u>1,329</u>	<u>919,933</u>	<u>52,259</u>	<u>5,906,245</u>
9,149	-	-	-	-	660,711
-	-	-	-	-	782,812
-	-	-	-	-	58,430
-	-	-	-	24,528	39,519
-	-	-	-	-	210,000
4,438	-	-	916,753	-	2,380,081
6,881	22,025	-	-	-	198,480
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,468</u>	<u>22,025</u>	<u>-</u>	<u>916,753</u>	<u>24,528</u>	<u>4,330,033</u>
<u>1,855</u>	<u>84,468</u>	<u>1,329</u>	<u>3,180</u>	<u>27,731</u>	<u>1,576,212</u>
-	-	-	-	-	-
-	(757,138)	-	-	-	(1,549,079)
-	(757,138)	-	-	-	(1,549,079)
1,855	(672,670)	1,329	3,180	27,731	27,133
-	2,006,514	71,077	(3,180)	105,687	-
<u>\$ 1,855</u>	<u>\$ 1,333,844</u>	<u>\$ 72,406</u>	<u>\$ -</u>	<u>\$ 133,418</u>	<u>\$ 27,133</u>

Continued

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	<u>Special Revenue</u>		
	<u>Land Acquisition</u>	<u>East Gifford Stormwater</u>	<u>Vero Lakes Estates</u>
REVENUES			
Taxes	\$ -	\$ 23	\$ 78
Permits, fees and special assessments	-	948	243,058
Intergovernmental	-	-	-
Charges for services	-	-	-
Judgments, fines and forfeits	-	-	-
Interest	17,828	420	22,146
Miscellaneous	-	-	-
Total revenues	<u>17,828</u>	<u>1,391</u>	<u>265,282</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	102,993	-	-
Transportation	-	-	766,772
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>102,993</u>	<u>-</u>	<u>766,772</u>
Excess of revenues over (under) expenditures	<u>(85,165)</u>	<u>1,391</u>	<u>(501,490)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	188,362
Transfers out	-	(61)	(5,023)
Total other financing sources (uses)	<u>-</u>	<u>(61)</u>	<u>183,339</u>
Net changes in fund balances	(85,165)	1,330	(318,151)
Fund balances at beginning of year	<u>1,168,370</u>	<u>25,158</u>	<u>1,462,076</u>
Fund balances at end of year	<u>\$ 1,083,205</u>	<u>\$ 26,488</u>	<u>\$ 1,143,925</u>

Special Revenue

Jackie Robinson Training Complex Reserve	Clerk Special Revenue	Sheriff Special Revenue	Supervisor of Elections Special Revenue	Street Lighting Districts	CDBG NSP3 Grant
\$ 678,566	\$ -	\$ -	\$ -	\$ 4,343	\$ -
-	-	-	-	261,019	-
8,379	-	340,126	192,293	-	-
-	516,826	312,874	-	-	-
-	-	45,562	-	-	-
10,018	6,674	50	266	12,077	2,745
-	69,369	538,523	-	1,267	38,529
<u>696,963</u>	<u>592,869</u>	<u>1,237,135</u>	<u>192,559</u>	<u>278,706</u>	<u>41,274</u>
-	864,932	-	199,861	-	-
-	-	1,015,383	-	-	-
-	-	-	-	-	-
-	-	-	-	316,424	-
-	-	-	-	-	-
-	-	-	-	-	-
917,283	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>917,283</u>	<u>864,932</u>	<u>1,015,383</u>	<u>199,861</u>	<u>316,424</u>	<u>-</u>
<u>(220,320)</u>	<u>(272,063)</u>	<u>221,752</u>	<u>(7,302)</u>	<u>(37,718)</u>	<u>41,274</u>
150,000	-	158,110	4,907	-	-
-	-	-	-	(8,414)	-
<u>150,000</u>	<u>-</u>	<u>158,110</u>	<u>4,907</u>	<u>(8,414)</u>	<u>-</u>
(70,320)	(272,063)	379,862	(2,395)	(46,132)	41,274
(157,350)	1,413,763	2,238,813	2,939	647,473	149,673
<u>\$ (227,670)</u>	<u>\$ 1,141,700</u>	<u>\$ 2,618,675</u>	<u>\$ 544</u>	<u>\$ 601,341</u>	<u>\$ 190,947</u>

Continued

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	<u>Debt Service</u>		
	<u>Spring Training Facility Bonds</u>	<u>Land Acquisition Bonds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ -	\$ 4,608,719	\$ 9,907,705
Permits, fees and special assessments	-	-	505,025
Intergovernmental	491,625	-	12,336,388
Charges for services	-	-	1,782,726
Judgments, fines and forfeits	-	-	310,841
Interest	10,957	78,065	422,874
Miscellaneous	-	-	951,167
Total revenues	<u>502,582</u>	<u>4,686,784</u>	<u>26,216,726</u>
EXPENDITURES			
Current:			
General government	-	-	2,259,010
Public safety	-	-	2,374,605
Physical environment	-	-	392,439
Transportation	-	-	7,134,865
Economic environment	-	-	246,593
Human services	-	-	6,153,560
Culture/recreation	-	-	2,221,384
Court related	-	-	556,673
Debt service:			
Principal	290,000	7,268,000	7,558,000
Interest and other fiscal charges	201,625	124,149	325,774
Total expenditures	<u>491,625</u>	<u>7,392,149</u>	<u>29,222,903</u>
Excess of revenues over (under) expenditures	<u>10,957</u>	<u>(2,705,365)</u>	<u>(3,006,177)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,133,942	1,636,061
Transfers out	-	(162,852)	(3,115,663)
Total other financing sources (uses)	<u>-</u>	<u>971,090</u>	<u>(1,479,602)</u>
Net changes in fund balances	10,957	(1,734,275)	(4,485,779)
Fund balances at beginning of year	<u>616,159</u>	<u>1,734,275</u>	<u>24,950,085</u>
Fund balances at end of year	<u>\$ 627,116</u>	<u>\$ -</u>	<u>\$ 20,464,306</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Court Facilities
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 543,500	\$ 586,384	\$ 42,884
Interest	6,500	3,367	(3,133)
Total revenues	<u>550,000</u>	<u>589,751</u>	<u>39,751</u>
EXPENDITURES			
General government	35,652	17,628	18,024
Court related	630,856	556,673	74,183
Total expenditures	<u>666,508</u>	<u>574,301</u>	<u>92,207</u>
Excess of revenues over (under) expenditures	(116,508)	15,450	131,958
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>740</u>	<u>740</u>	-
Total other financing sources (uses)	<u>740</u>	<u>740</u>	-
Net change in fund balances	(115,768)	16,190	131,958
Fund balances at beginning of year	<u>115,768</u>	<u>227,868</u>	<u>112,100</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 244,058</u></u>	<u><u>\$ 244,058</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Section 8 Rental Assistance
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,634,904	\$ 2,556,861	\$ (78,043)
Charges for services	25,095	31,410	6,315
Interest	-	2,425	2,425
Total revenues	<u>2,659,999</u>	<u>2,590,696</u>	<u>(69,303)</u>
EXPENDITURES			
Human services	<u>2,783,933</u>	<u>2,565,567</u>	<u>218,366</u>
Total expenditures	<u>2,783,933</u>	<u>2,565,567</u>	<u>218,366</u>
Net change in fund balances	(123,934)	25,129	149,063
Fund balances at beginning of year	<u>123,934</u>	<u>326,302</u>	<u>202,368</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 351,431</u></u>	<u><u>\$ 351,431</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Secondary Road Construction
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,583,875	\$ 3,598,127	\$ 14,252
Intergovernmental	3,458,056	285,495	(3,172,561)
Interest	33,250	126,627	93,377
Miscellaneous	-	83,124	83,124
Total revenues	<u>7,075,181</u>	<u>4,093,373</u>	<u>(2,981,808)</u>
EXPENDITURES			
Transportation	<u>11,281,773</u>	<u>5,987,622</u>	<u>5,294,151</u>
Total expenditures	<u>11,281,773</u>	<u>5,987,622</u>	<u>5,294,151</u>
Excess of revenues over (under) expenditures	(4,206,592)	(1,894,249)	2,312,343
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(188,362)</u>	<u>(188,362)</u>	<u>-</u>
Total other financing sources (uses)	<u>(188,362)</u>	<u>(188,362)</u>	<u>-</u>
Net change in fund balances	(4,394,954)	(2,082,611)	2,312,343
Fund balances at beginning of year	<u>4,394,954</u>	<u>8,204,250</u>	<u>3,809,296</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 6,121,639</u></u>	<u><u>\$ 6,121,639</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Special Law Enforcement
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 41,860	\$ 41,860
Judgments, fines and forfeits	-	97,465	97,465
Interest	-	6,005	6,005
Total revenues	-	145,330	145,330
OTHER FINANCING SOURCES (USES)			
Transfers out	(180,000)	(158,110)	21,890
Total other financing sources (uses)	(180,000)	(158,110)	21,890
Net change in fund balances	(180,000)	(12,780)	167,220
Fund balances at beginning of year	180,000	354,132	174,132
Fund balances at end of year	\$ -	\$ 341,352	\$ 341,352

Indian River County, Florida
 Budgetary Comparison Schedule
 Tree Ordinance Fines
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 50,000	\$ 79,900	\$ 29,900
Interest	-	10,450	10,450
Total revenues	<u>50,000</u>	<u>90,350</u>	<u>40,350</u>
EXPENDITURES			
Culture/recreation	275,000	26,974	248,026
Total expenditures	<u>275,000</u>	<u>26,974</u>	<u>248,026</u>
Net change in fund balances	(225,000)	63,376	288,376
Fund balances at beginning of year	<u>225,000</u>	<u>621,706</u>	<u>396,706</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 685,082</u></u>	<u><u>\$ 685,082</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Tourist Development
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 997,500	\$ 1,017,849	\$ 20,349
Interest	950	8,436	7,486
Miscellaneous	-	499	499
Total revenues	<u>998,450</u>	<u>1,026,784</u>	<u>28,334</u>
EXPENDITURES			
Culture/recreation	1,073,450	917,852	155,598
Total expenditures	<u>1,073,450</u>	<u>917,852</u>	<u>155,598</u>
Net change in fund balances	(75,000)	108,932	183,932
Fund balances at beginning of year	<u>75,000</u>	<u>1,059,237</u>	<u>984,237</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,168,169</u></u>	<u><u>\$ 1,168,169</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 911 Surcharge
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 736,750	\$ 822,353	\$ 85,603
Interest	-	20,015	20,015
Miscellaneous	-	89	89
Total revenues	<u>736,750</u>	<u>842,457</u>	<u>105,707</u>
EXPENDITURES			
Public safety	1,262,063	576,410	685,653
Total expenditures	<u>1,262,063</u>	<u>576,410</u>	<u>685,653</u>
Excess of revenues over (under) expenditures	(525,313)	266,047	791,360
OTHER FINANCING SOURCES (USES)			
Transfers out	(286,624)	(286,624)	-
Total other financing sources (uses)	<u>(286,624)</u>	<u>(286,624)</u>	<u>-</u>
Net change in fund balances	(811,937)	(20,577)	791,360
Fund balances at beginning of year	811,937	1,378,672	566,735
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,358,095</u>	<u>\$ 1,358,095</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Drug Abuse
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 14,250	\$ 37,530	\$ 23,280
Interest	-	4,735	4,735
Total revenues	<u>14,250</u>	<u>42,265</u>	<u>28,015</u>
EXPENDITURES			
Human services	50,000	1,139	48,861
Total expenditures	<u>50,000</u>	<u>1,139</u>	<u>48,861</u>
Net change in fund balances	(35,750)	41,126	76,876
Fund balances at beginning of year	<u>35,750</u>	<u>274,243</u>	<u>238,493</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 315,369</u></u>	<u><u>\$ 315,369</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 State Housing Initiatives Partnership
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 358,231	\$ 285,582	\$ (72,649)
Charges for services	250,000	282,792	32,792
Interest	-	8,783	8,783
Miscellaneous	5,008	7,343	2,335
Total revenues	<u>613,239</u>	<u>584,500</u>	<u>(28,739)</u>
EXPENDITURES			
Human services	<u>1,013,638</u>	<u>285,582</u>	<u>728,056</u>
Total expenditures	<u>1,013,638</u>	<u>285,582</u>	<u>728,056</u>
Net change in fund balances	(400,399)	298,918	699,317
Fund balances at beginning of year	<u>400,399</u>	<u>276,903</u>	<u>(123,496)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 575,821</u></u>	<u><u>\$ 575,821</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Metropolitan Planning Organization
 For the Year Ended September 30, 2020

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 715,078	\$ 414,586	\$ (300,492)
Total revenues	<u>715,078</u>	<u>414,586</u>	<u>(300,492)</u>
EXPENDITURES			
General government	<u>715,078</u>	<u>506,729</u>	<u>208,349</u>
Total expenditures	<u>715,078</u>	<u>506,729</u>	<u>208,349</u>
Net change in fund balances	-	(92,143)	(92,143)
Fund balances at beginning of year	<u>-</u>	<u>2,435</u>	<u>2,435</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ (89,708)</u></u>	<u><u>\$ (89,708)</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Native Uplands Land Acquisition
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 309,316	\$ -	\$ (309,316)
Charges for services	-	10,580	10,580
Interest	-	8,704	8,704
Miscellaneous	-	7,750	7,750
Total revenues	<u>309,316</u>	<u>27,034</u>	<u>(282,282)</u>
EXPENDITURES			
Physical environment	472,605	231,016	241,589
Culture/recreation	150,000	131,889	18,111
Total expenditures	<u>622,605</u>	<u>362,905</u>	<u>259,700</u>
Net change in fund balances	(313,289)	(335,871)	(22,582)
Fund balances at beginning of year	<u>313,289</u>	<u>693,210</u>	<u>379,921</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 357,339</u></u>	<u><u>\$ 357,339</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CDBG Neighborhood Stabilization Program
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 730,147	\$ 40,446	\$ (689,701)
Interest	-	2,525	2,525
Miscellaneous	100	204,674	204,574
Total revenues	<u>730,247</u>	<u>247,645</u>	<u>(482,602)</u>
EXPENDITURES			
Economic environment	730,247	36,593	693,654
Total expenditures	<u>730,247</u>	<u>36,593</u>	<u>693,654</u>
Net change in fund balances	-	211,052	211,052
Fund balances at beginning of year	-	49,680	49,680
Fund balances at end of year	<u>\$ -</u>	<u>\$ 260,732</u>	<u>\$ 260,732</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 SHIP Coronavirus Relief
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 572,301	\$ 20,468	\$ (551,833)
Interest	-	1,855	1,855
Total revenues	<u>572,301</u>	<u>22,323</u>	<u>(549,978)</u>
EXPENDITURES			
General government	10,859	9,149	1,710
Human services	554,561	4,438	550,123
Culture/recreation	6,881	6,881	-
Total expenditures	<u>572,301</u>	<u>20,468</u>	<u>551,833</u>
Net change in fund balances	-	1,855	1,855
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,855</u></u>	<u><u>\$ 1,855</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Florida Boating Improvement Program
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 92,100	\$ 79,129	\$ (12,971)
Interest	-	27,364	27,364
Total revenues	<u>92,100</u>	<u>106,493</u>	<u>14,393</u>
EXPENDITURES			
Culture/recreation	94,100	22,025	72,075
Total expenditures	<u>94,100</u>	<u>22,025</u>	<u>72,075</u>
Excess of revenues over (under) expenditures	(2,000)	84,468	86,468
OTHER FINANCING SOURCES (USES)			
Transfers out	(847,196)	(757,138)	90,058
Total other financing sources (uses)	<u>(847,196)</u>	<u>(757,138)</u>	<u>90,058</u>
Net change in fund balances	(849,196)	(672,670)	176,526
Fund balances at beginning of year	<u>849,196</u>	<u>2,006,514</u>	<u>1,157,318</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,333,844</u></u>	<u><u>\$ 1,333,844</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Disabled Access Program
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ -	\$ 160	\$ 160
Interest	-	1,169	1,169
Total revenues	-	1,329	1,329
EXPENDITURES			
Human services	20,000	-	20,000
Total expenditures	20,000	-	20,000
Net change in fund balances	(20,000)	1,329	21,329
Fund balances at beginning of year	20,000	71,077	51,077
Fund balances at end of year	\$ -	\$ 72,406	\$ 72,406

Indian River County, Florida
 Budgetary Comparison Schedule
 Federal/State Grants
 For the Year Ended September 30, 2020

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 1,116,676	\$ 919,933	\$ (196,743)
Total revenues	<u>1,116,676</u>	<u>919,933</u>	<u>(196,743)</u>
EXPENDITURES			
Human services	<u>1,116,676</u>	<u>916,753</u>	<u>199,923</u>
Total expenditures	<u>1,116,676</u>	<u>916,753</u>	<u>199,923</u>
Net change in fund balances	-	3,180	3,180
Fund balances at beginning of year	<u>-</u>	<u>(3,180)</u>	<u>(3,180)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Traffic Education Program
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 57,000	\$ 50,224	\$ (6,776)
Interest	-	2,035	2,035
Total revenues	<u>57,000</u>	<u>52,259</u>	<u>(4,741)</u>
EXPENDITURES			
Transportation	49,000	24,528	24,472
Total expenditures	<u>49,000</u>	<u>24,528</u>	<u>24,472</u>
Net change in fund balances	8,000	27,731	19,731
Fund balances at beginning of year	<u>(8,000)</u>	<u>105,687</u>	<u>113,687</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 133,418</u></u>	<u><u>\$ 133,418</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CARES Act
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 11,638,933	\$ 5,879,112	\$ (5,759,821)
Interest	-	27,133	27,133
Total revenues	<u>11,638,933</u>	<u>5,906,245</u>	<u>(5,732,688)</u>
EXPENDITURES			
General government	1,244,426	660,711	583,715
Public safety	782,168	782,812	(644)
Physical environment	64,517	58,430	6,087
Transportation	39,523	39,519	4
Economic environment	930,000	210,000	720,000
Human services	7,159,300	2,380,081	4,779,219
Culture/recreation	186,822	198,480	(11,658)
Total expenditures	<u>10,406,756</u>	<u>4,330,033</u>	<u>6,076,723</u>
Excess of revenues over (under) expenditures	1,232,177	1,576,212	344,035
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,232,177)</u>	<u>(1,549,079)</u>	<u>(316,902)</u>
Total other financing sources (uses)	<u>(1,232,177)</u>	<u>(1,549,079)</u>	<u>(316,902)</u>
Net change in fund balances	-	27,133	27,133
Fund balances at beginning of year	-	-	-
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 27,133</u></u>	<u><u>\$ 27,133</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Land Acquisition
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 148,500	\$ -	\$ (148,500)
Interest	-	17,828	17,828
Total revenues	<u>148,500</u>	<u>17,828</u>	<u>(130,672)</u>
EXPENDITURES			
Physical environment	1,099,121	102,993	996,128
Total expenditures	<u>1,099,121</u>	<u>102,993</u>	<u>996,128</u>
Net change in fund balances	(950,621)	(85,165)	865,456
Fund balances at beginning of year	<u>950,621</u>	<u>1,168,370</u>	<u>217,749</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,083,205</u></u>	<u><u>\$ 1,083,205</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 East Gifford Stormwater
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 23	\$ 23
Permits, fees and special assessments	940	948	8
Interest	-	420	420
Total revenues	<u>940</u>	<u>1,391</u>	<u>451</u>
EXPENDITURES			
Transportation	25,874	-	25,874
Total expenditures	<u>25,874</u>	<u>-</u>	<u>25,874</u>
Excess of revenues over (under) expenditures	(24,934)	1,391	26,325
OTHER FINANCING SOURCES (USES)			
Transfers out	(66)	(61)	5
Total other financing sources (uses)	<u>(66)</u>	<u>(61)</u>	<u>5</u>
Net change in fund balances	(25,000)	1,330	26,330
Fund balances at beginning of year	25,000	25,158	158
Fund balances at end of year	<u>\$ -</u>	<u>\$ 26,488</u>	<u>\$ 26,488</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Vero Lakes Estates
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 78	\$ 78
Permits, fees and special assessments	238,450	243,058	4,608
Interest	2,850	22,146	19,296
Total revenues	<u>241,300</u>	<u>265,282</u>	<u>23,982</u>
EXPENDITURES			
Transportation	1,145,533	766,772	378,761
Total expenditures	<u>1,145,533</u>	<u>766,772</u>	<u>378,761</u>
Excess of revenues over (under) expenditures	(904,233)	(501,490)	402,743
OTHER FINANCING SOURCES (USES)			
Transfers in	188,362	188,362	-
Transfers out	(5,124)	(5,023)	101
Total other financing sources (uses)	<u>183,238</u>	<u>183,339</u>	<u>101</u>
Net change in fund balances	(720,995)	(318,151)	402,844
Fund balances at beginning of year	<u>720,995</u>	<u>1,462,076</u>	<u>741,081</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,143,925</u></u>	<u><u>\$ 1,143,925</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Jackie Robinson Training Complex Reserve
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 650,000	\$ 678,566	\$ 28,566
Intergovernmental	-	8,379	8,379
Interest	-	10,018	10,018
Total revenues	<u>650,000</u>	<u>696,963</u>	<u>46,963</u>
EXPENDITURES			
Culture/recreation	917,284	917,283	1
Total expenditures	<u>917,284</u>	<u>917,283</u>	<u>1</u>
Excess of revenues over (under) expenditures	(267,284)	(220,320)	46,964
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	150,000	-
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	(117,284)	(70,320)	46,964
Fund balances at beginning of year	117,284	(157,350)	(274,634)
Fund balances at end of year	<u>\$ -</u>	<u>\$ (227,670)</u>	<u>\$ (227,670)</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Clerk Special Revenue
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 419,876	\$ 516,826	\$ 96,950
Interest	10,000	6,674	(3,326)
Miscellaneous	-	69,369	69,369
Total revenues	<u>429,876</u>	<u>592,869</u>	<u>162,993</u>
EXPENDITURES			
General government	978,649	864,932	113,717
Total expenditures	<u>978,649</u>	<u>864,932</u>	<u>113,717</u>
Net change in fund balances	(548,773)	(272,063)	276,710
Fund balances at beginning of year	<u>548,773</u>	<u>1,413,763</u>	<u>864,990</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,141,700</u></u>	<u><u>\$ 1,141,700</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Sheriff Special Revenue
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 340,126	\$ 340,126	\$ -
Charges for services	250,000	312,874	62,874
Judgments, fines and forfeits	70,000	45,562	(24,438)
Interest	-	50	50
Miscellaneous	543,458	538,523	(4,935)
Total revenues	<u>1,203,584</u>	<u>1,237,135</u>	<u>33,551</u>
EXPENDITURES			
Public safety	1,383,584	1,015,383	368,201
Total expenditures	<u>1,383,584</u>	<u>1,015,383</u>	<u>368,201</u>
Excess of revenues over (under) expenditures	(180,000)	221,752	401,752
OTHER FINANCING SOURCES (USES)			
Transfers in	180,000	158,110	(21,890)
Total other financing sources (uses)	<u>180,000</u>	<u>158,110</u>	<u>(21,890)</u>
Net change in fund balances	-	379,862	379,862
Fund balances at beginning of year	<u>-</u>	<u>2,238,813</u>	<u>2,238,813</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,618,675</u></u>	<u><u>\$ 2,618,675</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Supervisor of Elections Special Revenue
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 192,293	\$ 192,293	\$ -
Interest	-	266	266
Total revenues	<u>192,293</u>	<u>192,559</u>	<u>266</u>
EXPENDITURES			
General government	197,200	199,861	(2,661)
Total expenditures	<u>197,200</u>	<u>199,861</u>	<u>(2,661)</u>
Excess of revenues over (under) expenditures	(4,907)	(7,302)	(2,395)
OTHER FINANCING SOURCES (USES)			
Transfers in	4,907	4,907	-
Total other financing sources (uses)	<u>4,907</u>	<u>4,907</u>	<u>-</u>
Net change in fund balances	-	(2,395)	(2,395)
Fund balances at beginning of year	-	2,939	2,939
Fund balances at end of year	<u>\$ -</u>	<u>\$ 544</u>	<u>\$ 544</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Street Lighting Districts
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 4,343	\$ 4,343
Permits, fees and special assessments	256,100	261,019	4,919
Interest	2,972	12,077	9,105
Miscellaneous	2,144	1,267	(877)
Total revenues	<u>261,216</u>	<u>278,706</u>	<u>17,490</u>
EXPENDITURES			
Transportation	<u>365,427</u>	<u>316,424</u>	<u>49,003</u>
Total expenditures	<u>365,427</u>	<u>316,424</u>	<u>49,003</u>
Excess of revenues over (under) expenditures	(104,211)	(37,718)	66,493
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(8,926)</u>	<u>(8,414)</u>	<u>512</u>
Total other financing sources (uses)	<u>(8,926)</u>	<u>(8,414)</u>	<u>512</u>
Net change in fund balances	(113,137)	(46,132)	67,005
Fund balances at beginning of year	<u>113,137</u>	<u>647,473</u>	<u>534,336</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 601,341</u></u>	<u><u>\$ 601,341</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CDBG NSP3 Grant
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 2,745	\$ 2,745
Miscellaneous	-	38,529	38,529
Total revenues	-	41,274	41,274
Net change in fund balances	-	41,274	41,274
Fund balances at beginning of year	-	149,673	149,673
Fund balances at end of year	\$ -	\$ 190,947	\$ 190,947

Indian River County, Florida
 Budgetary Comparison Schedule
 Spring Training Facility Bonds
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 475,000	\$ 491,625	\$ 16,625
Interest	-	10,957	10,957
Total revenues	<u>475,000</u>	<u>502,582</u>	<u>27,582</u>
EXPENDITURES			
Debt service:			
Principal	290,000	290,000	-
Interest and other fiscal charges	209,238	201,625	7,613
Total expenditures	<u>499,238</u>	<u>491,625</u>	<u>7,613</u>
Net change in fund balances	(24,238)	10,957	35,195
Fund balances at beginning of year	<u>24,238</u>	<u>616,159</u>	<u>591,921</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 627,116</u></u>	<u><u>\$ 627,116</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Land Acquisition Bonds
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 4,531,827	\$ 4,608,719	\$ 76,892
Interest	11,514	78,065	66,551
Total revenues	<u>4,543,341</u>	<u>4,686,784</u>	<u>143,443</u>
EXPENDITURES			
Debt service:			
Principal	7,268,000	7,268,000	-
Interest and other fiscal charges	124,149	124,149	-
Total expenditures	<u>7,392,149</u>	<u>7,392,149</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,848,808)	(2,705,365)	143,443
OTHER FINANCING SOURCES (USES)			
Transfers in	1,133,943	1,133,942	(1)
Transfers out	(162,853)	(162,852)	1
Total other financing sources (uses)	<u>971,090</u>	<u>971,090</u>	<u>-</u>
Net change in fund balances	(1,877,718)	(1,734,275)	143,443
Fund balances at beginning of year	<u>1,877,718</u>	<u>1,734,275</u>	<u>(143,443)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Optional Sales Tax Capital Projects Fund
 For the Year Ended September 30, 2020

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 18,050,000	\$ 18,984,618	\$ 934,618
Intergovernmental	8,981,891	5,732	(8,976,159)
Interest	237,500	1,460,299	1,222,799
Miscellaneous	-	1,593,398	1,593,398
Total revenues	<u>27,269,391</u>	<u>22,044,047</u>	<u>(5,225,344)</u>
EXPENDITURES			
Capital projects	<u>63,325,951</u>	<u>17,302,374</u>	<u>46,023,577</u>
Total expenditures	<u>63,325,951</u>	<u>17,302,374</u>	<u>46,023,577</u>
Excess of revenues over (under) expenditures	<u>(36,056,560)</u>	<u>4,741,673</u>	<u>40,798,233</u>
OTHER FINANCING USES			
Transfers out	<u>(1,601,078)</u>	<u>(1,491,475)</u>	<u>109,603</u>
Total other financing uses	<u>(1,601,078)</u>	<u>(1,491,475)</u>	<u>109,603</u>
Net change in fund balances	<u>(37,657,638)</u>	<u>3,250,198</u>	<u>40,907,836</u>
Fund balances at beginning of year	<u>37,657,638</u>	<u>87,540,435</u>	<u>49,882,797</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 90,790,633</u></u>	<u><u>\$ 90,790,633</u></u>

INTERNAL SERVICE FUNDS

Fleet Management-	To account for the expenses incurred to repair and maintain the County's vehicles and equipment. Revenues are generated by charging user departments for maintenance of their vehicles and equipment.
Self Insurance-	To account for the expenses incurred for worker's compensation claims, general and auto liability and property damage, and employee health insurance claims. Revenues are generated by charges to the various departments and funds based on past experience and actuarial estimates.
Information Technology-	To account for the expenses incurred for maintaining the County's computer services, geographic information and telecommunications systems. Revenues are generated by charging user departments based on their number of computer equipment and their use of the geographic information and telecommunications systems.

Indian River County, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash and investments	\$ 483,734	\$ 33,214,427	\$ 1,447,680	\$ 35,145,841
Accounts receivable - net	57,876	736,615	-	794,491
Due from other governments	19,011	1,471	19,305	39,787
Interest receivable	1,012	63,826	3,138	67,976
Inventories	247,762	-	-	247,762
Prepays and other assets	-	1,499,877	87,069	1,586,946
Total current assets	<u>809,395</u>	<u>35,516,216</u>	<u>1,557,192</u>	<u>37,882,803</u>
Non-current assets:				
Capital assets - non-depreciable	-	-	134,672	134,672
Capital assets - depreciable	486,667	3,321	4,214,522	4,704,510
Capital assets - accumulated depreciation	(456,464)	(2,790)	(2,788,203)	(3,247,457)
Total non-current assets	<u>30,203</u>	<u>531</u>	<u>1,560,991</u>	<u>1,591,725</u>
Total assets	<u>839,598</u>	<u>35,516,747</u>	<u>3,118,183</u>	<u>39,474,528</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	149,902	71,884	282,979	504,765
Deferred outflows related to other postemployment benefits	17,160	7,164	35,015	59,339
Total deferred outflows of resources	<u>167,062</u>	<u>79,048</u>	<u>317,994</u>	<u>564,104</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	225,334	5,326,742	349,771	5,901,847
Claims payable	-	2,649,000	-	2,649,000
Accrued compensated absences	17,883	13,398	62,410	93,691
Total current liabilities (payable from current assets)	<u>243,217</u>	<u>7,989,140</u>	<u>412,181</u>	<u>8,644,538</u>
Non-current liabilities:				
Accrued compensated absences	13,402	8,168	79,578	101,148
Claims payable	-	5,295,000	-	5,295,000
Net pension liability	443,819	242,655	939,997	1,626,471
Net other postemployment benefits liability	5,148	2,284	5,998	13,430
Total non-current liabilities	<u>462,369</u>	<u>5,548,107</u>	<u>1,025,573</u>	<u>7,036,049</u>
Total liabilities	<u>705,586</u>	<u>13,537,247</u>	<u>1,437,754</u>	<u>15,680,587</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	10,325	4,437	6,293	21,055
Deferred inflows related to other postemployment benefits	36,753	15,550	66,813	119,116
Total deferred inflows of resources	<u>47,078</u>	<u>19,987</u>	<u>73,106</u>	<u>140,171</u>
NET POSITION				
Net investment in capital assets	30,203	531	1,388,088	1,418,822
Unrestricted (deficit)	223,793	22,038,030	537,229	22,799,052
Total net position	<u>\$ 253,996</u>	<u>\$ 22,038,561</u>	<u>\$ 1,925,317</u>	<u>\$ 24,217,874</u>

Indian River County, Florida
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2020

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 2,673,847	\$ 29,565,736	\$ 3,198,118	\$ 35,437,701
Total revenues	<u>2,673,847</u>	<u>29,565,736</u>	<u>3,198,118</u>	<u>35,437,701</u>
OPERATING EXPENSES				
Personal services	531,014	1,543,449	1,634,371	3,708,834
Material, supplies, services and other operating	2,250,119	27,183,242	898,779	30,332,140
Depreciation	9,909	236	387,760	397,905
Total operating expenses	<u>2,791,042</u>	<u>28,726,927</u>	<u>2,920,910</u>	<u>34,438,879</u>
Operating income (loss)	(117,195)	838,809	277,208	998,822
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	-	1,296	7,517	8,813
Interest income	7,712	496,130	20,047	523,889
Loss on disposal of assets	-	-	(1,254)	(1,254)
Total nonoperating revenues (expenses)	<u>7,712</u>	<u>497,426</u>	<u>26,310</u>	<u>531,448</u>
Income (loss) before transfers	(109,483)	1,336,235	303,518	1,530,270
Capital grants and contributions	-	-	173,672	173,672
Transfers	<u>-</u>	<u>773,799</u>	<u>128,196</u>	<u>901,995</u>
Change in net position	(109,483)	2,110,034	605,386	2,605,937
Total net position - beginning	<u>363,479</u>	<u>19,928,527</u>	<u>1,319,931</u>	<u>21,611,937</u>
Total net position - ending	<u><u>\$ 253,996</u></u>	<u><u>\$ 22,038,561</u></u>	<u><u>\$ 1,925,317</u></u>	<u><u>\$ 24,217,874</u></u>

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	Fleet Management	Self Insurance	Information Technology	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,750,266	\$ 30,654,386	\$ 3,198,574	\$ 36,603,226
Cash paid to suppliers for goods and services	(2,308,331)	(27,907,854)	(805,897)	(31,022,082)
Cash paid to employees for services	(483,488)	(1,514,577)	(1,496,277)	(3,494,342)
Net cash provided by (used in) operating activities	(41,553)	1,231,955	896,400	2,086,802
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	-	773,799	128,196	901,995
Net cash provided by noncapital financing activities	-	773,799	128,196	901,995
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	(225,803)	(225,803)
Net cash provided by (used in) capital and related financing activities	-	-	(225,803)	(225,803)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	8,455	534,071	18,964	561,490
Net cash provided by investing activities	8,455	534,071	18,964	561,490
Net increase (decrease) in cash and investments	(33,098)	2,539,825	817,757	3,324,484
Cash and investments at beginning of year	516,832	30,674,602	629,923	31,821,357
Cash and investments at end of year	\$ 483,734	\$ 33,214,427	\$ 1,447,680	\$ 35,145,841
Classified as:				
Current assets	\$ 483,734	\$ 33,214,427	\$ 1,447,680	\$ 35,145,841

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (117,195)	\$ 838,809	\$ 277,208	\$ 998,822
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	9,909	236	387,760	397,905
(Increase) decrease in assets:				
Accounts receivable	32,921	676,850	457	710,228
Due from other governments	43,498	411,801	(1)	455,298
Inventories	19,384	-	-	19,384
Deposits	-	(328,456)	(38,968)	(367,424)
Increase (decrease) in liabilities:				
Accounts payable	(77,596)	(86,157)	131,850	(31,903)
Claims payable	-	(310,000)	-	(310,000)
Net pension liability	80,951	53,968	228,322	363,241
Deferred inflows related to pension	(16,211)	(10,808)	(45,722)	(72,741)
Deferred outflows related to pension	(15,659)	(10,440)	(44,166)	(70,265)
Net OPEB liability	(4,602)	(1,841)	(10,783)	(17,226)
Deferred inflows related to OPEB	3,702	1,481	8,675	13,858
Deferred outflows related to OPEB	(7,186)	(2,874)	(16,835)	(26,895)
Accrued compensated absences	6,531	(614)	18,603	24,520
Total adjustments	75,642	393,146	619,192	1,087,980
Net cash provided by (used in) operating activities	<u>\$ (41,553)</u>	<u>\$ 1,231,955</u>	<u>\$ 896,400</u>	<u>\$ 2,086,802</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in fair value of investments	\$ 71	\$ 10,549	\$ (192)	\$ 10,428
Capital grants and contributions	\$ -	\$ -	\$ 173,672	\$ 173,672
Capital assets purchased through accounts payable	\$ -	\$ -	\$ 172,903	\$ 172,903



FIDUCIARY FUND

Agency Fund-

To account for the assets held solely in a custodial capacity by the County.

Indian River County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
ASSETS				
Cash and investments	\$ 11,645,168	\$ 500,787,182	\$ 501,309,328	\$ 11,123,022
Total assets	<u>\$ 11,645,168</u>	<u>\$ 500,787,182</u>	<u>\$ 501,309,328</u>	<u>\$ 11,123,022</u>
 LIABILITIES				
Due to other governments	\$ 5,902,614	\$ 506,701,577	\$ 506,121,231	\$ 6,482,960
Other deposits held in escrow	5,742,554	34,858,803	35,961,295	4,640,062
Total liabilities	<u>\$ 11,645,168</u>	<u>\$ 541,560,380</u>	<u>\$ 542,082,526</u>	<u>\$ 11,123,022</u>

Statistical Section

This part of the Indian River County Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends (Schedules 1 - 5) These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	176-186
Revenue Capacity (Schedules 6 - 9) These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	187-191
Debt Capacity (Schedules 10 - 14) These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	192-199
Demographic and Economic Information (Schedules 15 - 16) These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	200-201
Operating Information (Schedules 17 - 20) These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	202-213
Additional Bond Disclosures (Schedules 21 - 25) These schedules provide information for required continuing disclosure for the water and sewer revenue refunding note and the spring training facility revenue bonds.	214-219

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Indian River County, Florida
Net Position by Component (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 492,300,301	\$ 509,076,923	\$ 518,255,719	\$ 514,764,316
Restricted	125,452,516	121,189,228	117,321,755	116,203,827
Unrestricted (Deficit)	84,860,897	76,523,757	71,830,421	72,873,567
Total governmental activities net position	<u>\$ 702,613,714</u>	<u>\$ 706,789,908</u>	<u>\$ 707,407,895</u>	<u>\$ 703,841,710</u>
Business-type activities				
Net investment in capital assets	\$ 217,876,742	\$ 211,631,529	\$ 210,772,860	\$ 211,660,190
Restricted	24,230,101	17,941,773	20,871,037	- (A)
Unrestricted	61,041,483	70,286,599	68,686,611	88,420,541
Total business-type activities net position	<u>\$ 303,148,326</u>	<u>\$ 299,859,901</u>	<u>\$ 300,330,508</u>	<u>\$ 300,080,731</u>
Primary government				
Net investment in capital assets	\$ 710,177,043	\$ 720,708,452	\$ 729,028,579	\$ 726,424,506
Restricted	149,682,617	139,131,001	138,192,792	116,203,827
Unrestricted	145,902,380	146,810,356	140,517,032	161,294,108
Total primary government net position	<u>\$ 1,005,762,040</u>	<u>\$ 1,006,649,809</u>	<u>\$ 1,007,738,403</u>	<u>\$ 1,003,922,441</u>

(A) The County reclassified water and sewer funds from restricted to unrestricted net position.

2015	2016	2017	2018	2019	2020
\$ 520,214,002	\$ 533,304,941	\$ 542,933,904	\$ 553,586,726	\$ 569,410,018	\$ 592,232,052
128,580,087	132,069,178	150,132,598	159,375,667	171,911,419	181,876,656
7,158,887	5,985,180	(1,350,721)	(21,032,366)	(34,540,764)	(35,583,743)
<u>\$ 655,952,976</u>	<u>\$ 671,359,299</u>	<u>\$ 691,715,781</u>	<u>\$ 691,930,027</u>	<u>\$ 706,780,673</u>	<u>\$ 738,524,965</u>
\$ 213,114,279	\$ 206,497,575	\$ 201,774,405	\$ 197,842,084	\$ 212,240,133	\$ 221,342,196
-	-	-	-	-	-
91,057,348	100,336,692	107,047,824	113,467,530	106,508,242	99,207,097
<u>\$ 304,171,627</u>	<u>\$ 306,834,267</u>	<u>\$ 308,822,229</u>	<u>\$ 311,309,614</u>	<u>\$ 318,748,375</u>	<u>\$ 320,549,293</u>
\$ 733,328,281	\$ 739,802,516	\$ 744,708,309	\$ 751,428,810	\$ 781,650,151	\$ 813,574,248
128,580,087	132,069,178	150,132,598	159,375,667	171,911,419	181,876,656
98,216,235	106,321,872	105,697,103	92,435,164	71,967,478	63,623,354
<u>\$ 960,124,603</u>	<u>\$ 978,193,566</u>	<u>\$ 1,000,538,010</u>	<u>\$ 1,003,239,641</u>	<u>\$ 1,025,529,048</u>	<u>\$ 1,059,074,258</u>

Indian River County, Florida
Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 21,324,680	\$ 19,069,181	\$ 20,637,750	\$ 22,968,835
Public safety	67,393,943	66,456,674	66,178,467	66,954,956
Physical environment	1,353,074	2,424,109	1,858,307	1,031,710
Transportation	22,300,819	23,629,799	26,286,998	23,577,720
Economic environment	2,056,453	1,986,091	2,550,157	1,084,204
Human service	7,762,962	7,749,253	6,818,023	7,136,042
Cultural/recreation	16,484,242	18,089,432	19,369,326	16,610,269
Court related	5,774,032	5,635,245	5,835,184	6,360,814
Interest on long-term debt	2,526,114	2,350,241	2,087,204	1,944,229
Total governmental activities expenses	146,976,319	147,390,025	151,621,416	147,668,779
Business-type activities:				
Water and sewer	33,818,640	34,246,967	33,815,749	35,821,287
Solid waste	10,370,476	10,659,004	10,405,143	10,801,408
Golf course	2,537,665	2,451,603	2,537,525	2,588,424
Building	1,623,862	1,487,515	1,547,815	1,833,528
Total business-type activities expenses	48,350,643	48,845,089	48,306,232	51,044,647
Total primary government expenses	\$ 195,326,962	\$ 196,235,114	\$ 199,927,648	\$ 198,713,426
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,845,567	\$ 5,304,385	\$ 5,482,814	\$ 5,895,424
Public safety	6,076,085	5,852,093	6,625,924	8,025,849
Physical environment	24,204	20,923	5,900	20,970
Transportation	2,090,194	2,345,186	2,768,107	3,365,961
Human service	346,689	358,279	213,485	211,294
Cultural/recreation	1,340,550	1,397,660	1,765,912	1,883,347
Court related	501,980	414,356	1,301,135	3,592,298
Operating grants and contributions	7,926,832	8,230,411	26,921,514 (A)	22,229,254
Capital grants and contributions	1,937,488	7,053,494	6,681,421	7,521,538
Total governmental activities program revenues	26,089,589	30,976,787	51,766,212	52,745,935
Business-type activities:				
Charges for services:				
Water and sewer	27,842,092	28,361,246	28,522,667	29,565,901
Solid waste	9,221,396	9,582,955	9,998,410	10,272,415
Golf course	3,163,062	3,216,471	3,072,332	3,080,960
Building	1,588,934	1,735,713	2,018,104	2,417,724
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,923,271	2,545,759	4,700,473	5,032,042
Total business-type activities program revenues	43,738,755	45,442,144	48,311,986	50,369,042
Total primary government program revenues	\$ 69,828,344	\$ 76,418,931	\$ 100,078,198	\$ 103,114,977

Notes:

(A) State Shared Revenues reclassified to operating grants and contributions.

2015	2016	2017	2018	2019	2020
\$ 24,732,636	\$ 27,472,414	\$ 25,936,632	\$ 28,331,287	\$ 31,389,285	\$ 32,530,843
66,364,113	77,587,638	83,312,452	85,963,087	100,559,725	110,273,562
1,636,749	1,457,248	2,312,036	1,610,264	1,929,479	4,689,444
25,992,461	28,221,515	28,844,114	34,860,409	31,169,505	29,192,110
421,057	427,227	439,460	422,142	471,588	731,507
7,352,777	7,790,430	8,030,927	9,346,942	9,647,749	11,647,461
17,011,188	14,713,304	16,000,837	15,399,398	17,877,861	16,485,742
6,677,054	7,077,295	7,241,707	7,038,280	7,906,671	7,286,197
1,013,527	938,123	763,636	668,269	460,704	496,647
151,201,562	165,685,194	172,881,801	183,640,078	201,412,567	213,333,513
35,223,882	35,420,291	38,609,232	38,257,678	45,076,191	42,817,472
11,708,383	12,714,713	14,542,100	15,756,764	14,731,205	15,828,035
2,498,397	2,605,612	2,693,389	2,785,664	2,870,275	2,814,165
7,085,190	2,724,650	3,504,086	3,908,938	4,675,422	5,029,336
56,515,852	53,465,266	59,348,807	60,709,044	67,353,093	66,489,008
\$ 207,717,414	\$ 219,150,460	\$ 232,230,608	\$ 244,349,122	\$ 268,765,660	\$ 279,822,521
\$ 6,641,363	\$ 7,192,821	\$ 6,436,467	\$ 7,029,378	\$ 8,022,184	\$ 8,216,420
6,457,584	8,244,224	8,557,148	8,389,034	8,425,164	8,668,917
-	9,153	9,650	9,192	9,350	2,150
4,273,591	4,508,637	4,139,569	5,098,549	5,357,114	7,268,659
277,279	165,041	201,484	458,452	151,861	314,202
1,941,993	2,405,951	2,723,416	3,136,349	3,224,903	2,106,421
3,308,235	2,394,385	3,214,658	3,225,394	3,658,067	2,816,548
24,872,734	24,587,446	32,161,715	28,765,842	29,402,984	48,590,589
11,671,085	5,969,099	6,820,530	7,158,737	4,168,347	8,352,887
59,443,864	55,476,757	64,264,637	63,270,927	62,419,974	86,336,793
30,089,101	31,089,758	32,020,230	32,834,696	34,050,737	34,484,220
11,455,302	13,345,745	13,784,379	14,769,028	15,837,635	16,636,375
3,235,879	3,230,630	3,219,311	3,216,513	3,306,251	3,234,590
2,958,488	3,406,022	3,742,659	4,673,531	3,555,314	3,556,867
-	-	1,523,631	1,465,891	8,336	243,189
8,616,416	5,035,914	6,108,117	6,737,992	13,990,806	8,029,748
56,355,186	56,108,069	60,398,327	63,697,651	70,749,079	66,184,989
\$ 115,799,050	\$ 111,584,826	\$ 124,662,964	\$ 126,968,578	\$ 133,169,053	\$ 152,521,782

Continued

Indian River County, Florida
Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Net (Expense)/Revenue				
Governmental activities	\$ (120,886,730)	\$ (116,413,238)	\$ (99,855,204)	\$ (94,922,844)
Business-type activities	(4,611,888)	(3,402,945)	5,754	(675,605)
Total primary government net expenses	\$ (125,498,618)	\$ (119,816,183)	\$ (99,849,450)	\$ (95,598,449)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental activities:				
Property taxes, levied for general purposes	\$ 69,856,750	\$ 64,753,566	\$ 62,305,177	\$ 67,985,321
Property taxes, levied for debt service	5,600,767	5,574,183	4,664,885	4,730,556
Sales and use taxes	19,261,033	20,144,820	21,035,360	21,860,958
Franchise fees	8,730,861	8,620,401	8,818,952	9,310,711
State shared revenues	17,328,867	17,908,806	- (C)	-
Interest earnings	1,299,894	668,012	637,099	542,542
Miscellaneous	3,082,481	3,079,701	2,903,771	2,459,033
Transfers	(643,144)	(32,957)	-	(44,000)
Total governmental activities	124,517,509	120,716,532	100,365,244	106,845,121
Business-type activities:				
Interest earnings	723,870	600,116	427,041	381,497
Miscellaneous	562,651 (B)	8,400	37,812	331
Transfers	643,144	32,957	-	44,000
Total business-type activities	1,929,665	641,473	464,853	425,828
Total primary government	\$ 126,447,174	\$ 121,358,005	\$ 100,830,097	\$ 107,270,949
<u>Change in Net Position</u>				
Governmental activities	\$ 3,630,779	\$ 4,303,294	\$ 510,040	\$ 11,922,277
Business-type activities	(2,682,223)	(2,761,472)	470,607	(249,777)
Total primary government change in net position	\$ 948,556	\$ 1,541,822	\$ 980,647	\$ 11,672,500

Notes:

(B) Gain on sale of capital assets due to the privatization of the County landfill.

(C) State Shared Revenues reclassified to operating grants and contributions.

2015	2016	2017	2018	2019	2020
\$ (91,757,698) 4,839,334	\$ (110,208,437) 2,642,803	\$ (108,617,164) 1,049,520	\$ (120,369,151) 2,988,607	\$ (138,992,593) 3,395,986	\$ (126,996,720) (304,019)
<u>\$ (86,918,364)</u>	<u>\$ (107,565,634)</u>	<u>\$ (107,567,644)</u>	<u>\$ (117,380,544)</u>	<u>\$ (135,596,607)</u>	<u>\$ (127,300,739)</u>
\$ 71,825,109 4,795,927 23,549,042 9,180,652 - 1,051,822 1,799,538 (3,057,421)	\$ 80,100,810 4,594,381 24,387,340 9,273,567 - 1,333,048 5,141,162 784,452	\$ 85,572,692 4,619,804 25,564,904 9,130,133 - 1,474,698 2,694,082 (82,667)	\$ 94,003,409 4,636,034 27,083,593 9,447,649 - 2,768,691 2,906,764 (85,616)	\$ 100,483,536 4,744,345 27,458,882 9,124,073 - 8,494,530 3,728,033 (190,160)	\$ 109,831,793 4,608,719 26,552,956 9,005,020 - 5,104,542 3,745,498 (107,516)
<u>109,144,669</u>	<u>125,614,760</u>	<u>128,973,646</u>	<u>140,760,524</u>	<u>153,843,239</u>	<u>158,741,012</u>
625,525 56,887 3,057,421	791,683 12,606 (784,452)	818,490 37,285 82,667	1,302,025 29,650 85,616	3,813,252 39,363 190,160	1,991,158 6,263 107,516
<u>3,739,833</u>	<u>19,837</u>	<u>938,442</u>	<u>1,417,291</u>	<u>4,042,775</u>	<u>2,104,937</u>
<u>\$ 112,884,502</u>	<u>\$ 125,634,597</u>	<u>\$ 129,912,088</u>	<u>\$ 142,177,815</u>	<u>\$ 157,886,014</u>	<u>\$ 160,845,949</u>
\$ 17,386,971 8,579,167	\$ 15,406,323 2,662,640	\$ 20,356,482 1,987,962	\$ 20,391,373 4,405,898	\$ 14,850,646 7,438,761	\$ 31,744,292 1,800,918
<u>\$ 25,966,138</u>	<u>\$ 18,068,963</u>	<u>\$ 22,344,444</u>	<u>\$ 24,797,271</u>	<u>\$ 22,289,407</u>	<u>\$ 33,545,210</u>

Indian River County, Florida
Fund Balances, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 363,619	\$ 311,241	\$ 1,224,835	\$ 1,134,846
Restricted	50,015	1,120,087	1,000,000	1,000,000
Committed	21,041,045	2,374,790 (A)	2,370,079	1,223,183
Assigned	1,660,000	1,808,000	900,000	- (B)
Unassigned	<u>33,694,612</u>	<u>48,722,929 (A)</u>	<u>44,385,674</u>	<u>48,320,836</u>
Total general fund	<u>\$ 56,809,291</u>	<u>\$ 54,337,047</u>	<u>\$ 49,880,588</u>	<u>\$ 51,678,865</u>
All other governmental funds				
Nonspendable	\$ 814,858	\$ 557,128	\$ 50,788	\$ 39,337
Restricted	125,082,370	116,379,943	112,523,743	112,266,321
Committed	4,661,146	1,483,393	1,481,312	1,492,929
Assigned	10,013,457	11,288,602	8,964,238	8,139,695
Unassigned deficit	<u>(354,995)</u>	<u>(202,971)</u>	<u>(339,223)</u>	<u>(201,587)</u>
Total all other governmental funds	<u>\$ 140,216,836</u>	<u>\$ 129,506,095</u>	<u>\$ 122,680,858</u>	<u>\$ 121,736,695</u>
Total governmental funds	<u>\$ 197,026,127</u>	<u>\$ 183,843,142</u>	<u>\$ 172,561,446</u>	<u>\$ 173,415,560</u>

Notes:

(A) Reclassified emergency/disaster and budget stabilization reserves from Committed to Unassigned fund balance categories.

(B) Budget appropriation of fund balance to balance budget no longer necessary.

2015	2016	2017	2018	2019	2020
\$ 459,546	\$ 371,121	\$ 1,183,875	\$ 976,972	\$ 614,277	\$ 777,974
1,000,000	1,000,000	1,246,278	1,139,811	1,001,230	815,990
1,092,575	1,166,830	1,655,789	1,627,628	1,310,621	1,214,785
-	-	-	-	-	-
47,727,109	45,909,787	43,334,507	47,904,588	52,768,642	56,299,820
<u>\$ 50,279,230</u>	<u>\$ 48,447,738</u>	<u>\$ 47,420,449</u>	<u>\$ 51,648,999</u>	<u>\$ 55,694,770</u>	<u>\$ 59,108,569</u>
\$ 69,907	\$ 121,906	\$ 217,550	\$ 199,134	\$ 145,165	\$ 219,292
120,531,318	127,285,732	133,714,625	153,053,248	166,534,476	169,805,890
1,504,391	1,401,530	1,515,217	1,610,299	1,478,993	1,119,342
7,139,358	7,118,688	7,400,390	7,620,206	8,666,836	9,470,790
(439,479)	-	(290,542)	(2,400)	(160,530)	(317,815)
<u>\$ 128,805,495</u>	<u>\$ 135,927,856</u>	<u>\$ 142,557,240</u>	<u>\$ 162,480,487</u>	<u>\$ 176,664,940</u>	<u>\$ 180,297,499</u>
<u>\$ 179,084,725</u>	<u>\$ 184,375,594</u>	<u>\$ 189,977,689</u>	<u>\$ 214,129,486</u>	<u>\$ 232,359,710</u>	<u>\$ 239,406,068</u>

Indian River County, Florida
Changes in Fund Balances, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues				
Taxes	\$ 94,718,550	\$ 90,472,569	\$ 88,005,422	\$ 94,585,345
Permits, fees, and special assessments	11,189,393	11,486,235	12,769,844	14,321,389
Intergovernmental	37,687,574	29,759,832	30,086,479	30,563,650
Charges for services	15,030,329	14,760,125	15,887,241	18,076,888
Judgments, fines and forfeits	936,995	739,275	778,575	1,004,374
Interest	1,173,103	613,023	570,559	463,274
Miscellaneous	2,383,493	5,237,426	3,841,294	3,221,548
Total Revenues	163,119,437	153,068,485	151,939,414	162,236,468
Expenditures				
Current:				
General government	19,271,196	20,477,898	19,056,322	20,681,570
Public safety	70,432,615	67,761,985	66,908,328	67,799,667
Physical environment	1,371,734	1,751,623	771,942	781,306
Transportation	28,432,207	29,058,310	28,223,229	23,321,248
Economic environment	2,099,698	2,021,184	2,581,401	1,106,886
Human service	7,625,369	6,888,883	6,952,460	7,178,542
Culture/recreation	14,706,194	13,808,303	11,538,809	11,627,286
Court related	5,983,085	5,860,925	6,054,822	6,487,906
Debt service:				
Principal	4,270,000	8,060,000 (A)	6,050,000 (B)	3,700,000
Interest and fiscal charges	2,562,374	2,426,083	2,118,704	1,984,616
Capital projects	5,825,287	8,108,370	13,037,552	16,560,991
Total Expenditures	162,579,759	166,223,564	163,293,569	161,230,018
Excess of revenues over (under) expenditures	539,678	(13,155,079)	(11,354,155)	1,006,450
Other Financing Sources (Uses)				
Issuance of refunding notes	-	-	-	-
Lease purchase proceeds	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers out	(8,918,267)	(11,622,984)	(12,540,187)	(10,244,980)
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	8,862,969	11,595,078	12,504,699	10,092,644
Total other financing sources (uses)	(55,298)	(27,906)	(35,488)	(152,336)
Net change in fund balances	\$ 484,380	\$ (13,182,985)	\$ (11,389,643)	\$ 854,114
Debt service as a percentage of noncapital expenditures	5.0%	7.6%	6.0%	4.3%

(A) Early call of remaining General Obligation Bonds, Series 2001 of \$3.6 million.

(B) Payoff of portion of Spring Training Bonds, Series 2001 of \$2.275 million.

(C) Refunded all of General Obligation Bonds, Series 2006 with a fixed rate 7-year note.

(D) Completed widening of major north-south road.

2015	2016	2017	2018	2019	2020
\$ 100,170,078	\$ 109,082,531	\$ 115,757,400	\$ 125,723,036	\$ 132,686,763	\$ 140,993,468
15,567,731	16,530,179	15,900,775	17,825,047	18,092,708	17,959,288
32,065,821	33,535,027	30,031,350	36,535,393	31,956,921	33,738,425
18,558,182	15,532,928	16,006,929	17,133,195	17,919,081	17,375,509
897,860	1,672,773	1,620,964	1,697,085	2,148,209	1,398,028
894,705	1,133,215	1,287,415	2,273,375	7,575,639	4,718,014
2,470,553	8,158,393	6,392,927	5,891,296	5,986,962	8,436,416
170,624,930	185,645,046	186,997,760	207,078,427	216,366,283	224,619,148
22,957,111	22,693,234	24,681,861	25,016,607	24,925,629	27,589,352
71,703,248	77,316,218	83,397,539	85,158,140	89,020,678	95,448,236
1,055,021	788,803	1,300,862	1,131,396	1,353,623	1,719,293
27,945,569	27,505,659	26,562,596	26,900,384	30,379,114	26,635,184
436,320	424,593	437,031	426,085	469,565	720,010
7,519,756	7,868,392	8,116,910	9,302,125	9,484,542	11,452,394
15,719,709	13,562,765	12,013,338	12,089,937	15,583,672	21,671,840
6,677,909	6,605,682	6,755,050	6,540,045	7,241,534	6,536,101
4,180,000	4,383,000	4,573,000	4,708,000	5,738,632	7,561,314
1,266,070	832,007	657,520	562,153	442,999	326,053
5,309,597 (D)	13,329,391	12,777,795	17,978,862	13,393,105	17,302,374
164,770,310	175,309,744	181,273,502	189,813,734	198,033,093	216,962,151
5,854,620	10,335,302	5,724,258	17,264,693	18,333,190	7,656,997
20,369,000 (C)	-	-	-	-	-
-	-	-	-	20,855	-
-	-	-	7,014,087	109,671	398,872
(11,354,519)	(17,375,606)	(14,453,902)	(13,274,738)	(16,552,188)	(18,779,742)
(20,340,959) (C)	-	-	-	-	-
11,141,023	12,331,173	14,331,739	13,147,755	16,318,696	17,770,231
(185,455)	(5,044,433)	(122,163)	6,887,104	(102,966)	(610,639)
\$ 5,669,165	\$ 5,290,869	\$ 5,602,095	\$ 24,151,797	\$ 18,230,224	\$ 7,046,358
3.8%	3.6%	3.4%	3.2%	3.7%	4.4%

Indian River County, Florida
Tax Revenues by Source, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 5

Fiscal Year	Property (A)	Sales & Use	Tourist	Gasoline	Other	Total
2011	\$ 75,457,517	\$ 12,942,483	\$ 1,487,060	\$ 3,346,362	\$ 1,485,128	\$ 94,718,550
2012	70,327,749	13,708,911	1,604,920	3,329,183	1,501,806	90,472,569
2013	66,970,062	14,422,829	1,743,283	3,303,751	1,565,497	88,005,422
2014	72,715,877	15,228,304	1,918,201	3,294,709	1,428,254	94,585,345
2015	76,621,036	16,190,352	2,267,101	3,672,972	1,418,617	100,170,078
2016	84,695,191	16,858,894	2,433,491	3,741,935	1,353,020	109,082,531
2017	90,192,496	17,623,741	2,817,766	3,821,095	1,302,302	115,757,400
2018	98,639,443	18,708,376	3,025,487	4,024,001	1,325,729	125,723,036
2019	105,227,881	19,263,128	3,093,941	3,823,809	1,278,004	132,686,763
2020	114,440,512	18,984,618	2,714,264	3,598,127	1,255,947	140,993,468

(A) The County 's primary source of revenue is property taxes, amounting to 81 percent of Governmental Funds tax revenues in 2020. Consequently, supplemental required schedules are provided only for property tax revenues.

Indian River County, Florida
Assessed Value and Actual Value of Taxable Property (Unaudited)
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Real Property Actual Value	Personal Property Actual Value	Total Actual Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	\$ 18,741,543,869	\$ 711,180,228	\$ 19,452,724,097	\$ 5,313,689,267	\$ 14,139,034,830	4.1625
2012	17,291,910,945	644,205,795	17,936,116,740	4,731,112,173	13,205,004,567	4.1625
2013	16,563,604,291	635,119,066	17,198,723,357	4,497,471,382	12,701,251,975	4.1625
2014	16,832,196,339	697,294,522	17,529,490,861	4,670,052,667	12,859,438,194	4.3353
2015	17,855,660,837	696,658,855	18,552,319,692	5,150,260,231	13,402,059,461	4.4108
2016	19,941,465,452	698,630,083	20,640,095,535	6,338,690,254	14,301,405,281	4.4335
2017	23,725,954,463	675,815,085	24,401,769,548	8,125,447,769	16,276,321,779	4.4335
2018	25,295,251,822	634,654,180	25,929,906,002	8,547,972,646	17,381,933,356	4.5337
2019	26,921,744,684	737,895,129	27,659,639,813	9,079,222,273	18,580,417,540	4.5337
2020	27,867,246,400	802,782,805	28,670,029,205	9,092,020,308	19,578,008,897	4.6981

Source: Indian River County Property Appraiser; values are established as of January 1 of the previous calendar year, i.e., January 1, 2019 taxable values apply to the fiscal year ending September 30, 2020.

The actual value is based upon market values in the area. Property is assessed at the actual values less various exemptions for homestead, age, disability, widows, religious, charitable, educational and governmental situations.

Total taxable values are also presented on Schedules 8 and 11.

Indian River County, Florida
Property Tax Rates
Direct and Overlapping Tax Rates (Unaudited)
Last Ten Fiscal Years

	2011	2012	2013	2014
<u>County direct rate</u>				
General fund	3.0892	3.0892	3.0892	3.2620
Municipal service	1.0733	1.0733	1.0733	1.0733
Total direct rate (A)	4.1625	4.1625	4.1625	4.3353
County-wide district school board rate	8.2500	8.2440	8.3130	8.1160
<u>Other County-wide rates</u>				
Emergency Management Services District	1.7148	1.7148	1.7148	1.9799
Land acquisition bond	0.4087	0.4364	0.3799	0.3788
Total other County-wide rates	2.1235	2.1512	2.0947	2.3587
Total County-wide rate (B)	14.5360	14.5577	14.5702	14.8100
<u>City rates</u>				
Fellsmere	4.4300	5.2455	5.4999	5.6190
Indian River Shores	1.4105	1.4731	1.4731	1.4731
Sebastian	3.3041	3.3041	3.7166	3.7166
Orchid	0.4550	0.4550	0.5000	0.4864
Vero Beach	1.9367	2.0336	2.0336	2.0336
Average of cities rates	2.3073	2.5023	2.6446	2.6657
Other special district rates	1.7663	1.6856	1.6859	1.7128

(A) Per Florida State Statute 200.081, no ad valorem tax millage shall be levied against real property and tangible personal property by counties in excess of 10 mills, except for voted levies.

(B) Total County-wide rate is borne by all property owners within the County boundaries.

Source: Indian River County Property Appraiser

2015	2016	2017	2018	2019	2020
3.3375	3.3602	3.3602	3.4604	3.4604	3.5475
1.0733	1.0733	1.0733	1.0733	1.0733	1.1506
4.4108	4.4335	4.4335	4.5337	4.5337	4.6981
7.9950	7.9550	7.4100	7.0530	6.7930	6.5690
1.9799	2.2551	2.3010	2.3655	2.3655	2.3655
0.3694	0.3315	0.3143	0.2955	0.2827	0.2568
2.3493	2.5866	2.6153	2.6610	2.6482	2.6223
14.7551	14.9751	14.4588	14.2477	13.9749	13.8894
5.5309	5.2756	4.9599	4.9599	5.3662	5.2210
1.6786	1.6786	1.7186	1.3774	1.2890	1.3349
3.8556	3.8556	3.8556	3.4000	3.1514	2.9399
0.5500	0.7000	1.2500	2.3000	1.4000	1.6000
2.0336	2.3800	2.3800	2.5194	2.5194	2.5000
2.7297	2.7780	2.8328	2.9113	2.7452	2.7192
1.7124	1.6993	1.5170	1.5390	1.5396	1.4091

Indian River County, Florida
Principal Property Taxpayers (Unaudited)
Year 2020 and Year 2011

Schedule 8

Taxpayer	2020			2011		
	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation
Florida Power & Light	\$ 322,689,816	1	1.65%	\$ 91,400,547	1	0.65%
Disney Vacation Dev. Inc.	76,331,184	2	0.39	72,961,084	2	0.52
Johns Island Club, Inc.	43,816,262	3	0.22	40,527,089	4	0.29
Windsor Properties	42,402,417	4	0.22	31,266,657	7	0.22
Adult Community Total Services, Inc.	30,521,361	5	0.16	36,637,750	6	0.26
Welltower TCG Ridea Landlord, LLC	28,766,676	6	0.15	-		-
Bellsouth Telecommunications	24,475,001	7	0.13	42,197,328	3	0.30
MPT of Sebastian-Steward, LLC	22,969,142	8	0.12	30,009,649	8	0.21
TSO Vero Beach, LP	22,871,107	9	0.12	-		-
DSTS, LLC	21,739,106	10	0.11	-		-
Indian River Mall Association	-		-	38,298,008	5	0.27
Fellsmere Joint Venture	-		-	25,909,620	9	0.18
CVS Vero FL Distribution, LLC	-		-	21,769,006	10	0.15
 Total Principal Property Taxpayers Real Property Assessed Valuation	 \$ 636,582,072		 3.27%	 \$ 430,976,738		 3.05%
Total County Taxable Valuation (from schedule 6)	<u>\$ 19,578,008,897</u>			<u>\$ 14,139,034,830</u>		

Source: Indian River County Property Appraiser
Indian River County, Florida annual budgets

Indian River County, Florida
Property Tax Levies And Collections (Unaudited)
Last Ten Fiscal Years

Schedule 9

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2011	\$ 77,790,733	\$ 75,215,452	96.69%	\$ 290,472	\$ 75,505,924	97.06%
2012	72,668,518	70,200,922	96.60	133,385	70,334,307	96.79
2013	69,251,173	66,838,348	96.52	111,341	66,949,689	96.68
2014	75,101,883	72,572,593	96.63	149,546	72,722,139	96.83
2015	79,309,078	76,537,192	96.50	91,754	76,628,946	96.62
2016	87,611,062	84,648,230	96.62	60,147	84,708,377	96.69
2017	93,167,061	90,100,287	96.71	78,624	90,178,911	96.79
2018	102,322,230	98,568,670	96.33	40,811	98,609,481	96.37
2019	108,994,936	105,148,685	96.47	26,255	105,174,940	96.50
2020	118,478,616	114,292,023	96.47	108,270	114,400,293	96.56

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 early 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. The taxes paid in March are without discount.

(1) On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After the sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. 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 of 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven year statute of limitations. The County does not accrue its portion of the County-held certificates due to the immaterial amount.

Total property tax collections differ from actual collections reported on Schedule 5 due to the exclusion of interest earnings on collections of \$40,219.

Indian River County, Florida
 Ratios of Outstanding Debt by Type (Unaudited)
 Last Ten Fiscal Years

Year	Governmental Activities			Business-type Activities	
	General Obligation Bonds (A)	Capital Leases	Spring Training Facility Bonds 2001 Series	Recreational Revenue Bonds (B)	Water & Sewer Bonds (C)
2011	\$ 40,723,939	\$ -	\$ 11,705,000	\$ 2,632,243	\$ 49,789,603
2012	33,200,714	-	11,075,000	2,101,871	46,462,698
2013	29,987,489	-	8,145,000	-	43,020,793
2014	26,639,265	-	7,700,000	-	39,433,889
2015	23,594,000	-	7,230,000	-	28,252,234
2016	19,706,000	-	6,735,000	-	25,198,884
2017	15,653,000	-	6,215,000	-	22,031,534
2018	11,495,000	-	5,665,000	-	18,749,183
2019	7,268,000	15,447	4,155,000	-	3,174,000 (F)
2020	-	12,572	3,865,000	-	2,132,000

(A) General Obligation Bonds include Series 2001 and Limited General Obligation Bonds, Series 2006. The remaining balance of the 2001 issue was called early on July 1, 2012. The Series 2006 bonds were refinanced in fiscal year 2015 and subsequently paid off in 2020. This information is also presented on Schedules 11 and 13.

(B) Recreational Revenue Refunding Bonds, Series 2003. The remaining balance was called early on September 30, 2013.

(C) Water & Sewer Bonds include Series 1993, Refunding Series 2005. The Series 2005 bonds were refinanced in fiscal year 2015.

(D) Information not available.

(E) Refer to Schedule 15 for personal income and population information.

(F) The County elected to redeem 100% of the outstanding Water & Sewer Revenue Refunding Bonds, Series 2009 on September 1, 2019.

Further information may be found in Note 10.

Source of per capita income is University of Florida, Bureau of Economic and Business Research.

Total Primary Government	Percentage of Total Debt to Personal Income (E)	Debt Per Capita (E)
\$ 104,850,785	1.48%	\$ 756
92,840,283	1.25	666
81,153,282	1.05	581
73,773,154	0.81	523
59,076,234	0.59	412
51,639,884	0.50	353
43,899,534	0.39	295
35,909,183	0.30	237
14,612,447	0.11	94
6,009,134	(D)	38

Indian River County, Florida

**Ratio of Net General Bonded Debt Outstanding to Taxable Value and Net Bonded Debt per Capita (Unaudited)
Last Ten Fiscal Years**

Schedule 11

Fiscal Year	Population (A)	Taxable Value (A)	Gross General Obligation Bonded Debt	Debt Service Monies Available (A)	Net Bonded Debt	Ratio Of Net Bonded Debt To Taxable Value	Net Bonded Debt Per Capita
2011	138,694	\$ 14,139,034,830	\$ 40,723,939	\$ 1,743,781	\$ 38,980,158	0.0028	\$ 281
2012	139,446	13,205,004,567	33,200,714	1,002,540	32,198,174	0.0024	231
2013	139,586	12,701,251,975	29,987,489	828,029	29,159,460	0.0023	209
2014	140,955	12,859,438,194	26,639,265	832,464	25,806,801	0.0020	183
2015	143,326	13,402,059,461	23,594,000	967,599	22,626,401	0.0017	158
2016	146,410	14,301,405,281	19,706,000	1,114,234	18,591,766	0.0013	127
2017	148,962	16,276,321,779	15,653,000	1,269,367	14,383,633	0.0009	97
2018	151,825	17,381,933,356	11,495,000	1,406,600	10,088,400	0.0006	66
2019	154,939	18,580,417,540	7,268,000	1,734,275	5,533,725	0.0003	36
2020	158,834	19,578,008,897	-	-	-	-	-

(A) Columns are provided as additional information for General Obligation Bonds (G.O.B.), Series 2001 and Limited G.O.B., Series 2006. The remaining balance of the 2001 issue was called early on July 1, 2012. The Series 2006 debt was refinanced in fiscal year 2015 and subsequently paid off in 2020.

Gross G.O.B. debt is also presented on Schedules 10 and 13.

Total taxable assessed values also appear on Schedules 6 and 8.

Source of population data is obtained from the University of Florida, Bureau of Economic and Business Research.

Indian River County, Florida
Computation of Legal Debt Margin (Unaudited)
September 30, 2020

Schedule 12

Computation of the Legal Debt Margin is omitted because the Constitution of the State of Florida (F.S. 200.181) and Indian River County set no legal debt limit.

Indian River County, Florida
Direct and Overlapping Governmental Activities Debt (Unaudited)
September 30, 2020

Schedule 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Revenue Bonds - Spring Training Facility - Series 2001	\$ 3,865,000	100%	\$ 3,865,000
Total direct debt of County			<u>3,865,000</u>
Other debt:			
Indian River County School District Certificates of Participation	\$ 90,389,593 (A)	100%	90,389,593
Total overlapping debt			<u>90,389,593</u>
Total direct and overlapping debt			<u>\$ 94,254,593</u>

(A) Indian River County School District, as of June 30, 2020

Source: Information on outstanding debt provided by the Indian River County School District Finance Department.

Note: Overlapping debt is borne by all property owners within the County boundaries.



Indian River County, Florida
Pledged Revenue Coverage (Unaudited)
Water and Sewer Revenue Bonds
(Series 1993A, 1996, 2005, 2009)
Last Ten Fiscal Years

	2011	2012	2013	2014
<u>Uniform Charges</u>				
Water sales	\$ 13,565,766	\$ 13,621,878	\$ 13,667,115	\$ 14,059,231
Wastewater sales	12,203,750	12,515,394	12,546,429	12,879,006
Other	1,639,985	1,727,411	1,763,426	2,025,378
Total uniform charges	27,409,501	27,864,683	27,976,970	28,963,615
Septage/Sludge	314,969	373,616	426,634	478,555
Surcharges	245,245	246,298	246,363	242,073
Interest earnings	491,260	315,377	239,270	258,741
1989/1990 Special assessments	8,718	-	-	-
1996 Special assessments	93,513	75,037	69,757	22,091
Gross revenues	28,563,206	28,875,011	28,958,994	29,965,075
Less: Direct expenses	15,404,503	15,657,085	15,217,294	16,040,433
Net revenues available for debt service	<u>\$ 13,158,703</u>	<u>\$ 13,217,926</u>	<u>\$ 13,741,700</u>	<u>\$ 13,924,642</u>
Annual debt service				
Principal	\$ 2,990,000	\$ 3,090,000	\$ 3,205,000	\$ 3,350,000
Interest	2,324,525	2,193,450	2,080,951	1,937,450
Total debt service payment	<u>\$ 5,314,525</u>	<u>\$ 5,283,450</u>	<u>\$ 5,285,951</u>	<u>\$ 5,287,450</u>
Debt service coverage	2.48x	2.50x	2.60x	2.63x

Notes:

In accordance with Water and Sewer Revenue Refunding Bonds, Series 2005 bond covenants, there are items included in the debt service coverage calculation other than normal operating revenues. These items include surcharges and collections on special assessments. Expenses specifically excluded: renewal and replacement, depreciation, amortization and interest expense, and loss on disposal of equipment.

The County elected to redeem 100% of the outstanding Water and Sewer Revenue Refunding Bonds, Series 2009 on September 1, 2019.

Water and Sewer debt information can be found in Note 10.

2015	2016	2017	2018	2019	2020
\$ 14,345,074	\$ 14,829,381	\$ 15,325,231	\$ 15,350,614	\$ 16,554,964	\$ 17,039,639
13,116,393	13,498,090	13,777,255	13,980,424	14,234,084	14,587,722
2,005,106	2,068,865	2,262,801	2,793,060	2,591,943	2,142,353
29,466,573	30,396,336	31,365,287	32,124,098	33,380,991	33,769,714
483,828	531,432	521,882	507,233	503,408	554,939
98,163	-	-	-	-	-
294,303	363,597	375,208	624,790	1,903,024	1,005,978
-	-	-	-	-	-
30,872	31,915	22,440	9,008	6,917	13,876
30,373,739	31,323,280	32,284,817	33,265,129	35,794,340	35,344,507
16,129,860	18,064,619	18,590,922	18,754,402	26,072,580	22,237,955
<u>\$ 14,243,879</u>	<u>\$ 13,258,661</u>	<u>\$ 13,693,895</u>	<u>\$ 14,510,727</u>	<u>\$ 9,721,760</u>	<u>\$ 13,106,552</u>
\$ 3,485,000	\$ 2,878,000	\$ 2,992,000	\$ 3,107,000	\$ 3,230,000	\$ 1,042,000
1,827,867	1,095,886	983,267	866,899	745,284	52,371
<u>\$ 5,312,867</u>	<u>\$ 3,973,886</u>	<u>\$ 3,975,267</u>	<u>\$ 3,973,899</u>	<u>\$ 3,975,284</u>	<u>\$ 1,094,371</u>
2.68x	3.34x	3.44x	3.65x	2.45x	11.98x

Indian River County, Florida
Demographic and Economic Statistics (Unaudited)
Last Ten Years

Schedule 15

Year	Population (A)	Total Personal Income (B)	Per Capita Personal Income (B)	Unemployment Rate (C)
2011	138,694	\$ 7,090,634,000	\$ 51,041	13.7%
2012	139,446	7,429,653,000	52,855	11.3
2013	139,586	7,731,263,000	54,448	8.8
2014	140,955	9,139,920,000	63,140	7.9
2015	143,326	10,055,169,000	67,978	7.2
2016	146,410	10,380,777,000	68,491	6.7
2017	148,962	11,312,198,000	73,274	4.6
2018	151,825	11,972,633,000	76,059	3.9
2019	154,939	12,924,659,000	80,818	3.7
2020	158,834	(D)	(D)	5.9

Sources:

(A) University of Florida, Bureau of Economic and Business Research

(B) US Department of Commerce, Bureau of Economic Analysis

(C) Florida Agency for Workforce Innovation

(D) Information not available

The population and personal income information is used in Schedule 10 for calculation of Debt Per Capita and Percentage of Debt to Personal Income.

Indian River County, Florida
Principal Employers (Unaudited)
Year 2020 and Year 2011

Schedule 16

Employer	2020	
	Number of Employees	Percentage of Total County Employment
Cleveland Clinic Indian River Hospital **	2,112	3.53%
School District of Indian River County	2,039	3.41
Indian River County*	1,654	2.77
Publix Supermarkets	1,380	2.31
Piper Aircraft Inc.	980	1.64
Wal-Mart	806	1.35
Sebastian River Medical Center	750	1.26
Visiting Nurse Association	500	0.84
John's Island	495	0.83
Indian River Estates	486	0.81
Total	11,202	18.75%
Total County Employees	59,759	
Employer	2011	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,013	3.85%
Indian River Medical Center **	1,608	3.07
Indian River County *	1,354	2.59
Publix Supermarkets	1,006	1.92
Piper Aircraft Inc.	700	1.34
Sebastian River Medical Center	569	1.09
John's Island	550	1.05
City of Vero Beach	492	0.94
Visiting Nurse Association	399	0.76
Indian River Estates	350	0.67
Total	9,041	17.28%
Total County Employees	52,318	

Source: Indian River County, Florida annual budgets for individual employers. Florida Agency for Workforce Innovation - Labor Market Statistics, and Bureau of Economic and Business Research at University of Florida for total County employment figures.

* This includes the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Supervisor of Elections, Property Appraiser, Sheriff, and the Tax Collector.

**Effective January 1, 2019 Indian River Medical Center is now Cleveland Clinic Indian River Hospital

Indian River County, Florida
Building Permits (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Indian River County				Municipalities	
	# of Permits	New Construction	# of Permits	Additions & Alterations	# of Permits	New Construction
2011	416	\$ 96,301,948	2,288	\$ 26,368,020	112	\$ 27,812,429
2012	421	95,703,031	2,591	25,060,272	150	37,380,374
2013	562	159,419,936	3,165	32,572,696	278	63,277,504
2014	611	190,750,218	4,290	41,977,079	262	81,288,256
2015	666	241,065,285	5,528	53,561,372	239	95,276,289
2016	827	308,972,417	6,206	62,277,764	303	108,368,025
2017	1,071	348,481,070	7,342	73,002,815	227 (A)	69,562,947
2018	1,133	412,240,706	11,889	185,405,814	276	143,690,820
2019	1,561	486,180,472	10,377	131,512,299	288	91,152,794
2020	1,387	411,363,869	11,163	129,503,949	327	99,578,458

Source: Building Departments - Indian River County, City of Vero Beach, Town of Orchid
Town of Indian River Shores, City of Sebastian, and City of Fellsmere.

(A) Data for the Town of Indian River Shores was only available through April 30, 2017 due to conversion to new software.

Countywide					
# of Permits	Additions & Alterations	# of Permits	New Construction	# of Permits	Additions & Alterations
2,973	\$ 42,087,897	528	\$ 124,114,377	5,261	\$ 68,455,917
3,271	43,011,051	571	133,083,405	5,862	68,071,323
4,433	45,723,356	840	222,697,440	7,598	78,296,052
5,049	57,293,148	873	272,038,474	9,339	99,270,227
5,710	80,276,432	905	336,341,574	11,238	133,837,804
6,142	85,158,535	1,130	417,340,442	12,348	147,436,299
5,908	65,096,641	1,298	418,044,017	13,250	138,099,456
8,717	120,801,687	1,409	555,931,526	20,606	306,207,501
7,603	115,858,317	1,849	577,333,266	17,980	247,370,616
7,364	109,929,744	1,714	510,942,327	18,527	239,433,693

Indian River County, Florida
Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
General Government				
Purchasing				
Purchase orders issued	1,805	1,852	1,740	1,760
Public Safety				
Fire rescue				
Vehicle rescue response	37,550	39,316	39,340	41,540
Fire code inspections	2,239	1,874	1,992	1,753
Advanced life support calls	10,935	10,904	10,991	11,283
Basic life support calls (transport only)	3,077	3,406	3,544	3,851
Sheriff				
Arrests	4,464	3,144	3,885	4,262
Violent crimes	394	107	439	552
Non-violent crimes	6,058	6,063	5,683	5,853
Total calls for service	162,944	176,170	199,687	216,082
Building department				
Construction permits issued	416	421	562	611
Estimated value of construction (millions)	\$ 96.3	\$ 95.7	\$ 159.4	\$ 190.8
Physical Environment				
Solid waste				
Waste stream tonnage received	180,434	205,355	211,382	265,278
Total recycled material (tons)	30,424	53,255	50,792	101,444
Utilities - water & sewer				
Number of water customers	44,254	44,571	45,216	46,223
Number of wastewater customers	25,465	25,773	26,233	26,948
Water ERUs	64,391	64,820	65,477	66,261
Wastewater ERUs	45,863	46,107	46,576	47,027
Water consumption (Average Daily Demand)	8,198,000	7,798,000	7,558,000	8,620,000

Source: Internal reports prepared by the various departments of Indian River County

2015	2016	2017	2018	2019	2020
1,826	2,033	2,312	2,418	2,617	2,896
45,485	45,874	47,357	48,615	47,362	50,550
1,993	2,200	2,500	2,162	1,869	3,260
11,571	12,428	12,947	13,711	13,746	13,825
4,180	4,524	4,798	4,969	5,004	5,523
3,832	3,660	3,922	3,699	3,602	3,611
495	548	549	606	582	534
5,804	5,682	5,501	5,376	5,722	5,328
250,814	274,464	235,540	273,760	283,732	272,382
666	827	1,071	1,133	1,561	1,387
\$ 241.100	\$ 309.000	\$ 348.400	\$ 412.200	\$ 486.200	\$ 411.400
265,958	279,910	310,007	295,380	290,413	333,018
86,564	98,009	119,773	94,218	82,795	126,691
46,865	48,540	49,176	50,254	51,548	52,503
27,448	28,767	29,229	30,021	30,745	31,459
66,829	72,488	68,506	69,463	69,957	70,586
47,596	53,428	48,748	49,425	49,217	49,603
9,200,000	9,200,000	9,900,000	10,162,000	10,400,000	11,100,000

Continued

Indian River County, Florida
Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Transportation				
Public works				
Projects under design	26	19	20	43
Projects awarded for construction	7	10	5	7
Construction projects completed	8	8	5	20
County engineering				
Roads designed	4	4	6	8
Miles of roads designed	1.00	8.00	6.00	8.35
Traffic engineering				
Site plans reviewed	218	290	357	387
Culture/Recreation				
Library				
Circulation (County-wide)	1,362,857	1,277,253	1,300,764 (A)	1,317,458
Recreation department				
Total beach park attendance	449,213	420,609	404,287	434,397
Athletic and event attendance	24,112	23,979	23,841	23,900
Aquatic centers attendance	98,515	97,965	97,183	105,459
Shooting range				
Safety/Registration cards issued	8,176	8,302	8,462	7,911
Golf course				
Rounds played	94,713	96,723	91,770	90,306
Court Related				
Law library				
Circulation	9,168	9,428	N/A (A)	N/A

(A) Law library circulation is now included in the County-wide library circulation.

2015	2016	2017	2018	2019	2020
34	13	15	31	20	18
9	3	7	8	8	8
17	17	13	11	10	15
8	6	5	4	6	5
10.00	8.50	11.00	4.75	18.75	17.20
554	412	560	715	890	636
1,295,310	1,389,188	1,315,425	1,254,954	1,365,623	982,346
416,962	669,465	553,630	792,782	788,389	642,014
24,073	24,267	23,974	25,016	24,832	19,231
110,186	116,997	112,308	113,592	114,700	64,276
7,655	5,984	6,867	7,318	7,196	4,771
93,739	91,426	96,332	93,361	96,775	92,644
N/A	N/A	N/A	N/A	N/A	N/A

Indian River County, Florida
Full-Time Equivalent County Government Employees by Function/Program (Unaudited)
Last Ten Fiscal Years

	2011	2012	2013	2014
General Government				
Board of County Commissioners	10	8.5	9	9
County Attorney	6	6	6	6
Administration	2.35	2.35	2.35	2.35
Financial/Administrative Service	19.85	19.85	19.35	20.85
Comprehensive Planning	14.32	15	15	14.5
Other	34	34.75	33.9	33.4
Clerk of Circuit Court	98	96	98	93
Property Appraiser	36	35	35	36
Supervisor of Elections	8	8.5	8.5	9.5
Tax Collector	38	38	44	45
Public Safety				
Fire Department	244	243	243	243
Sheriff - Corrections	207	163	163	163
Sheriff - Court Service	29.5	27.5	27.5	27.5
Sheriff - Law Enforcement	301	303	303	303
Building Department	15	14	15	18.5
Other	6.68	6	4	4
Physical Environment				
Solid Waste	10	9	9	9
Utilities - water and sewer	112.5	112.5	113.5	116.5
Other	8	8	7	8
Transportation				
Road and Bridges	77	77.25	77.1	78.1
County Engineering	27	26	24	24
Traffic Engineering	20	20	19	19
Real Estate Acquisition	1	1	1	1
Economic Environment	2.5	2.5	2.5	2.5
Human Services	13	13	12	12
Culture/Recreation				
Libraries	46.5	42	41.5	41.5
Parks	34	28	28	28
Recreation Department	33	33.3	32.3	32.8
Coastal Engineering	2	2	2	2
Shooting Range	5	5	5	5
Golf Course	15.5	15	13.5	13.5
Court Related				
Law Library	1	1	1	1
Total	1,477.7	1,416.0	1,415.0	1422.5

Source: Indian River County, Florida annual budgets

Method: Using 1.0 for each full-time employee and .50 for each part-time employee.

Budgeted temps/seasonal employees are omitted. Totals include unfilled positions.

2015	2016	2017	2018	2019	2020
9	9	9	9	9	9
6	6	6	6	6	6
2.35	2.35	2.35	2.35	3.35	3.35
21.85	22.85	21.85	22.35	24.35	28.35
14.5	14.5	15	16	16.5	16.5
33.4	33.4	35.4	36.4	37.9	39.9
93	97	90	87	85.5	81
36	39	38	39	39	39
9.5	9.5	10.5	11	9	12
47	47	49	51	59.5	61.5
244	265	276	295	295.5	309.5
163	168	171	171	174	171
27.5	34	29	29	32	29
303	278	289	305	310	317.5
21.5	25	29.5	30.5	33.5	34.5
4.5	5.5	6	6	6	6
10	10	11	11	10	11
118.5	120.5	122.5	127.5	131.5	140
8	10	9	11	13	12
78.1	79.1	79.1	79.1	82.1	82.1
26	26	28	30	32	33
20	21	22	22	22	23
1	1	1	1	1	1
2.5	2.5	2.5	2.5	2.5	2.5
12	12	12	12.5	14	23
42	42	42	42	40.5	45.5
28	28	30	30	30	32
38.3	38.3	42.3	43.3	43.3	44.3
2	2	2	3	3	3
5	5.5	9.5	9.5	9.5	10
13.5	13	13	13	13	13.5
1	1	1	1	1	1
1,442.0	1,468.0	1,504.5	1,555.0	1,589.5	1,641.0

Indian River County, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
General Government				
Facilities Management				
Total square footage maintained (A)	715,215	720,215	720,215	720,215
Number of facilities and sites maintained (A)	47	48	48	48
Vehicles	15	15	15	16
General government				
Vehicles	31	31	30	30
Planning				
Vehicles	7	6	5	6
GIS				
Vehicles	1	1	1	1
Public Safety				
Fire department				
Vehicles	51	51	46	47
Fire stations	12	12	12	12
Advanced life support				
Vehicles	18	18	19	19
E911 Center				
Vehicles	1	1	1	1
Sheriff				
Vehicles	298	295	274	293
Building department				
Vehicles	9	9	9	10
Physical Environment				
Solid waste				
Vehicles	1	1	1	1
Telecommunications				
Vehicles	1	1	1	1
Ag Extension				
Vehicles	1	1	1	1
Utilities - Water and Sewer				
Vehicles	81	85	79	80
Water treatment plants	2	2	2	2
Wastewater treatment facilities	6	6	6	6
Water main - miles	839	843	847	852
Force main - miles	229	223	225	225
Gravity sewer lines - miles	271	270	273	269
Transportation				
Road and bridge				
Miles maintained (paved & unpaved)	636	638	650	650
Bridges maintained	75	75	71	72
Vehicles	67	67	64	64

Source: Internal reports prepared by the various departments of Indian River County.

(A) The amounts reflected for square footage maintained and number of facilities and sites maintained are only those structures that the Facilities Management Department maintains. Other structures are maintained by their respective departments.

Schedule 20

2015	2016	2017	2018	2019	2020
720,215	760,801	881,874	909,559	903,452	903,452
48	66	55	56	54	54
15	15	14	14	17	18
28	26	28	28	26	27
6	6	6	6	6	6
1	1	1	1	1	1
58	60	57	58	58	58
12	13	13	14	14	14
17	19	18	18	18	18
1	1	1	1	1	1
282	323	321	311	311	315
16	25	19	19	19	19
2	2	2	2	2	2
1	1	1	2	2	2
1	1	2	2	3	2
81	81	83	83	85	99
2	2	2	2	2	2
6	6	6	6	6	6
857	859	860	866	879	885
221	223	222	222	223	223
268	267	271	273	282	287
650	653	653	660	702	702
72	72	72	72	72	72
67	63	56	56	77	76

Continued

Indian River County, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Transportation - continued:				
Senior Resource Association				
Vehicles	34	34	38	35
Engineering				
Vehicles	16	13	13	13
Traffic engineering				
Traffic signals operated	137	137	150	150
Beacons operated	53	46	45	45
Vehicles	1	1	1	1
Traffic operations				
Vehicles	18	18	19	21
 Human Services				
Health department				
Vehicles	15	17	17	17
Animal Control				
Vehicles	7	7	7	6
Rental Assistance				
Vehicles	2	2	2	2
 Culture/Recreation				
Libraries				
Locations	4	4	4	4
Parks				
Number of neighborhood parks	12	12	10	10
Number of County parks	47	47	40	37
Acreage	4,014	4,014	4,014	3,429
Picnic shelters maintained	69	69	69	69
Boat ramps maintained	8	8	8	8
Vehicles	25	24	22	23
Recreation				
Vehicles	5	5	5	5
Shooting range				
Vehicles	1	1	1	1
Rifle range stations	29	29	29	29
Pistol range stations	35	35	35	35
Sporting clay course - skeet and trap fields	-	-	-	-
Golf Course				
Holes maintained	36	36	36	36
Vehicles	2	2	2	2

Schedule 20

2015	2016	2017	2018	2019	2020
35	39	36	39	31	27
14	13	15	16	18	18
150	160	155	159	160	159
43	47	56	56	55	55
1	1	1	1	1	1
20	22	18	19	19	21
17	9	10	18	18	17
6	6	6	6	7	7
2	3	3	3	3	3
4	4	4	4	5	5
11	12	12	12	12	12
37	37	36	36	36	36
3,429	3,429	5,081	5,081	5,081	5,081
69	69	69	69	54	54
8	8	8	8	8	8
20	20	18	20	25	26
7	6	5	4	5	5
1	1	1	1	1	1
29	29	29	29	29	29
35	35	35	35	35	35
-	-	-	3	3	3
36	36	36	36	36	36
2	1	1	1	1	1

Indian River County, Florida
Department of Utility Services
Historical Rate Structure (Unaudited)
Last Ten Fiscal Years

WATER RATES 2011 - FEBRUARY 2019

Billing charge per account	\$	1.29
Service availability charge (per ERU) *		
Single-family and commercial		7.76
Multi-family and manufactured home		6.60
Volume charge - per 1,000 gallons (per ERU)		
0-3,000 gallons		2.20
3,001-7,000 gallons		2.42
7,001-12,999 gallons		3.85
Greater than 13,000 gallons per month (per ERU)		7.70
Service availability charge where capacity is reserved but lines are not available (per ERU)		
Single-family and commercial		3.88
Multi-family and manufactured home		3.30

WATER RATES MARCH 2019 - CURRENT **

Service availability charge (per ERU)		
Single-family and commercial	\$	8.75
Multi-family and manufactured home		7.44
Volumetric charge - per 1,000 gallons (per ERU)		
0-4,000 gallons		2.20
4,001-7,000 gallons		2.57
7,001-12,000 gallons		4.95
12,001 and over gallons per month (per ERU)		9.75
Service availability charge where capacity is reserved but lines are not available (per ERU)		
Single-family and commercial		4.38
Multi-family and manufactured home		3.72

*Formerly known as base facility charge

**The last change to the County's water rates occurred on March 1, 2019.

Source: Indian River County Resolution 2009-012 and 2018-126

Indian River County, Florida
Department of Utility Services
Historical Rate Structure (Unaudited)
Last Ten Fiscal Years
(Continued)

Schedule 21

SEWER RATES 2011 - FEBRUARY 2019

Billing charge per account	\$	1.29
Service availability charge (per ERU)*		
Single-family and commercial		14.58
Multi-family and manufactured home		12.40
Volume charge - per 1,000 gallons		
Single-family and manufactured home (1,000-12,000)		2.86
Multi-family and commercial (0-13,000)		2.86
Multi-family and commercial (>13,000)		4.29
Service availability charge where capacity is reserved but lines are not available (per ERU)		
Single-family and commercial		7.29
Multi-family and manufactured home		6.20

SEWER RATES MARCH 2019 - CURRENT **

Service availability charge (per ERU)		
Single-family and commercial	\$	15.60
Multi-family and manufactured home		13.26
Volumetric charge - per 1,000 gallons (per ERU)		
Single-family and manufactured home (0-12,000)		2.86
Multi-family and commercial (>12,000)		4.29
Service availability charge where capacity is reserved but lines are not available (per ERU)		
Single-family and commercial		7.80
Multi-family and manufactured home		6.63

*Formerly known as base facility charge

**The last change to the County's sewer rates occurred on March 1, 2019.

Source: Indian River County Resolution 2009-012 and 2018-126

Indian River County, Florida
Water and Wastewater Customers (Unaudited)
Last Ten Fiscal Years

Schedule 22

The number of County water and wastewater customers, expressed as the number of equivalent residential units (ERUs), for the years 2011 through 2020 as set forth below:

<u>Fiscal Year</u>	<u>Water ERUs</u>	<u>Wastewater ERUs</u>
2011	64,391	45,863
2012	64,820	46,107
2013	65,477	46,576
2014	66,261	47,027
2015	66,829	47,596
2016	72,488	53,428
2017	68,506	48,748
2018	69,463	49,425
2019	69,957	49,217
2020	70,586	49,603

Source: Indian River County Utilities Department

Indian River County, Florida
Top 10 High Volume Customers of Utility Services (Unaudited)
Fiscal Year 2020

Schedule 23

Below is a table depicting the ten highest volume customers of the utility system for the fiscal year ended September 30, 2020:

Customer		Annual Water Volume (x 1,000 gals.)		Annual Wastewater Volume (x 1,000 gals.)
Vista Royale	1	34,241	1	34,241
MHC Village Green LLC	2	28,288	2	28,288
Acts, Inc.	3	25,793	3	25,686
City of Fellsmere		-	4	22,986
IRC School Board	4	22,816	7	17,594
Lakewood Village MHC, LLC	5	21,367	5	21,367
IRC Facilities Management	6	19,116	6	19,116
Disney's Vero Beach Resort	7	16,105	8	16,105
NHC FL1 LP/DBA Encore RV Park	8	15,482	9	15,482
Steward Sebastian River Medical Center, Inc.	9	14,851		-
Orchard Grove Venture, LLC	10	14,298	10	14,298

Source: Indian River County Utilities Department

Indian River County, Florida
Capacity Charges - Utilities Department (Unaudited)
Last Ten Fiscal Years

Schedule 24

The County also receives capacity charges in connection with the system. Capacity charges are not pledged as a security for the bonds. While the County may pledge the capacity charges in the future, the County presently has no intention to pledge capacity charges as security for the bonds. Capacity charges for the last ten fiscal years ended September 30 are as follows:

Fiscal Year	Water Capacity Charges	Wastewater Capacity Charges	Total Charges
2011	\$ 485,225	\$ 462,114	\$ 947,339
2012	585,490	755,838	1,341,328
2013	795,134	1,225,379	2,020,513
2014	1,081,355	1,625,404	2,706,759
2015	1,041,885	1,575,406	2,617,291
2016	1,271,725	1,795,923	3,067,648
2017	980,460	1,409,743	2,390,203
2018	1,385,670	2,074,352	3,460,022
2019	1,473,940	1,655,135	3,129,075
2020	1,218,748	1,788,042	3,006,790

Indian River County, Florida
Pledged Revenues for Spring Training Facility Revenue Bonds, Series 2001 (Unaudited)
Last Ten Fiscal Years **Schedule 25**

<u>Year Ended September 30</u>	<u>Professional Sports State Subsidy</u>	<u>Total Tourist Tax Collected</u>	<u>One Cent Tourist Tax (A)</u>	<u>Half Cent Sales Tax (B)</u>
2011	\$ 500,004	\$ 1,487,061	\$ 363,233	\$ 7,075,101
2012	500,004	1,604,919	401,230	7,412,887
2013	500,004	1,743,283	435,821	7,828,550
2014	500,004	1,918,200	479,550	8,219,778
2015	500,004	2,267,100	566,774	8,684,772
2016	500,004	2,433,491	608,373	9,043,910
2017	500,004	2,817,766	704,442	9,431,933
2018	500,004	3,025,487	756,372	9,907,733
2019	500,004	3,093,939	773,485	10,298,464
2020	500,004	2,714,264	678,566	10,073,449

(A) A 4th cent was imposed effective February 1, 2001.

(B) This amount represents 100% of the half-cent sales tax received. Eighty-six percent of this amount is pledged to the payment of debt service on the Series 2001 bonds.

Refer to pledged revenue coverage in County Note 10.



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

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of **Indian River County, Florida** (the "County"), as of and for the year ended September 30, 2020, which collectively comprise the County's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT LETTER

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers
Indian River County, Florida

Report on the Financial Statements

We have audited the financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of **Indian River County, Florida** (the "County"), as of and for the year ended September 30, 2020, and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

INDEPENDENT ACCOUNTANTS' REPORT

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers
Indian River County, Florida

We have examined the compliance of **Indian River County, Florida** ("the County") with Sections 218.415, 28.35, 28.36, 365.172(10), 365.173(2)(d) and 61.81 Florida Statutes, during the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with those requirements.

Independent Accountants' Responsibility

Our responsibility is to express an opinion on the County's compliance with those requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County is in compliance with specified requirements established by Florida Statute and performing such procedures as we considered necessary in the circumstances.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

Opinion

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose of this Report

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

Rehmann Lobson LLC

national.



**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL**

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers
Indian River 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 **Indian River County, Florida** (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 10, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state projects is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rehmann Lohman LLC

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Commerce:				
Passed through Florida Dept. of Environmental Protection:				
Jones Pier Conservation Area				
Wetland and Hammock Restoration	11.419	CZ219	\$ 50,000	
Total Department of Commerce			<u>50,000</u>	
Department of Housing and Urban Development:				
Passed through Florida				
Dept. of Economic Opportunity:				
Community Development Block Grant				
Neighborhood Stabilization Program				
Program Income Expenditures	14.228	10DB-4X-10-40-01-F13	60	
Community Development Block Grant	14.228	19DB-ON-10-40-01-H03	<u>36,534</u>	
Subtotal CFDA - 14.228			<u>36,594</u>	
Continuum of Care:				
Rental Assistance	14.267	FL0114L4H091912	35,270	
Rental Assistance	14.267	FL0116L4H091912	2,400	\$ 2,400
Rental Assistance	14.267	FL0119L4H091912	65,440	
Rental Assistance	14.267	FL0360L4H091910	42,223	
Rental Assistance	14.267	FL0440L4H091908	68,145	
Rental Assistance	14.267	FL0113L4H091806	94,476	5,609
Rental Assistance	14.267	FL0114L4H091811	28,541	1,474
Homeless Management Information Systems	14.267	FL0116L4H091811	30,600	30,600
Rental Assistance	14.267	FL0119L4H091811	230,442	17,608
Rental Assistance	14.267	FL0338L4H091805	73,624	3,916
Rental Assistance	14.267	FL0360L4H091809	63,110	3,508
Rental Assistance	14.267	FL0380L4H091804	93,758	5,756
Homeless Management Information Systems	14.267	FL0418L4H091806	27,840	27,840
Rental Assistance	14.267	FL0440L4H091807	60,884	7,672
Subtotal CFDA - 14.267			<u>916,753</u>	<u>106,383</u>
Housing Voucher Cluster:				
COVID-19 - Section 8 Housing Choice Vouchers Admin	14.871	N/A	42,809	
Section 8 Housing Choice Vouchers	14.871	FL-132	<u>2,522,759</u>	
Subtotal CFDA - 14.871			<u>2,565,568</u>	
Total Department of Housing and Urban Development			<u>3,518,915</u>	<u>106,383</u>

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Justice:				
Passed through Office of the Attorney General:				
Crime Victim Assistance Program	16.575	V-2019-IRCSO-00522	\$ 40,535	
Passed through Florida Department of Law Enforcement:				
COVID-19 - 2019 Local Solicitation Justice Assistance Program	16.034	2020-VD-BX-0442	63,595	
2020 Local Solicitation Justice Assistance Program	16.738	2020-JAGC-INRI-2-Y5-140	11,950	
2019 Local Solicitation Justice Assistance Program	16.738	2019-DJ-BX-0817	19,738	
2017 Local Solicitation Justice Assistance Program	16.738	2017-DJ-BX-0706	17,995	
Subtotal CFDA - 16.738			<u>49,683</u>	
Direct Program:				
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1125	37,339 *	
State Criminal Alien Assistance Program	16.606	2019-AP-BX-1195	33,653 *	
Subtotal CFDA - 16.606			<u>70,992</u>	
Total Department of Justice			<u>224,805</u>	
Department of Transportation:				
Passed through Florida Department of Transportation:				
LAP - 43rd Avenue Sidewalk - Airport Drive to 41st Street	20.205	G1G10	357,726	
Metropolitan Planning Organization	20.205	G0Y81	358,238	
Metropolitan Planning Organization	20.205	G1056	82,503	
Total Highway Planning and Construction Cluster			<u>798,467</u>	
Passed through Florida Department of Transportation:				
Federal Transit Metropolitan Planning Grant	20.505	G0359	12,006	
Federal Transit Metropolitan Planning Grant	20.505	G1480	16,095	
Subtotal CFDA - 20.505			<u>28,101</u>	
COVID-19 - Section 5311 - Non-Urbanized Public Transit	20.509	G1L75	18,327 \$	18,327
Section 5311 Non-Urbanized Public Transit	20.509	G1462	17,700	17,700
Section 5311 Non-Urbanized Public Transit	20.509	G1F64	49,510	49,510
Subtotal CFDA - 20.509			<u>85,537</u>	<u>85,537</u>
COVID-19 - Federal Transit Formula Section 5307 Grant	20.507	FL-2020-075-00	436,196	436,196
Federal Transit Formula Section 5307 Grant	20.507	FL-2018-103-00	62,227	62,227
Federal Transit Formula Section 5307 Grant	20.507	FL-2018-003-00	3,848	3,848
Federal Transit Formula Section 5307 Grant	20.507	FL-2016-033-00	109,014	109,014
Federal Transit Formula Section 5307 Grant	20.507	FL-2019-061-00	1,089,491	1,089,491
Subtotal CFDA - 20.507			<u>1,700,776</u>	<u>1,700,776</u>
Total Federal Transit Cluster			<u>1,700,776</u>	<u>1,700,776</u>
Total Department of Transportation			<u>2,612,881</u>	<u>1,786,313</u>

* Expenditures incurred in prior fiscal years

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Treasury:				
Passed through the Florida Department of Emergency Management:				
Coronavirus Relief Fund	21.019	Y2282	\$ 18,052,288	\$ 2,294,471
Passed through Florida Housing Finance Corp:				
Coronavirus Relief Fund Housing Assistance	21.019	064-2020	20,468	
Total Department of Treasury			18,072,756	2,294,471
Elections Assistance Commission:				
Passed through the Florida Dept. of State Division of Elections:				
Elections Security Grant	90.401	MOA#2019-2020-0001-IND	27,680	
Elections Security Grant	90.401	MOA#2019-2020-0001-IND	1,283	
Subtotal CFDA - 90.401			28,963	
COVID-19 - Elections Security Grant	90.404	MOA#2020-001-IND	163,330	
Total Elections Assistance Commission			192,293	
Department of Health and Human Services, Agency for Children and Families, Office of Child Support Enforcement:				
Passed through Florida Department of Revenue:				
Sheriff Service of Notices	93.563	O0331	8,861	
Child Support Enforcement-Title IV D	93.563	COC31	412,101	
Total Department of Health and Human Services			420,962	
Department of Homeland Security:				
Passed through Division of Emergency Management:				
Disaster Relief Funding - Hurricane Matthew	97.036	FEMA4283	219,356 *	
Disaster Relief Funding - Hurricane Irma	97.036	FEMA4337	29,496 *	
Disaster Relief Funding - Hurricane Dorian	97.036	FEMA4468	3,487,560	
Subtotal CFDA - 97.036			3,736,412	
Emergency Management Performance Grant	97.042	G0071	30,880	
Emergency Management Performance Grant	97.042	G0002	73,142	
Subtotal CFDA - 97.042			104,022	
Operation Stonegarden	97.067	20-DS-R0022	52,301	
Operation Stonegarden	97.067	19-DS-06-10-40-02-196	150,000	
Operation Stonegarden	97.067	18-DS-X5-10-53-02-186	45,434	
Subtotal CFDA - 97.067			247,735	
Total Department of Homeland Security			4,088,169	
TOTAL EXPENDITURES OF FEDERAL AWARDS:			\$ 29,180,781	\$ 4,187,167

* Expenditures incurred in prior fiscal years

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA</u>				
Division of Emergency Management:				
Emergency Management Preparedness and Assistance	31.063	A0090	\$ 25,364	
Emergency Management Preparedness and Assistance	31.063	A0004	74,701	
Subtotal CSFA - 31.063			<u>100,065</u>	
Hazardous Materials Analysis Grant	31.067	T0033	<u>3,051</u>	
Total Division of Emergency Management			<u>103,116</u>	
Department of Environmental Protection:				
Sector 5 Beach Restoration	37.003	19IR3	<u>1,323,235</u>	
Total Department of Environmental Protection			<u>1,323,235</u>	
Department of Economic Opportunity:				
Community Planning Technical Assistance Grant	40.024	P0359	<u>8,140</u>	
Total Department of Economic Opportunity			<u>8,140</u>	
Florida Housing Finance Corporation:				
State Housing Initiatives Partnership	40.901	N/A	<u>285,582</u>	
Total Florida Housing Finance Corporation			<u>285,582</u>	
Department of State:				
State Aid to Libraries	45.030	20-ST-21	<u>85,304</u>	
Total Department of State			<u>85,304</u>	
Department of Transportation:				
Transportation Disadvantaged Grant	55.002	G1857	\$ 18,271	
Transportation Disadvantaged Grant	55.002	G1N52	<u>3,383</u>	
Subtotal CSFA - 55.009			<u>21,654</u>	
SCOP - CR512 Resurfacing	55.009	G0U52	340,975	
SCOP - Resurfacing/Reclamation of 58th Avenue	55.009	G0W37	386,813	
SCOP - Resurfacing 49th Street	55.009	G1913	666,470	
CIGP - State Road 60 and 43rd Avenue Intersection	55.009	G0K60	<u>1,642,556</u>	
Subtotal CSFA - 55.009			<u>3,036,814</u>	
FL Public Transit Block Grant	55.010	G1476	236,700	\$ 236,700
FL Public Transit Block Grant	55.010	G1F69	<u>287,343</u>	<u>287,343</u>
Subtotal CSFA - 55.009			<u>524,043</u>	<u>524,043</u>
FDOT Service Development Grant	55.012	G1276	24,100	24,100
FDOT Service Development Grant	55.012	G1652	<u>309,500</u>	<u>309,500</u>
Subtotal CSFA - 55.012			<u>333,600</u>	<u>333,600</u>
Transit Corridor Grant	55.013	G1650	<u>56,915</u>	<u>56,915</u>
Total Department of Transportation			<u>3,973,026</u>	<u>914,558</u>

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA - Continued</u>				
Department of Health:				
County Awards Grant-Emergency Medical Svc	64.005	C8031	\$ 16,456	
Total Department of Health			16,456	
Department of Revenue:				
Facilities for Retained Spring Training Franchise	73.016	N/A	500,004	
Total Department of Revenue			500,004	
Florida Fish and Wildlife Conservation Commission:				
Derelict Vessel Removal	77.005	19240	18,300	
Total Florida Fish and Wildlife Conservation Commission:			18,300	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:			\$ 6,313,163	\$ 914,558

* Expenditures incurred in prior fiscal years

Indian River County, Florida
Notes to Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Single Audit Report of Indian River County, Florida, (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units. This includes the reporting and compliance requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and other applicable guidance.

A. Reporting Entity

The reporting entity consists of Indian River County, the primary government, and each of its component units. The County includes a Schedule of Expenditures of Federal Awards and State Projects in the Compliance Section.

B. Basis of Accounting

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. The Schedule of Expenditures of Federal Awards and State Projects is maintained on a modified accrual basis of accounting for governmental funds and a full accrual basis for proprietary funds, which is explained further in the notes to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, and other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Program Clusters

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are tested accordingly.

D. Contingencies

Grant revenue amounts received by the County are subject to audit and adjustment by the grantor agencies. Such audits may result in requests for reimbursement by the grantor agency. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 2 - INDIRECT COST RATES

In the absence of a negotiated federal indirect cost rate, the County has elected to use a de minimis rate of 10% of modified total direct costs.

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

March 10, 2021

The Honorable Board of County Commissioners
and Constitutional Officers
Indian River County, Florida

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

We have audited the compliance of *Indian River County, Florida* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs or state projects for the year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Independent Auditors' Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Rehmann Lohman LLC

INDIAN RIVER COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards and State Projects

Internal control over major programs and projects:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Number

21.019

97.067

Name of Federal Program or Cluster

Coronavirus Relief Fund

Homeland Security Grant Program (HSGP)

CSFA Number

37.003

55.010

55.012

73.016

Name of State Project

Beach Management Funding Assistance Program

Public Transit Block Program

Public Transit Service Development Program

Facilities for New Professional Sports, Retained

Professional Sports, or Retained Spring Training

Franchise

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000 (Federal and State)

Auditee qualified as low-risk auditee?

X yes _____ no

INDIAN RIVER COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

None noted.

INDIAN RIVER COUNTY, FLORIDA

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2020

None noted.

JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of Circuit Court and Comptroller
Comptroller Division
1801 27th Street, Building A
Vero Beach, Florida 32960
Telephone (772) 226-1516



AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Jeffrey R. Smith, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Indian River County, which is a local governmental entity of the State of Florida.

2. Indian River County adopted Ordinance No. 2005-015 on May 17, 2005 implementing eight new impact fee categories, plus revised transportation impact fees (9 total impact fee categories). The impact fees were subsequently amended on the following dates:

- March 24, 2009 in Ordinance No. 2009-003, the temporary suspension of five of the nine original impact fees from April 1, 2009 through September 30, 2009.
- September 22, 2009 in Ordinance No. 2009-015, the impact fee rate schedule was updated and the temporary suspension of five of the nine original impact fees from October 1, 2009 through March 31, 2010.
- March 16, 2010 in Ordinance No. 2010-002, the temporary suspension of five of the nine original impact fees was extended until March 31, 2011.
- March 15, 2011 in Ordinance No. 2011-002, the impact fees were amended to suspend three of the nine original impact fees from April 1, 2011 through March 31, 2012.
- March 13, 2012, Ordinance No. 2012-003 continued this suspension from April 1, 2012 through March 31, 2014.
- March 11, 2014, Ordinance No. 2014-004 continued this suspension from April 1, 2014 through March 31, 2015.
- April 22, 2014, Ordinance No. 2014-009 adopted new non-residential impact fee schedules.
- October 14, 2014, Ordinance No. 2014-016 was adopted, which contained new impact fee schedules comprised of the non-residential impact fees adopted as part of Ordinance 2014-009 and new impact fees for residential uses and new impact fees for a new impact fee category for High-Cube Automated Warehouse. Both Ordinance 2014-009 and Ordinance 2014-016 also continued the suspensions of three impact fee categories pending further trend evaluation during the next scheduled impact fee methodological update.

Continued

- On March 10, 2020, Ordinance No. **2020-005** was adopted, which amended the impact fee schedules and included new waiver/reductions for certain Single-Family affordable housing and continued the aforementioned three impact fee category suspensions.

3. Indian River County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

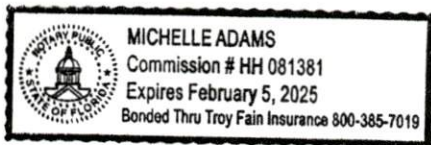

(Chief Financial Officer of the Entity)

STATE OF FLORIDA, COUNTY OF INDIAN RIVER

SWORN TO AND SUBSCRIBED before me this 9th day of March, 2021.


NOTARY PUBLIC

Print Name Michelle Adams



Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 2/5/2025

BOARD OF COUNTY COMMISSIONERS

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Board of County Commissioners
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Board of County Commissioners** (the "Board"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the funds of the Board as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Board of County Commissioners* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Board of County Commissioners
Balance Sheet
Governmental Funds
September 30, 2020

	General	Impact Fees	Transportation
ASSETS			
Cash and investments	\$ 56,571,107	\$ 28,890,087	\$ 10,013,970
Accounts receivable	916,542	-	2,957
Special assessments receivable	-	-	163,190
Due from other funds	433,421	-	-
Due from other governments	19,955,559	169,844	588,036
Interest receivable	130,920	59,261	195,712
Inventories	38,075	-	-
Prepays and other assets	71,921	-	13,365
Advances to other funds	183,568	-	-
Total assets	<u>\$ 78,301,113</u>	<u>\$ 29,119,192</u>	<u>\$ 10,977,230</u>
LIABILITIES			
Accounts payable	\$ 2,563,991	\$ 294,107	\$ 951,270
Retainage payable	5,163	-	-
Due to other funds	-	-	-
Due to other governments	251,890	78,368	-
Unearned revenues	241,886	-	-
Other deposits	21,652	-	-
Total liabilities	<u>3,084,582</u>	<u>372,475</u>	<u>951,270</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	338,395
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	16,068,984	-	343,403
Unavailable revenue - investment interest	38,978	17,848	6,176
Total deferred inflows of resources	<u>16,107,962</u>	<u>17,848</u>	<u>687,974</u>
FUND BALANCES			
Nonspendable:			
Inventories	38,075	-	-
Prepaid items	71,921	-	13,365
Advances to other funds	259,687	-	-
Restricted for:			
Transportation/road improvements	-	18,477,797	-
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	1,817,217	-
Fire/emergency services	-	1,298,911	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	212,195	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Coronavirus assistance	-	-	-
Debt service	-	-	-
Capital projects	-	1,626,893	-
Parks/recreational projects	815,990	5,295,856	-
Committed to:			
Economic incentives	1,022,573	-	-
Environmental conservation/preservation	-	-	-
Library services	33,784	-	-
Parks/recreational projects	158,428	-	-
Assigned to:			
Transportation/road improvements	-	-	9,324,621
Unassigned (deficit)	56,708,111	-	-
Total fund balances	<u>59,108,569</u>	<u>28,728,869</u>	<u>9,337,986</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 78,301,113</u>	<u>\$ 29,119,192</u>	<u>\$ 10,977,230</u>

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

Emergency Services District	Beach Restoration	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 20,558,744	\$ 11,604,294	\$ 90,440,820	\$ 21,612,023	\$ 239,691,045
2,217,326	-	61,000	41,442	3,239,267
-	-	-	-	163,190
-	-	851,024	-	1,284,445
995,223	4,672,390	3,583,196	2,456,347	32,420,595
43,558	23,917	189,405	48,063	690,836
48,591	-	-	-	86,666
21,057	250	-	7,270	113,863
-	-	-	-	183,568
<u>\$ 23,884,499</u>	<u>\$ 16,300,851</u>	<u>\$ 95,125,445</u>	<u>\$ 24,165,145</u>	<u>\$ 277,873,475</u>
\$ 1,703,996	\$ 164,476	\$ 1,979,996	\$ 2,960,464	\$ 10,618,300
-	-	594,216	7,257	606,636
-	-	-	932,024	932,024
-	-	-	-	330,258
-	-	-	1,811,509	2,053,395
-	-	-	-	21,652
<u>1,703,996</u>	<u>164,476</u>	<u>2,574,212</u>	<u>5,711,254</u>	<u>14,562,265</u>
-	-	-	-	338,395
2,098,725	-	-	-	2,098,725
617,315	4,604,811	1,703,556	1,736,057	25,074,126
13,119	7,203	57,044	14,447	154,815
<u>2,729,159</u>	<u>4,612,014</u>	<u>1,760,600</u>	<u>1,750,504</u>	<u>27,666,061</u>
48,591	-	-	-	86,666
21,057	250	-	7,270	113,863
-	-	-	-	259,687
-	-	-	6,121,639	24,599,436
-	-	-	244,058	244,058
-	-	-	1,373,953	1,373,953
-	-	-	2,220,640	4,037,857
19,381,696	-	-	-	20,680,607
-	-	-	1,168,169	1,168,169
-	11,524,111	-	-	11,524,111
-	-	-	1,333,844	1,333,844
-	-	-	-	212,195
-	-	-	1,083,205	1,083,205
-	-	-	1,771,754	1,771,754
-	-	-	27,133	27,133
-	-	-	627,116	627,116
-	-	90,790,633	-	92,417,526
-	-	-	-	6,111,846
-	-	-	-	1,022,573
-	-	-	1,042,421	1,042,421
-	-	-	-	33,784
-	-	-	-	158,428
-	-	-	-	9,324,621
-	-	-	(317,815)	56,390,296
<u>19,451,344</u>	<u>11,524,361</u>	<u>90,790,633</u>	<u>16,703,387</u>	<u>235,645,149</u>
<u>\$ 23,884,499</u>	<u>\$ 16,300,851</u>	<u>\$ 95,125,445</u>	<u>\$ 24,165,145</u>	<u>\$ 277,873,475</u>

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Impact Fees	Transportation
REVENUES			
Taxes	\$ 76,282,083	\$ -	\$ -
Permits, fees and special assessments	9,462,719	7,500,725	490,819
Intergovernmental	17,625,898	-	3,081,998
Charges for services	2,238,080	-	95,538
Judgments, fines and forfeits	242,472	-	500
Interest	1,450,020	422,066	156,602
Miscellaneous	4,752,652	6,000	419,027
Total revenues	<u>112,053,924</u>	<u>7,928,791</u>	<u>4,244,484</u>
EXPENDITURES			
General government	11,850,764	658,555	342,210
Public safety	4,306,283	-	-
Physical environment	325,033	-	1,001,821
Transportation	4,202,981	1,424,274	13,873,064
Economic environment	473,417	-	-
Human services	5,298,834	-	-
Culture/recreation	11,117,375	900,282	-
Court related	457,849	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Capital projects	-	-	-
Total expenditures	<u>38,032,536</u>	<u>2,983,111</u>	<u>15,217,095</u>
Excess of revenues over (under) expenditures	74,021,388	4,945,680	(10,972,611)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	-	111,746
Transfers in	90,000	-	11,724,151
Transfers out	(13,287,623)	-	(77,319)
Transfers to constitutional officers	(57,409,966)	-	-
Total other financing sources (uses)	<u>(70,607,589)</u>	<u>-</u>	<u>11,758,578</u>
Net change in fund balances	3,413,799	4,945,680	785,967
Fund balances at beginning of year	<u>55,694,770</u>	<u>23,783,189</u>	<u>8,552,019</u>
Fund balances at end of year	<u>\$ 59,108,569</u>	<u>\$ 28,728,869</u>	<u>\$ 9,337,986</u>

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

Emergency Services District	Beach Restoration	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 34,801,213	\$ 1,017,849	\$ 18,984,618	\$ 9,907,703	\$ 140,993,466
-	-	-	505,021	17,959,284
355,120	76,028	5,732	11,803,969	32,948,745
7,194,148	-	-	953,026	10,480,792
19,000	-	-	265,279	527,251
506,083	230,101	1,460,299	415,881	4,641,052
517,727	-	1,593,398	343,275	7,632,079
43,393,291	1,323,978	22,044,047	24,194,154	215,182,669
-	-	-	1,194,217	14,045,746
37,826,281	-	-	1,359,222	43,491,786
-	-	-	392,439	1,719,293
-	-	-	7,134,856	26,635,175
-	-	-	246,593	720,010
-	-	-	6,153,560	11,452,394
-	7,432,799	-	2,221,384	21,671,840
-	-	-	556,673	1,014,522
-	-	-	7,558,000	7,558,000
-	-	-	325,774	325,774
-	-	17,302,374	-	17,302,374
37,826,281	7,432,799	17,302,374	27,142,718	145,936,914
5,567,010	(6,108,821)	4,741,673	(2,948,564)	69,245,755
287,126	-	-	-	398,872
-	193,933	-	1,473,044	13,481,128
-	-	(180,197)	(945,500)	(14,490,639)
(802,755)	-	(1,311,278)	(2,170,163)	(61,694,162)
(515,629)	193,933	(1,491,475)	(1,642,619)	(62,304,801)
5,051,381	(5,914,888)	3,250,198	(4,591,183)	6,940,954
14,399,963	17,439,249	87,540,435	21,294,570	228,704,195
\$ 19,451,344	\$ 11,524,361	\$ 90,790,633	\$ 16,703,387	\$ 235,645,149

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 75,018,191	\$ 75,018,191	\$ 76,282,083	\$ 1,263,892
Permits, fees and special assessments	8,948,050	8,948,050	9,462,719	514,669
Intergovernmental	14,227,196	28,406,468	17,625,898	(10,780,570)
Charges for services	2,907,362	2,941,252	2,238,080	(703,172)
Judgments, fines and forfeits	287,963	287,963	242,472	(45,491)
Interest	280,250	280,250	1,450,020	1,169,770
Miscellaneous	4,010,681	4,210,681	4,752,652	541,971
Total revenues	<u>105,679,693</u>	<u>120,092,855</u>	<u>112,053,924</u>	<u>(8,038,931)</u>
EXPENDITURES				
General government	12,397,138	13,801,983	11,850,764	1,951,219
Public safety	4,353,955	4,691,479	4,306,283	385,196
Physical environment	510,076	572,724	325,033	247,691
Transportation	1,160,000	15,034,612	4,202,981	10,831,631
Economic environment	503,942	509,740	473,417	36,323
Human services	5,829,644	6,094,785	5,298,834	795,951
Culture/recreation	11,678,894	13,558,970	11,117,375	2,441,595
Court related	521,012	524,662	457,849	66,813
Total expenditures	<u>36,954,661</u>	<u>54,788,955</u>	<u>38,032,536</u>	<u>16,756,419</u>
Excess of revenues over (under) expenditures	68,725,032	65,303,900	74,021,388	8,717,488
OTHER FINANCING SOURCES (USES)				
Transfers in	-	90,000	90,000	-
Transfers out	(11,934,745)	(13,287,624)	(13,287,623)	1
Transfers to constitutional officers	(59,438,680)	(59,850,884)	(57,409,966)	2,440,918
Total other financing sources (uses)	<u>(71,373,425)</u>	<u>(73,048,508)</u>	<u>(70,607,589)</u>	<u>2,440,919</u>
Net change in fund balances	(2,648,393)	(7,744,608)	3,413,799	<u>\$ 11,158,407</u>
Fund balances at beginning of year	<u>2,648,393</u>	<u>7,744,608</u>	<u>55,694,770</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,108,569</u>	

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

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Impact Fees Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Permits, fees and special assessments	\$ 4,179,997	\$ 4,179,997	\$ 7,500,725	\$ 3,320,728
Interest	47,500	47,500	422,066	374,566
Miscellaneous	-	-	6,000	6,000
Total revenues	<u>4,227,497</u>	<u>4,227,497</u>	<u>7,928,791</u>	<u>3,701,294</u>
EXPENDITURES				
General government	467,670	1,049,978	658,555	391,423
Public safety	175,000	175,000	-	175,000
Transportation	5,152,000	10,593,667	1,424,274	9,169,393
Culture/recreation	1,041,913	2,989,961	900,282	2,089,679
Total expenditures	<u>6,836,583</u>	<u>14,808,606</u>	<u>2,983,111</u>	<u>11,825,495</u>
Net change in fund balances	(2,609,086)	(10,581,109)	4,945,680	<u>\$ 15,526,789</u>
Fund balances at beginning of year	<u>2,609,086</u>	<u>10,581,109</u>	<u>23,783,189</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,728,869</u>	

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

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Transportation Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Permits, fees and special assessments	\$ 451,250	\$ 451,250	\$ 490,819	\$ 39,569
Intergovernmental	3,042,779	3,042,779	3,081,998	39,219
Charges for services	92,150	92,150	95,538	3,388
Judgments, fines and forfeits	-	-	500	500
Interest	42,750	42,750	156,602	113,852
Miscellaneous	373,825	373,825	419,027	45,202
Total revenues	4,002,754	4,002,754	4,244,484	241,730
EXPENDITURES				
General government	362,756	373,867	342,210	31,657
Physical environment	1,078,028	1,211,622	1,001,821	209,801
Transportation	15,003,150	15,998,530	13,873,064	2,125,466
Total expenditures	16,443,934	17,584,019	15,217,095	2,366,924
Excess of revenues over (under) expenditures	(12,441,180)	(13,581,265)	(10,972,611)	2,608,654
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	111,746	111,746
Transfers in	11,692,691	11,840,401	11,724,151	(116,250)
Transfers out	(77,319)	(77,319)	(77,319)	-
Total other financing sources (uses)	11,615,372	11,763,082	11,758,578	(4,504)
Net change in fund balances	(825,808)	(1,818,183)	785,967	<u>\$ 2,604,150</u>
Fund balances at beginning of year	825,808	1,818,183	8,552,019	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,337,986</u>	

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

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Emergency Services District Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 34,231,964	\$ 34,231,964	\$ 34,801,213	\$ 569,249
Intergovernmental	52,250	68,706	355,120	286,414
Charges for services	6,167,405	6,399,492	7,194,148	794,656
Judgments, fines and forfeits	4,750	4,750	19,000	14,250
Interest	71,250	71,250	506,083	434,833
Miscellaneous	190	190	517,727	517,537
Total revenues	<u>40,527,809</u>	<u>40,776,352</u>	<u>43,393,291</u>	<u>2,616,939</u>
EXPENDITURES				
Public safety	<u>40,014,095</u>	<u>43,237,148</u>	<u>37,826,281</u>	<u>5,410,867</u>
Total expenditures	<u>40,014,095</u>	<u>43,237,148</u>	<u>37,826,281</u>	<u>5,410,867</u>
Excess of revenues over (under) expenditures	513,714	(2,460,796)	5,567,010	8,027,806
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	287,126	287,126
Transfers to constitutional officers	<u>(673,492)</u>	<u>(826,659)</u>	<u>(802,755)</u>	<u>23,904</u>
Total other financing sources (uses)	<u>(673,492)</u>	<u>(826,659)</u>	<u>(515,629)</u>	<u>311,030</u>
Net change in fund balances	(159,778)	(3,287,455)	5,051,381	<u>\$ 8,338,836</u>
Fund balances at beginning of year	<u>159,778</u>	<u>3,287,455</u>	<u>14,399,963</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,451,344</u>	

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

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Beach Restoration Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,017,849	\$ (32,151)
Intergovernmental	-	-	76,028	76,028
Interest	10,000	10,000	230,101	220,101
Total revenues	1,060,000	1,060,000	1,323,978	263,978
EXPENDITURES				
Culture/recreation	2,112,704	2,112,704	7,432,799	(5,320,095)
Total expenditures	2,112,704	2,112,704	7,432,799	(5,320,095)
Excess of revenues over (under) expenditures	(1,052,704)	(1,052,704)	(6,108,821)	(5,056,117)
OTHER FINANCING SOURCES (USES)				
Transfers in	193,933	193,933	193,933	-
Total other financing sources (uses)	193,933	193,933	193,933	-
Net change in fund balances	(858,771)	(858,771)	(5,914,888)	<u><u>\$ (5,056,117)</u></u>
Fund balances at beginning of year	858,771	858,771	17,439,249	
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,524,361</u></u>	

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

Indian River County, Florida
Board of County Commissioners
Statement of Fund Net Position
Proprietary Funds
September 30, 2020

	Enterprise Funds					Internal Service Funds
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	
ASSETS						
Current assets:						
Cash and investments	\$ 17,583,893	\$ 894,703	\$ 43,722,873	\$ 7,665,786	\$ 69,867,255	\$ 35,132,937
Accounts receivable - net	152,361	1,664	3,139,075	40,789	3,333,889	794,491
Due from other governments	408,021	3,624	453,088	14,731	879,464	52,691
Interest receivable	41,673	1,585	658,789	15,868	717,915	67,976
Inventories	-	111,769	1,350,177	-	1,461,946	247,762
Prepays and other assets	-	11,500	808	-	12,308	1,586,946
Current restricted assets:						
Cash and investments	8,106,914	-	37,031,871	-	45,138,785	-
Total current assets	26,292,862	1,024,845	86,356,681	7,737,174	121,411,562	37,882,803
Non-current assets:						
Capital assets - non-depreciable	12,522,347	6,622,459	32,428,273	63,774	51,636,853	134,672
Capital assets - depreciable	38,375,210	5,101,567	455,808,111	571,891	499,856,779	4,704,510
Capital assets - accumulated depreciation	(17,056,903)	(2,243,632)	(307,444,947)	(431,442)	(327,176,924)	(3,247,457)
Non-current restricted assets:						
Special assessments receivable	-	-	1,560,028	-	1,560,028	-
Impact fees receivable	-	-	260,846	-	260,846	-
Liens receivable	-	-	2,527,412	-	2,527,412	-
Total non-current assets	33,840,654	9,480,394	185,139,723	204,223	228,664,994	1,591,725
Total assets	60,133,516	10,505,239	271,496,404	7,941,397	350,076,556	39,474,528
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	217,640	176,482	2,662,130	595,167	3,651,419	504,765
Deferred outflows related to other postemployment benefits	24,157	6,938	303,793	73,442	408,330	59,339
Deferred amounts on refundings	-	-	159,902	-	159,902	-
Total deferred outflows of resources	241,797	183,420	3,125,825	668,609	4,219,651	564,104
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	966,814	51,669	2,668,208	237,504	3,924,195	5,901,847
Retainage payable	-	-	392,219	-	392,219	-
Due to other funds	-	352,421	-	-	352,421	-
Claims payable	-	-	-	-	-	2,649,000
Due to other governments	-	11,654	-	30,547	42,201	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	69,938	12,195	1,353,144	1,435,277	-
Pollution remediation costs payable	-	-	251,300	-	251,300	-
Accrued compensated absences	49,038	29,645	612,578	125,381	816,642	93,691
Total current liabilities (payable from current assets)	1,015,852	516,327	3,936,500	1,746,576	7,215,255	8,644,538
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	11,895	-	11,895	-
Accrued interest payable	-	-	2,932	-	2,932	-
Closure and maintenance costs payable	1,949,965	-	-	-	1,949,965	-
Notes payable	-	-	1,058,000	-	1,058,000	-
Customer deposits	165,243	-	3,294,826	-	3,460,069	-
Total current liabilities (payable from restricted assets)	2,115,208	-	4,367,653	-	6,482,861	-
Total current liabilities	3,131,060	516,327	8,304,153	1,746,576	13,698,116	8,644,538
Non-current liabilities:						
Accrued compensated absences	15,700	43,151	227,962	20,915	307,728	101,148
Advance from other funds	-	183,568	-	-	183,568	-
Claims payable	-	-	-	-	-	5,295,000
Closure and maintenance costs payable	5,491,706	-	-	-	5,491,706	-
Net pension liability	664,449	558,460	8,540,918	1,968,727	11,732,554	1,626,471
Net other postemployment benefits liability	8,115	2,491	97,520	21,962	130,088	13,430
Notes payable	-	-	1,074,000	-	1,074,000	-
Total non-current liabilities	6,179,970	787,670	9,940,400	2,011,604	18,919,644	7,036,049
Total liabilities	9,311,030	1,303,997	18,244,553	3,758,180	32,617,760	15,680,587
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	10,033	17,837	214,076	315	242,261	21,055
Deferred inflows related to other postemployment benefits	53,286	15,577	661,252	156,778	886,893	119,116
Total deferred inflows of resources	63,319	33,414	875,328	157,093	1,129,154	140,171
NET POSITION						
Net investment in capital assets	33,826,409	9,480,394	177,849,348	186,045	221,342,196	1,418,822
Unrestricted (deficit)	17,174,555	(129,146)	77,653,000	4,508,688	99,207,097	22,799,052
Total net position	\$ 51,000,964	\$ 9,351,248	\$ 255,502,348	\$ 4,694,733	\$ 320,549,293	\$ 24,217,874

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

Indian River County, Florida
Board of County Commissioners
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 16,638,875	\$ 3,234,590
Total operating revenues	16,638,875	3,234,590
OPERATING EXPENSES		
Personal services	865,765	633,933
Material, supplies, services and other operating	13,790,934	1,912,628
Depreciation	1,171,336	252,108
Total operating expenses	15,828,035	2,798,669
Operating income (loss)	810,840	435,921
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	193,378	-
Interest income	463,843	17,359
Gain on disposal of assets	4,220	156
Interest expense	-	(15,496)
Loss on disposal of assets	-	-
Total nonoperating revenues (expenses)	661,441	2,019
Income (loss) before transfers and capital contributions	1,472,281	437,940
Capital grants and contributions	-	18,553
Transfers	(777,875)	-
Change in net position	694,406	456,493
Total net position - beginning	50,306,558	8,894,755
Total net position - ending	\$ 51,000,964	\$ 9,351,248

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

Enterprise Funds			
County Utilities	County Building	Total	Internal Service Funds
\$ 34,484,220	\$ 3,556,867	\$ 57,914,552	\$ 35,437,701
34,484,220	3,556,867	57,914,552	35,437,701
11,073,448	3,054,391	15,627,537	3,708,834
17,269,676	1,894,988	34,868,226	30,332,140
14,335,660	79,957	15,839,061	397,905
42,678,784	5,029,336	66,334,824	34,438,879
(8,194,564)	(1,472,469)	(8,420,272)	998,822
-	-	193,378	8,813
1,383,740	126,216	1,991,158	523,889
1,887	-	6,263	-
(138,517)	-	(154,013)	-
(171)	-	(171)	(1,254)
1,246,939	126,216	2,036,615	531,448
(6,947,625)	(1,346,253)	(6,383,657)	1,530,270
8,058,506	-	8,077,059	173,672
885,391	-	107,516	901,995
1,996,272	(1,346,253)	1,800,918	2,605,937
253,506,076	6,040,986	318,748,375	21,611,937
\$ 255,502,348	\$ 4,694,733	\$ 320,549,293	\$ 24,217,874

Indian River County, Florida
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 16,567,665	\$ 3,259,917
Cash paid to suppliers for goods and services	(14,736,397)	(2,019,923)
Cash paid to employees for services	(795,023)	(582,772)
Net cash provided by (used in) operating activities	1,036,245	657,222
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	(777,875)	-
Operating grants	1,011,083	2,387
Net cash provided by (used in) noncapital financing activities	233,208	2,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(15,496)
Payments on advances from other funds	-	(352,942)
Proceeds from advances from other funds	-	316,900
Proceeds from sales of capital assets	4,220	156
Purchase of capital assets	(1,623,052)	(384,905)
Bond paying agent and arbitrage fees	-	-
Capital grants and contributions	-	-
Net cash provided by (used in) capital and related financing activities	(1,618,832)	(436,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	484,932	18,482
Net cash provided by investing activities	484,932	18,482
Net increase (decrease) in cash and investments	135,553	241,804
Cash and investments at beginning of year	25,555,254	652,899
Cash and investments at end of year	\$ 25,690,807	\$ 894,703
Classified as:		
Current assets	\$ 17,583,893	\$ 894,703
Restricted assets	8,106,914	-
Totals	\$ 25,690,807	\$ 894,703

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

Enterprise Funds			
County Utilities	County Building	Total	Internal Service Funds
\$ 35,065,923	\$ 3,967,060	\$ 58,860,565	\$ 36,590,368
(16,450,403)	(1,899,140)	(35,105,863)	(31,022,082)
(10,140,871)	(2,772,662)	(14,291,328)	(3,494,342)
8,474,649	(704,742)	9,463,374	2,073,944
885,391	-	107,516	901,995
66,522	-	1,079,992	-
951,913	-	1,187,508	901,995
(1,042,000)	-	(1,042,000)	-
(52,371)	-	(67,867)	-
-	-	(352,942)	-
-	-	316,900	-
1,887	-	6,263	-
(16,541,214)	(126,015)	(18,675,186)	(225,803)
(4,150)	-	(4,150)	-
3,577,597	-	3,577,597	-
(14,060,251)	(126,015)	(16,241,385)	(225,803)
1,492,735	138,707	2,134,856	561,490
1,492,735	138,707	2,134,856	561,490
(3,140,954)	(692,050)	(3,455,647)	3,311,626
83,895,698	8,357,836	118,461,687	31,821,311
\$ 80,754,744	\$ 7,665,786	\$ 115,006,040	\$ 35,132,937
\$ 43,722,873	\$ 7,665,786	\$ 69,867,255	\$ 35,132,937
37,031,871	-	45,138,785	-
\$ 80,754,744	\$ 7,665,786	\$ 115,006,040	\$ 35,132,937

Continued

Indian River County
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 810,840	\$ 435,921
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,171,336	252,108
Work in progress reclassified as expense	-	-
(Increase) decrease in assets:		
Accounts receivable	(38,253)	(273)
Due from other governments	(22,943)	10,324
Inventories	-	5,232
Liens receivable	-	-
Impact fees receivable	-	-
Special assessments receivable	-	-
Prepaid items	-	(10,262)
Decrease (increase) in liabilities:		
Accounts payable	(232,452)	(105,359)
Due to other governments	(1,514)	3,094
Retainage payable	-	-
Customer deposits	(8,500)	-
Closure and maintenance costs payable	(713,011)	-
Pollution remediation costs payable	-	-
Net pension liability	126,615	95,480
Deferred inflows of resources related to the net pension liability	(25,355)	(19,120)
Deferred outflows of resources related to the net pension liability	(24,492)	(18,469)
Net OPEB liability	(6,181)	(1,709)
Deferred inflows of resources related to the net OPEB liability	4,971	1,375
Deferred outflows of resources related to the net OPEB liability	(9,649)	(2,669)
Unearned revenues	-	15,276
Claims payable	-	-
Accrued compensated absences	4,833	(3,727)
Total adjustments	225,405	221,301
Net cash provided by (used in) operating activities	\$ 1,036,245	\$ 657,222
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in fair value of investments	\$ 7,320	\$ 1,496
Capital grants and contributions	\$ -	\$ 18,553
Capital assets purchased through accounts payable	\$ 14,245	\$ -

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

Enterprise Funds			
County Utilities	County Building	Total	Internal Service Funds
\$ (8,194,564)	\$ (1,472,469)	\$ (8,420,272)	\$ 998,822
14,335,660	79,957	15,839,061	397,905
2,873	-	2,873	-
136,214	(40,789)	56,899	710,228
(115,188)	5,800	(122,007)	442,440
68,271	-	73,503	19,384
138,220	-	138,220	-
235,146	-	235,146	-
323,527	-	323,527	-
(808)	112	(10,958)	(367,424)
166,178	(7,636)	(179,269)	(31,903)
(1,607)	3,372	3,345	-
194,846	-	194,846	-
(10,191)	-	(18,691)	-
-	-	(713,011)	-
251,300	-	251,300	-
1,660,526	483,628	2,366,249	363,241
(332,527)	(96,848)	(473,850)	(72,741)
(321,207)	(93,552)	(457,720)	(70,265)
(78,505)	(19,330)	(105,725)	(17,226)
63,150	15,549	85,045	13,858
(122,569)	(30,181)	(165,068)	(26,895)
12,195	445,182	472,653	-
-	-	-	(310,000)
63,709	22,463	87,278	24,520
16,669,213	767,727	17,883,646	1,075,122
\$ 8,474,649	\$ (704,742)	\$ 9,463,374	\$ 2,073,944

\$ 10,206	\$ 1,599	\$ 20,621	\$ 10,428
\$ 5,010,563	\$ -	\$ 5,029,116	\$ 173,672
\$ 927,882	\$ 18,178	\$ 960,305	\$ 172,903

Indian River County, Florida
Board of County Commissioners
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash	\$ 3,005,029	\$ 76,576
Investments, at fair value:		
Index funds	-	16,523,170
U.S. government securities funds	-	12,843,800
Money market fund	-	3,210,957
Total assets	<u>\$ 3,005,029</u>	<u>\$ 32,654,503</u>
LIABILITIES		
Due to other governments	\$ 739,038	\$ -
Other deposits held in escrow	2,265,991	-
Total liabilities	<u>\$ 3,005,029</u>	<u>-</u>
NET POSITION		
Net position restricted for OPEB		32,654,503
Total net position		<u>\$ 32,654,503</u>

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

Indian River County, Florida
Board of County Commissioners
Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Fund
For the Year Ended September 30, 2020

ADDITIONS

Employer contributions	\$ 2,206,025
Net appreciation in fair value of investments	2,520,594
Less investment expense	<u>(2,115)</u>
Net investment income	<u>2,518,479</u>
Total additions	<u>4,724,504</u>

DEDUCTIONS

Benefit payments	<u>2,577,846</u>
Total deductions	<u>2,577,846</u>
Change in net position	2,146,658
Net position - beginning	<u>30,507,845</u>
Net position - ending	<u><u>\$ 32,654,503</u></u>

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



Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of County Commissioners (Board) is a County agency and a local governmental entity pursuant to Article VIII, Section 1(e) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Board does not meet the definition of a legally separate organization and is not considered to be a component unit. The Board is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Board only.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the Board) and its component units. However, some component units, because of the closeness of their relationship with the Board, should be blended as though they are part of the Board. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of: (1) the primary government (the Board), (2) organizations for which the Board is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Board is financially accountable if it (a) serves as the governing body of the legally separate organization and there is a financial burden/benefit relationship or management has operational responsibility of the organization, (b) the organization provides almost exclusive service or benefit to the primary government, or (c) total debt of the organization is repayable almost entirely from the resources of the primary government. Based on these criteria, management determined that the Solid Waste Disposal District and the Emergency Services District were the only organizations that should be included in the Board's financial statements as blended component units.

Blended Component Units

Solid Waste Disposal District (SWDD) - Created pursuant to County Ordinance 87-67, the Board of County Commissioners serves as the governing body for and has operational responsibility over the SWDD. The Board also sets the non ad valorem assessment fees for the SWDD. Although legally separate, the SWDD is appropriately blended as a proprietary fund type (enterprise) component unit into the primary government.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Blended Component Units - Continued

Emergency Services District (EMS) - Created pursuant to County Ordinance 90-25, the Board of County Commissioners serves as the governing body for and has operational responsibility over the EMS. The Board also sets the millage rate for the EMS. Although legally separate, the EMS is appropriately blended as a governmental fund type (special revenue) component unit into the primary government.

B. Fund Financial Statements

The underlying accounting system of the Board is organized and operated on the basis of separate funds, each of which is considered to be 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 balances, revenues and expenditures or expenses, as appropriate. Governmental 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.

Fund financial statements for the Board's governmental, proprietary, and fiduciary funds are presented. Governmental accounting standards set forth minimum criteria (percentage of the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The Statement of Fiduciary Net Position presents assets held by the Board in a custodial capacity for other individuals or organizations.

See Note 16 for more information on the spending hierarchy of fund balances in the fund financial statements.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Financial Statements - Continued

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 45 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Board.

Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Long-term receivables are reported on their balance sheets in spite of their spending measurement focus. Advances and notes to other funds are offset as nonspendable fund balance. See Note 16 for more information on the categories and descriptions of fund balances in the fund financial statements.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Financial Statements - Continued

Governmental Funds - Continued

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The Board's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Proprietary fund operating revenues, such as charges for services and premiums charged to the Board and employees under various insurance programs, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Principal operating expenses include salary and benefits, cost of sales and services, claims, and insurance premiums. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Financial Statements - Continued

Fiduciary Funds

The fiduciary financial statements include financial information for the Agency Fund and the Other Postemployment Benefits Trust Fund. The Agency Fund of the Board primarily represents assets held by the Board in a custodial capacity for other individuals or governments. The Other Postemployment Benefits Trust Fund (OPEB Trust) accounts for activities of the OPEB Trust, which accumulates resources for health insurance benefit payments for current retirees and for current employees upon their retirement. The Agency and Trust Fund statements are presented using the accrual basis of accounting.

Governmental Major Funds

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources, except those accounted for and reported in another fund.

Impact Fees Fund - The Impact Fees Fund accounts for the receipt of various impact fees. Funds are used for the construction of roads and bridges, correctional, public safety, library, park, public building, and solid waste facilities. Funds are also used for administrative expenditures of monitoring the aforementioned activities.

Beach Restoration Fund - The Beach Restoration Fund accounts for the expenditures of funds to preserve and improve County beaches. Funds are provided by the levy of a local tourist development tax.

Transportation Fund - The Transportation Fund accounts for expenditures incurred for the maintenance and repair of County roads. Financing is provided by the 5th and 6th cent gas tax, County gas tax and transfers from the General Fund.

Emergency Services District Fund - The Emergency Services District Fund accounts for the expenditures of providing fire protection and advanced life support to the County. Ad valorem taxes are the primary source of revenue.

Optional Sales Tax Fund - The Optional Sales Tax Fund accounts for revenue generated by the local option one-cent sales tax and some capital grants that use the local option one-cent sales tax as matching funds. Monies are used for various capital projects.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Financial Statements - Continued

Proprietary Major Funds

Solid Waste Disposal District - The Solid Waste Disposal District Fund accounts for the revenues, expenses, assets, and liabilities associated with the County landfill.

Golf Course Fund - The Golf Course Fund accounts for the revenues, expenses, assets, and liabilities associated with the County golf course.

County Utilities Fund - The County Utilities Fund accounts for the revenues, expenses, assets, and liabilities associated with the County water and sewer system.

County Building Fund - The County Building Fund accounts for revenues, expenses, assets, and liabilities associated with the County building permit and inspection program.

Other Fund Types

Internal Service Funds - Internal Service Funds account for Fleet Management, Self Insurance, and Information Technology services provided to other departments of the Board on a cost reimbursement basis.

Agency Fund - The Agency Fund is used to account for assets held in a custodial capacity by the Board for other governmental units, other funds, individuals, and businesses. Examples include payroll deductions, self insurance premiums, and developer escrow funds.

Other Postemployment Benefits Trust Fund - The Other Postemployment Benefits Trust Fund (OPEB Trust) accounts for activities of the OPEB Trust, which accumulates resources for health insurance benefit payments for current retirees and for current employees upon their retirement. Contributions are recorded when earned and benefit payments and refunds when incurred within each year.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Cash and Investments

Cash reported on the financial statements includes bank deposits, cash on hand, certificates of deposit, money market accounts, and all highly liquid investments with maturities of ninety days or less when purchased. Investments consist of U.S. Treasury Securities, U.S. Government Agency Securities, and the Florida Cooperative Liquid Assets Securities System (FLCLASS) investment pool and the FL Short Term Asset Reserve (FLSTAR). Investments are reported at market value based upon the custodian bank's valuation. The FLCLASS and FLSTAR values are measured at the net asset value per share determined by the pool. Refer to Note 3C, Investments, for further information on individual investments.

The Board maintains a cash and investment pool that is available for use by all funds. Earnings for the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pools are classified as cash and investments for financial statement purposes. In addition, longer-term investments are held by several of the Board's funds and are, therefore, reported as current restricted cash and investments on these statements. When restricted and unrestricted resources are available, expenses are paid first from restricted resources.

D. Allowance for Doubtful Accounts

The Board provides an allowance for water and sewer and ambulance service accounts receivables that may become uncollectable. At September 30, 2020, the allowance for water and sewer was \$424,493 and for ambulance services was \$114,932. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2020.

E. Due from Other Governments

This account represents funds due from state and federal agencies for monthly revenue shares and grant reimbursements. It also includes excess fees due from the County's constitutional officers at September 30, 2020.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Inventories

Inventories are valued at cost, which approximates market, using the “first-in, first-out” method of accounting, with the exception of the Golf Course and Fleet Internal Service Fund’s inventories which are valued using the average cost method of accounting. Inventories of all funds are recorded as expenditures (expenses) when consumed rather than when purchased.

G. Prepaids and Other Assets

This account represents prepayments for services that will be used in future periods. The Board’s policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

H. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, right-of-ways, water and sewer distribution systems, beach restoration, stormwater systems and similar items), and intangible assets (e.g. software, easements, and rights), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost. Donated capital assets, donated works of art, historical treasures and similar assets, as well as capital assets that are received in a service concession arrangement are reported at original acquisition value. Transfers of capital assets within the Board are recorded at their carrying value at the time of the transfer. The costs of normal maintenance and repairs that do not add to the value of the asset nor materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Board holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court and Comptroller, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them under Florida Law.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Capital Assets - Continued

Capital assets used by the Board's governmental funds are reported in the financial statements of the County. Capital assets of the Board's enterprise and internal service funds are reported in the Proprietary Funds' financial statements.

Property, plant, equipment, intangible, and infrastructure assets of the primary government, as well as the component units, are depreciated, or amortized as in the case of intangible assets, using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	10 - 50
Machinery and equipment	3 - 10
Utility distribution systems	25 - 50
Road and bridge infrastructure	20 - 50
Fiberoptics	20
Software	3 - 5
Beach preservation infrastructure	7
Stormwater infrastructure	30

I. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Board did not have any capitalized interest.

J. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Board has three items that qualify for reporting in these categories.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. Deferred Outflows/Inflows of Resources - Continued

The first item is unavailable revenue, which arises under a current financial resources focus of accounting, and is reported as a deferred inflow of resources in the governmental funds balance sheet. The sources of the unavailable revenue are special assessments on road paving, ambulance service billings, investment interest earnings and state and federal grant revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The second item is the deferred charge on refunding which is reported as a deferred outflow of resources on the Statement of Fund Net Position for the Proprietary Funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding debt.

In addition to the above two deferred items, both deferred outflows and inflows related to pensions are calculated in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. These deferred resources appear on the Statement of Fund Net Position for Proprietary Funds. These deferred outflows and inflows are an aggregate of various pension items and will be recognized as adjustments to pension expense or net pension liability in future reporting years. Also, there are deferred outflows and inflows items related to OPEB as calculated in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Further information and detail on the composition of these items is discussed in Notes 13 and 14.

K. Pensions/Net Pension Liability

In the Statement of Fund Net Position for Proprietary Funds, net pension liability represents the Board's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees. The benefit payments are attributable to those employees past periods of service, less the amount of the cost-sharing pension plans' fiduciary net position.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Pensions/Net Pension Liability - Continued

The Board participates in both the Florida Retirement System (FRS), which operates a defined benefit and compensation plan, and the Health Insurance Subsidy Program (HIS Program), which is a defined benefit plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, and fiduciary net position are determined on the same basis as the FRS. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Other Postemployment Benefits Trust Fund (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board's Retiree Benefits Plan and additions to/deductions from the Board's fiduciary net position have been determined on the same basis as they are reported by the Board. For this purpose, the Board recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

M. Landfill Closure Costs

Under the terms of current state and federal regulations, the Solid Waste Disposal District (SWDD) is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The SWDD recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and post-closure costs are recognized in the Solid Waste Disposal District Enterprise Fund.

N. Unearned Revenues

In governmental and proprietary fund financial statements, unearned revenues represent revenues which are available but not earned.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O. Accrued Compensated Absences

The Board does not report compensated absences in the governmental fund statements since they are not current liabilities payable from available spendable resources. They are reported in the government-wide financial statements of the County. Proprietary fund types accrue compensated absences in the period they are earned.

P. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the Board must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The Board has no arbitrage liability outstanding as of September 30, 2020.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Board uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The constitutional officers submit, at various times, to the Board and to certain divisions within the Florida Department of Revenue and the Florida Clerks of Court Operations Corporation, a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the Florida Statutes.
2. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser included in the General Fund.
3. Constitutional officers, all departments controlled by the Board, and outside state and local agencies submit their proposed budgets to the Office of Management and Budget for assistance, review, and compilation. The County Administrator then reviews all County departments, state agencies, and nonprofit organization's budgets and makes the budget recommendation to the Board.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

4. On or before July 15 of each year, the County Administrator and the Director of the Office of Management and Budget, as the Board's designated budget officer, submit to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and the means of financing them. The Board then holds workshops to review the tentative budget by fund on a departmental level.
5. During September, public hearings are held pursuant to Section 200.065 of the Florida Statutes in order for the Board to receive public input on the tentative budget. At the end of the last public hearing, the Board enacts resolutions to legally adopt the budgets at the fund level for all governmental and proprietary fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function.
6. Formal budgetary integration on an object level is used as a management control device for the governmental and proprietary funds of the Board. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as management does not exceed the total appropriations of a fund. Board approval to amend the budget is only required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund.
7. Budgets for the governmental and proprietary fund types are adopted on a basis consistent with generally accepted accounting principles.
8. Appropriations for the Board lapse at the close of the fiscal year.

NOTE 3 - CASH AND INVESTMENTS

The Board maintains a cash and investment pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

A. Deposits

At September 30, 2020, the carrying value of the Board's deposits was \$122,660,438 and the bank balance was \$126,344,226. All the deposits were covered by the FDIC or collateralized in accordance with Chapter 280, Florida Statutes, also known as the "Florida Security for Public Deposits Act".

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

B. Accrued Interest

Interest earnings on U.S. Treasury Notes and government agency bonds are recorded in the cash and investment pools and then allocated to each fund based on each fund's average monthly balance. As of September 30, 2020, accrued interest for the Board's portfolio totaled \$806,078 and was allocated to the funds based on their average monthly balance for September. The remaining accrued interest is reflected in utilities and road paving assessments.

C. Investments

As of September 30, 2020, the Board had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Investment Portfolio Percentage***	Credit Risks*
<u>Fixed Rate Debt Instruments:</u>				
U.S. Treasuries	\$ 81,623,670	0.59	30.21 %	N/A
U.S. Agencies:**				
Federal Farm Credit Bureau	43,101,030	1.32	15.95	AA+
Federal Home Loan Bank	22,993,300	1.26	8.51	AA+
Federal Home Loan Mortgage	61,069,740	1.63	22.60	AA+
Federal National Mortgage Assoc.	18,170,480	0.70	6.73	AA+
<u>Other Market Rate Investments:</u>				
FLCLASS	37,035,261	0.23	13.71	AAAm
FLSTAR	5,015,954	0.10	1.86	AAAm
<u>W&S Sinking Fund Reserve:</u>				
U.S. Treasuries	1,165,178	0.17	0.43	N/A
Total Fair Value	<u>\$ 270,174,613</u>		<u>100.00 %</u>	
Weighted Average Maturity of Investments		<u>0.91</u>		

* Ratings based upon Standard and Poor's

** The weighted calculation considers the investments are carried until full maturity (i.e. call dates are not considered).

***Percentages calculated do not include the cash and deposits portion of the total portfolio

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Fair Value Measurement

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the Board's investment advisors. Level 1 inputs are quoted priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Board's fair value measurements for U.S. Treasuries and U.S. Agencies are categorized as Level 2 and are valued by the Board's custodial bank using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider benchmark yields, reported trades, broker/dealer quotes, benchmark securities, bids or offers, and reference data.

The Board's investments in the Florida Cooperative Liquid Assets Securities Systems (FLCLASS) and the Florida Short Term Asset Reserve (FLSTAR), external local government investment pools organized under the laws of the State of Florida, are presented at Net Asset Value, which reflects fair value. The objectives of the FLCLASS and FLSTAR are to generate investment income while maintaining safety and liquidity. There were no unfunded commitments as of September 30, 2020. Investments may be redeemed weekly/daily based on similar investments of other clients.

Interest Rate Risk

The Board's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. All investments must have stated maturities of ten (10) years or less and no more than 25% of the portfolio shall be invested in instruments with stated final maturities greater than five (5) years. The portfolio shall have securities with varying maturity and at least 10% of the portfolio shall be invested in readily available funds.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Credit Risks

Florida Statutes, Section 218.415 and the Board's investment policy limit investments to the following:

1. Direct obligations of the United States Treasury;
2. Any intergovernmental investment pool, with the exception of SBA pools, authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01;
3. Florida Local Government Investment Trust Funds (Florida Trust);
4. Interest-bearing time deposits or savings in qualified public depositories as defined in Section 280.02, Florida Statutes;
5. Federal agencies and instrumentalities;
6. Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;
7. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
8. Repurchase agreements with a term of one year or less collateralized by direct obligations of the United States Government which have maturities of three (3) years or less and a market value 103% or more of the repurchase amount.

Concentration Risk

The Board's cash and investment policy has established asset allocation and issuer limits to reduce concentration of credit risk in the Board's cash and investment portfolio. The Board's cash and investment policy does not allow for more than 20% of the entire portfolio to be invested in any one issuer, with the exception of United States Treasury Obligations and state authorized pools. No more than 10% of the portfolio may be placed in certificates of deposit and no more than \$6.5 million of the portfolio may be placed in certificates of deposit with any one financial institution. No more than 10% of the entire cash and investment portfolio may be placed in any one money market fund, mutual fund, or intergovernmental investment pool.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Custodial Credit Risk

The Board's investment policy pursuant to Section 218.415 (18), Florida Statutes, requires securities to be registered and held with a third party custodian. All securities purchased, as well as all collateral obtained, by the Board shall be held in the name of the Board. The securities must be held in an account separate and apart from the assets of the financial institution. As of September 30, 2020, the Board's investment portfolio in U.S. Treasuries, U.S. Agencies, and money market funds was held by The Bank of New York/Mellon. Additional investments include the FLCLASS which was held by Wells Fargo Bank, N.A and FLSTAR which was held by JP Morgan Chase & Co.

D. OPEB Trust

Funds are held in the name of the Indian River County OPEB Trust (OBEB Trust), an irrevocable trust, by a third party custodian, The Bank of New York/Mellon. The contribution for the year ended September 30, 2020 was \$2,206,025. The cash balance in the OPEB Trust at September 30, 2020 was \$76,576. The investments are reported at fair value based upon market-close price on the last business day of each month.

The Board approved a separate investment policy for the OPEB Trust assets on February 3, 2009 (last amended on December 4, 2018). The Board adopted a broadly diversified portfolio composition consisting of equity, debt, and cash and investments. Asset allocations are divided between short term and long term investments. Short term asset allocations include cash and investments with maturities of 180 days or less. Long term asset allocations range from 0-60% for equities, 0-60% for fixed income securities, and 0-100% for cash and investments.

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 7.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - CASH AND INVESTMENTS - Continued

D. OPEB Trust - Continued

As of September 30, 2020, the OPEB Trust had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Portfolio Percentage
Vanguard 500 Index	\$ 7,508,027	N/A	23.04 %
Vanguard All World Ex-US	6,517,414	N/A	20.00
Vanguard Mid Cap Index	1,667,098	N/A	5.12
Vanguard Small Cap Index	830,631	N/A	2.55
Vanguard Short Term Treasury	9,632,870	2.80	29.57
Vanguard Intermediate Treasury	3,210,930	5.70	9.86
Vanguard Cash Resrv Money Mkt	3,210,957	0.15	9.86
Total Fair Value	<u>\$ 32,577,927</u>		<u>100.00 %</u>

The Board has the following recurring fair value measurements for investments in the OPEB Trust as of September 30, 2020:

	Level 1	Level 2	Level 3	Total
Index Funds	\$ 16,523,170	\$ -	\$ -	\$ 16,523,170
U.S. Government Securities Funds	12,843,800	-	-	12,843,800
Money Market Fund	3,210,957	-	-	3,210,957
Total investments	<u>\$ 32,577,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,577,927</u>

Investments classified as Level 1 of the fair value hierarchy are valued using quoted prices in active markets from the Board's custodian bank.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 4 - PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2019-2020 fiscal year were levied in October 2019. All taxes are due and payable on November 1 or as soon as the assessments roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 5 - CAPITAL ASSETS

A. Governmental Fund Type Capital Assets

A summary of changes in the Governmental fund type capital assets is as follows:

	Land	Buildings And Improvements	Equipment	Intangibles	Infrastructure	Construction In Progress	Total
Balance 10/1/2019	\$ 137,204,376	\$ 254,323,541	\$ 51,497,147	\$ 4,384,753	\$ 438,040,084	\$ 31,032,003	\$ 916,481,904
Additions	32,066	214,180	4,208,299	65,906	2,106,775	27,538,552	34,165,778
Deletions	(7,820)	(322,384)	(1,638,765)	(62,578)	(24,861)	(117,260)	(2,173,668)
Transfers	-	483,431	177,281	53,915	4,860,439	(5,575,066)	-
Balance 9/30/2020	<u>\$ 137,228,622</u>	<u>\$ 254,698,768</u>	<u>\$ 54,243,962</u>	<u>\$ 4,441,996</u>	<u>\$ 444,982,437</u>	<u>\$ 52,878,229</u>	<u>\$ 948,474,014</u>

Depreciation expense, which includes amortization expense on intangible assets, for governmental fund type capital assets is not reported in the financial statements of the Board. Depreciation expense is reported in the financial statements of the County. Please refer to the County Notes for a more detailed explanation of the County's policy on depreciation.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - CAPITAL ASSETS - Continued

B. Proprietary Fund Type Capital Assets

Enterprise Funds

A summary of changes in the Enterprise fund type capital assets is as follows:

	Land	Buildings And Improvements	Equipment	Intangibles	Construction In Progress	Total
Balance 10/1/2019	\$ 20,807,222	\$ 473,434,251	\$ 19,409,052	\$ 3,326,366	\$ 12,159,867	\$ 529,136,758
Additions	6,009,325	3,147,989	2,386,560	145,695	11,358,039	23,047,608
Deletions	-	(6,609)	(670,484)	(10,768)	(2,873)	(690,734)
Transfers	-	6,602,249	179,361	-	(6,781,610)	-
	<u>26,816,547</u>	<u>483,177,880</u>	<u>21,304,489</u>	<u>3,461,293</u>	<u>16,733,423</u>	<u>551,493,632</u>
Less:						
Accumulated Depreciation	-	(310,244,017)	(15,722,070)	(1,210,837)	-	(327,176,924)
Balance 9/30/2020	<u>\$ 26,816,547</u>	<u>\$ 172,933,863</u>	<u>\$ 5,582,419</u>	<u>\$ 2,250,456</u>	<u>\$ 16,733,423</u>	<u>\$ 224,316,708</u>

Internal Service Funds

A summary of changes in the Internal Service fund type capital assets is as follows:

	Buildings And Improvements	Equipment	Intangibles	Construction In Progress	Total
Balance 10/1/2019	\$ 13,815	\$ 1,786,571	\$ 2,153,923	\$ -	\$ 3,954,309
Additions	-	740,371	59,293	164,836	964,500
Deletions	-	(59,627)	(20,000)	-	(79,627)
Transfers	22,602	7,562	-	(30,164)	-
	<u>36,417</u>	<u>2,474,877</u>	<u>2,193,216</u>	<u>134,672</u>	<u>4,839,182</u>
Less:					
Accumulated Depreciation	(6,960)	(1,419,066)	(1,821,431)	-	(3,247,457)
Balance 9/30/2020	<u>\$ 29,457</u>	<u>\$ 1,055,811</u>	<u>\$ 371,785</u>	<u>\$ 134,672</u>	<u>\$ 1,591,725</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 6 - RESTRICTED CASH AND INVESTMENTS

	Solid Waste Disposal District	County Utilities	Total
Sinking funds	\$ -	\$ 1,256,276	\$ 1,256,276
Renewal and replacement	-	3,485,928	3,485,928
Customer deposits	165,243	3,294,826	3,460,069
Capital construction	500,000	28,994,841	29,494,841
Closure and maintenance cost	7,441,671	-	7,441,671
Total	<u>\$ 8,106,914</u>	<u>\$ 37,031,871</u>	<u>\$ 45,138,785</u>

NOTE 7 - INTERFUND BALANCES

Interfund balances at September 30, 2020, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 81,000
General Fund	Golf Course Enterprise Fund	535,989
Optional Sales Tax Fund	Nonmajor Governmental Funds	851,024
		<u>\$ 1,468,013</u>

In September 2017, the General Fund loaned \$1,100,000 to the Golf Course Enterprise Fund for a new irrigation system at an interest rate of 1.5%. In January 2020, the General Fund loaned \$316,900 to the Golf Course Enterprise Fund to purchase new golf carts at an interest rate of 3%. The amount reported as due from the Golf Course Fund is the current portion of the scheduled payments due to the General Fund in fiscal year 2021. The remaining amount due from the Golf Course Fund is reported as an interfund advance. The amounts due from the Nonmajor Governmental Funds represent short-term cash loans that are expected to be repaid within the next twelve months.

Interfund advance at September 30, 2020, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Golf Course Enterprise Fund	<u>\$ 183,568</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 7 - INTERFUND BALANCES - Continued

This amount is considered a long-term advance between major funds expected to be paid in fiscal years 2022 and 2023. This amount has been presented as nonspendable on the General Fund Balance Sheet.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2020, consisted of the following:

Transfers In:							
	General Fund	Beach Restoration Fund	Transportation Fund	Nonmajor Governmental Funds	Utilities Fund	Internal Service Funds	Total
Transfers Out:							
General Fund	\$ -	\$ 193,933	\$ 11,692,691	\$ 1,134,682	\$ -	\$ 266,317	\$ 13,287,623
Transportation Fund	-	-	-	-	77,319	-	77,319
Optional Sales Tax Fund	-	-	-	150,000	30,197	-	180,197
Nonmajor Governmental Funds	-	-	-	188,362	-	757,138	945,500
SWDD Fund	-	-	-	-	777,875	-	777,875
Internal Service Funds	90,000	-	31,460				121,460
Total	<u>\$ 90,000</u>	<u>\$ 193,933</u>	<u>\$ 11,724,151</u>	<u>\$ 1,473,044</u>	<u>\$ 885,391</u>	<u>\$ 1,023,455</u>	<u>\$ 15,389,974</u>

Transfers are used for the following purposes: 1) use unrestricted general fund revenues to finance transportation activities which are accounted for in a special revenue fund, 2) use unrestricted general fund revenues for beach restoration activities which must be accounted for in another fund, 3) use unrestricted general fund revenues to offset a portion of salaries and benefits expenses for an employee accounted for in the health insurance fund, 4) use unrestricted general fund revenues to early payoff a general obligation note payable, 5) transfer a capital asset paid for by the SWDD fund to the utilities fund 6) use unrestricted stormwater revenues to offset Osprey Marsh employee costs accounted for in the utilities fund 7) use capital project fund revenues for improvements to the Jackie Robinson Training Complex and subsidize the North Sebastian Septic to Sewer incentive program, and 8) move insurance funds recieved in a prior fiscal year to the correct fund.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 9 - ACCOUNTS PAYABLE

Accounts payable at September 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable
<u>Governmental Funds:</u>			
General	\$ 1,902,675	\$ 661,316	\$ 2,563,991
Impact Fees	290,712	3,395	294,107
Transportation	551,522	399,748	951,270
Emergency Services	315,508	1,388,488	1,703,996
Beach Restoration	157,023	7,453	164,476
Optional Sales Tax	1,979,996	-	1,979,996
Other Governmental	2,909,633	50,831	2,960,464
Total Governmental Funds	<u>\$ 8,107,069</u>	<u>\$ 2,511,231</u>	<u>\$ 10,618,300</u>
<u>Proprietary Funds:</u>			
Payable from current assets:			
Solid Waste	\$ 927,887	\$ 38,927	\$ 966,814
Golf Course	24,277	27,392	51,669
Utilities	2,189,922	478,286	2,668,208
Building	103,299	134,205	237,504
Other Proprietary	5,785,794	116,053	5,901,847
Payable from restricted assets:			
Utilities	11,895	-	11,895
Total Proprietary Funds	<u>\$ 9,043,074</u>	<u>\$ 794,863</u>	<u>\$ 9,837,937</u>

Included in salaries and benefits payable is a liability to the Florida Retirement System (FRS) for pension contributions due. The amounts due to FRS at September 30, 2020 were \$351,747 for governmental funds and \$69,593 for proprietary funds.

The Board has not engaged in any short-term debt activity during fiscal year 2020 other than that listed in Note 7.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES

A. Governmental Funds Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Accrued Compensated Absences	\$ 4,118,555	\$ 2,899,415	\$ 2,331,519	\$ 4,686,451
<u>Bonds Payable:</u>				
Spring Training Facility Revenue Bonds - 2001 Series	4,155,000	-	290,000	3,865,000
<u>Notes From Direct Borrowings And Direct Placements:</u>				
Limited General Obligation Refunding - 2015 Series	7,268,000	-	7,268,000	-
Grand Total	<u>\$ 15,541,555</u>	<u>\$ 2,899,415</u>	<u>\$ 9,889,519</u>	<u>\$ 8,551,451</u>

Of the \$4,686,451 liability for accrued compensated absences, management estimates that \$2,824,897 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Board since they are not payable from available spendable resources. They are reported in the financial statements of the County.

The Spring Training Facility Revenue Bonds are not reported in the governmental fund statements since they are not current liabilities payable from available spendable resources. They are reported in the government-wide financial statements of the County. Payments on the revenue bonds are made by debt service funds (refer to the Table of Contents for these debt service funds under the category: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of Nonmajor Governmental Funds).

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

A. Governmental Funds Long-Term Debt - Continued

Annual Debt Service Payments

The annual debt service payments for bonds and notes from direct borrowings and direct placements outstanding at September 30, 2020, are as follows:

Fiscal Year Ending September 30	Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest
2021	\$ 305,000	\$ 194,013
2022	305,000	178,000
2023	320,000	162,750
2024	340,000	146,750
2025-2029	1,960,000	462,000
2030-2031	635,000	40,750
Total	3,865,000	<u>\$ 1,184,263</u>
Less:		
Current portion	305,000	
Total	<u>\$ 3,560,000</u>	

Spring Training Facility Revenue Bonds, Series 2001

Purpose - On August 15, 2001, the Board issued \$16,810,000 of Spring Training Facility Revenue Bonds, Series 2001. The Series 2001 bonds are being issued by the Board to provide funds, together with other available funds, to (1) finance a portion of the cost of acquisition and expansion of a spring training facility currently known as the “Jackie Robinson Training Complex”; (2) pay a premium for a municipal bond insurance policy and a debt service reserve account surety bond, and (3) pay certain costs and expenses incurred in connection with the issuance of the Series 2001 bonds.

Pledge of Revenues - The principal and interest on the Series 2001 bonds will be payable from and secured by a first lien upon and pledge of the following, together with any investment income realized on any funds held under the Resolution, except the Cost of Issuance Account and the Rebate Fund:

1. Payments received by the Board from the State of Florida pursuant to Section 212.20, Florida Statutes; and

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

A. Governmental Funds Long-Term Debt - Continued

Spring Training Facility Revenue Bonds, Series 2001 - Continued

2. The Fourth Cent Tourist Development Tax levied by the County in Ordinance No. 2000-029, enacted pursuant to Section 125.0104(3)(1), Florida Statutes; and
3. Eighty-six percent (86%) of the Local Government Half-Cent Sales Tax distributed to the Board, pursuant to Chapter 218, part VI, Florida Statutes.

The foregoing is collectively referred to herein as the “pledged revenues”. These revenue streams are pledged for the remaining term of the bonds.

The Fourth Cent Tourist Development Tax and the Local Government Half-Cent Sales Tax pledged to the payment of debt service on the Series 2001 bonds are automatically released as pledged revenue for the Series 2001 bonds immediately following the April 1, 2021 principal payment on the Series 2001 bonds.

On February 26, 2019, the Board elected a partial redemption of the bonds outstanding and maturing on 2021 and 2031. The principal amount of the redeemed bonds totaled \$1,125,000. The net economic gain was \$91,579 and will be amortized over the remaining life of the debt. The unamortized balance as of September 30, 2020 is \$80,055 and is reflected as a deferred outflow of resources on the government-wide Statement of Net Position.

The current principal and interest payments of \$491,625 represent 4.99% of total pledged revenues. All three pledged revenue sources totaled \$9,841,736 for the current fiscal year. The Board applied 98% of the state subsidy and none of the Half-Cent Sales Tax or Fourth-Cent Tourist Tax to the debt service payments. The total principal and interest remaining to be paid on the bonds is \$5,049,263.

Bonds Issued - At September 30, 2020, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2020
Spring Training Facility Revenue Bonds, 2001 Series	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 3,865,000</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

A. Governmental Funds Long-Term Debt - Continued

Spring Training Facility Revenue Bonds, Series 2001 - Continued

Remaining Mandatory Redemption - The Series 2001 Term Bonds are subject to mandatory redemption prior to maturity, by lot, at par plus accrued interest, according to the following schedule:

Term Bonds due April 1, 2021

<u>Date</u>	<u>Principal Amount</u>
April 1, 2021	\$ 305,000

Term Bonds due April 1, 2027

<u>Date</u>	<u>Principal Amount</u>
April 1, 2022	\$ 305,000
April 1, 2023	320,000
April 1, 2024	340,000
April 1, 2025	355,000
April 1, 2026	375,000
April 1, 2027	390,000

Term Bonds due April 1, 2031

<u>Date</u>	<u>Principal Amount</u>
April 1, 2028	\$ 410,000
April 1, 2029	430,000
April 1, 2030	455,000
April 1, 2031	180,000

Limited General Obligation Refunding Note, Series 2015

Purpose - On April 7, 2015, the Board voted to redeem \$19,075,000 of outstanding 2006 Limited General Obligation Bonds with a 7 year note from Regions Capital Advantage, Inc. The refunding ultimately saved the Board \$1.2 million over the 7 year remaining life of the bonds.

On May 19, 2020, the Board approved to early payoff the remaining balance of the Note in the amount of \$7,268,000 on July 1, 2020.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Proprietary Funds Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Accrued Compensated Absences:	\$ 1,207,411	\$ 966,802	\$ 855,004	\$ 1,319,209
Notes From Direct Borrowings And Direct Placements:				
Water & Sewer Revenue Refunding Note Series 2015	3,174,000	-	1,042,000	2,132,000
Grand Total	<u>\$ 4,381,411</u>	<u>\$ 966,802</u>	<u>\$ 1,897,004</u>	<u>\$ 3,451,209</u>

Annual Debt Service Payments

The annual debt service payments for bonds and notes from direct borrowings and direct placements outstanding at September 30, 2020 are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Note Series 2015	
	Principal	Interest
2021	\$ 1,058,000	\$ 35,178
2022	1,074,000	17,721
Total	2,132,000	<u>\$ 52,899</u>
Less:		
Current portion	1,058,000	
Total	<u>\$ 1,074,000</u>	

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Proprietary Funds Long-Term Debt - Continued

Water and Sewer Revenue Refunding Note, Series 2015

Purpose - On August 18, 2015, the Board voted to early call all of the outstanding Water and Sewer Revenue Refunding 2005 Bonds. The Board paid down 50% of the debt (\$7,100,000) with cash and refinanced the remaining 50% (\$7,105,000) with a 7 year note. The total amount borrowed included the cost of issuance and accrued interest totaling \$66,000, for a grand total of \$7,171,000.

The aggregate difference in debt service between the Series 2005 bonds (\$18,866,875) and the Series 2015 note (\$7,653,356), cash contribution and September 1, 2016 principal and interest payment (\$9,162,642) is \$2,050,877. The net economic gain was \$583,991; which included the refinancing, accrued interest, and cash contribution. This lowered the annual debt service by \$1.2 million. The net economic gain is amortized over the 7 year life of the note. The unamortized balance of the deferred amount on the refunding at September 30, 2020 is \$159,902 and is reflected as a deferred outflow of resources on the Statement of Net Position.

Pledge of Revenues - The note is collateralized, for the remaining term of the note, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments. Annual principal and interest payments of \$1,094,371 represent approximately eight percent of net revenues of \$13,106,552 of the utility system. The total principal and interest remaining to be paid on the 2015 note is \$2,184,899. Refer to Schedule 14 in the statistical section for further detail.

Rate Covenant - Net revenues shall be sufficient to pay 100% of reserve and 120% of current year principal and interest requirements.

Maturity and Interest Rate - Interest payments are made semiannually beginning September 1, 2016 through September 1, 2022. Annual principal payments begin September 1, 2016 and end September 1, 2022. The interest rate is fixed at 1.65%. Note may be paid early without any prepayment penalty.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 11 - PROVISION FOR CLOSURE COSTS

Current regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) require the Solid Waste Disposal District (SWDD) to place a final cover on closed landfill areas, and to maintain those areas for up to thirty years after closure. The SWDD annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The SWDD recognizes the expenses associated with the final closure and post-closure maintenance of the landfill areas over the active life of those areas. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used.

The total unrecognized closure and post-closure costs are approximately \$11.6 million. These costs will be recognized in future periods as the remaining capacity is filled. The Board's policy is to fund 100% of the current year's allocation (based upon the consulting engineers' report) of both closure and post-closure care. Required closure and post-closure sub-accounts:

	Capacity Used	Estimated Closing	Amount
<u>Closure Costs</u>			
Class I - Segment III, Cell I	90%	2022	\$ 4,763,882
Construction and Demolition	93%	2027	1,034,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	1,563,435
Construction and Demolition	N/A	N/A	79,488
Total account balance at 9/30/20			<u>\$ 7,441,671</u>

All amounts recognized are based on what it would cost to perform all closure and post-closure functions in current dollars. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The SWDD is required by FDEP to annually show proof of ability to finance closure and post-closure costs. The SWDD is making annual deposits to a closure and post-closure costs account to provide for the financing of future closure-related expenses. At September 30, 2020, \$7,430,173 was on deposit at the Florida Cooperative Liquid Assets Securities System (FLCLASS) and \$11,498 was on deposit in the Board's operating account.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 11 - PROVISION FOR CLOSURE COSTS - Continued

A summary of changes in the landfill closure liability account is as follows:

	Balance 10/1/2019	Deposits	Withdrawals	Balance 9/30/2020
Closure and long-term care costs	\$ 8,154,682	\$ 1,515,017	\$ (2,228,028)	\$ 7,441,671

Of the \$7,441,671 liability for closure and long-term care costs, management estimates that \$1,949,965 will be due and payable within one year.

NOTE 12 - POLLUTION REMEDIATION

In accordance with GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, a consultant evaluated three sites to assess pollution remediation liabilities. The consultant calculated for each site an expected value (EV) estimate for pollution remediation based on three plausible mitigation scenarios. An obligating event occurred at each of the following sites requiring the Board (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$1,861,300 at September 30, 2020 for the three sites. Of the \$1,861,300 liability for pollution remediation, management estimates that \$314,833 will be due and payable within one year.

The pollution remediation obligation is an estimate and subject to changes resulting from price increases and reductions, technology, and changes in applicable laws or regulations. There are no estimated recoveries that would reduce the liability.

Governmental Funds

- 1. South Gifford Road closed landfill** - The nature of the pollution remediation obligation is chlorinated solvent contamination. The consultant will conduct monitoring, bioremediation and reporting with the FDEP. The amount of the estimated year end liability is \$1,600,000 and will be paid from the Optional Sales Tax Fund.
- 2. Old Administration Building** - The nature of the pollution remediation obligation is closed underground storage tank contamination. The consultant will conduct monitoring and reporting with the FDEP. The amount of the estimated year end liability is \$10,000 and will be paid from the General Fund.

Total governmental funds liability: \$1,610,000

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 12 - POLLUTION REMEDIATION - Continued

Governmental Funds - Continued

The Board does not report the liability for pollution remediation in the governmental fund statements since they are not current liabilities payable from available spendable resources. The liability is reported in the government-wide financial statements of the County.

Proprietary Funds

3. **Premier Citrus Property** - The nature of the pollution remediation obligation is aboveground storage tank petroleum and/or pesticide and herbicide contamination. The consultant will conduct monitoring, bioremediation and reporting with the FDEP. The amount of the estimated year end liability is \$251,300 and will be paid from the Utilities Operating Fund.

Total proprietary funds liability: \$251,300

NOTE 13 - RETIREMENT PLAN

General Information: All of the Board's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Program). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a county, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan

Plan Description: The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided: Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular Class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life. The benefit is equal to 1.6% of their final average compensation based on the 5 highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least 6 years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life. This benefit is equal to 1.6% of their final average compensation based on the 5 highest years of salary, for each year of credited service.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least 6 years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life equal to 3.0% of their final average compensation based on the 5 highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the 5 highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the 5 highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to 8 years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the 8 highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011 and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011 and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions: The State of Florida establishes contribution rates for participating employers and employees in section 121.71 Florida Statutes. Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2020 were: Regular Class 10.00%, Special Risk 24.45%, Special Risk Administrative Support 35.84%, Senior Management 27.29%, DROP 16.98%, and Elected Official Class 49.18%. Included in these rates is a health insurance subsidy of 1.66%. Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with the 3% employee contributions, is expected to finance the cost of benefits earned by employers during the year with an additional amount to finance any unfunded accrued liability.

The Board's actuarial contribution to FRS under the Pension Plan for the year ended September 30, 2020, was \$6,564,681. Employee contributions for September 30, 2020 were \$1,141,827. Both employer and employee contributions were equal to 100% of the required contribution.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pension Plan: At September 30, 2020, the Division of Retirement calculated the Board's liability of \$83,236,505 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Board's proportionate share was 0.192048% for the FRS Pension Plan. This was an increase of 0.005449% from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the Board's calculated total increase of actuarially determined pension expense was \$13,371,108. Of this amount, the Board recognized \$1,524,507 in the enterprise funds and \$234,025 in the internal service funds. In addition, the Board's calculated deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,185,630	\$ -
Changes in assumptions	15,068,456	-
Net difference between projected and actual earnings on pension plan investments	4,955,982	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,004,702	395,135
Board contributions subsequent to the measurement date	1,630,945	-
Total	<u>\$ 27,845,715</u>	<u>\$ 395,135</u>

Deferred outflows related to pensions recognized by enterprise funds were \$3,651,419 and \$504,765 for internal service funds. Deferred inflows related to pensions recognized by the enterprise funds were \$242,261 and \$21,055 for the internal service funds.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

The deferred outflows of resources related to pensions totaling \$1,630,945 resulting from Board contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount Recognized
2021	\$ 5,320,802
2022	8,286,834
2023	7,043,776
2024	4,210,800
2025	957,423
Total	<u>\$ 25,819,635</u>

Actuarial Assumptions: The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2020
Measurement date:	June 30, 2020
Discount rate:	6.80%
Long-term expected rate of return:	6.80%, net of pension plan investment expense, including inflation
Inflation:	2.40%
Salary increase:	3.25%, including inflation
Mortality:	PUB-2010 base table, projected generationally with Scale MP-2018
Actuarial cost method:	Individual Entry Age

The actuarial assumptions that determined the total pension liability used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

The following changes in actuarial assumptions occurred in 2020:

- The long-term expected rate of return decreased from 6.90% to 6.80%.

Long-Term, Expected Rate of Return: The long-term expected rate of return on pension plan investments are not based on historical returns, but instead are based on a forward-looking capital market economic model. The allocation policy's description of each class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based upon a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.2%	2.2%	1.2%
Fixed Income	19%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100%			
Assumed inflation-mean			2.4%	1.7%

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Board's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the actuarially determined contribution is contributed in full each year. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Board's proportionate share of the Net Pension Liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Board's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.80)%	Current Discount Rate (6.80%)	1% Increase (7.80)%
Board's proportionate share of NPL	\$ 132,914,711	\$ 83,236,505	\$ 41,745,052

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (877) 377-1737 or (850) 488-5706. This report identifies statements that were prepared in accordance with generally accepted accounting principles, the measurement focus and basis of accounting, various investment valuations, various pension plan benefits, assumptions used, and many other details.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program)

Plan Description: The HIS Program is a cost-sharing, multiple-employer, defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system. It was established under Section 112.363, Florida Statutes. Benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The HIS Program is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS Program payment of \$5 for each year of creditable service completed. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a HIS Program benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS Program contribution rate was 1.66%. There are no employee contributions required. The Board contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. The Board's actuarial contributions to the HIS Program totaled \$829,745 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to HIS Program: At September 30, 2020, the Division of Retirement calculated the Board's liability of \$17,346,039 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the Board's proportional share was 0.142066% for the HIS Program. This was an increase of 0.002953% from its proportionate share measured as of June 30, 2019.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program) - Continued

For the year ended September 30, 2020, the Board's calculated total actuarially determined pension expense was \$1,039,417. Of this amount, the Board recognized \$118,493 in the enterprise funds and \$18,190 in the internal service funds. In addition, the Board's calculated deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 709,558	\$ 13,381
Changes in assumptions	1,865,193	1,008,604
Net difference between projected and actual earnings on pension plan investments	13,849	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,058,956	48,823
Board contributions subsequent to the measurement date	196,428	-
Total	<u>\$ 3,843,984</u>	<u>\$ 1,070,808</u>

The deferred outflows of resources related to the HIS Program totaling \$196,428 resulting from Board contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2021	\$ 713,132
2022	528,986
2023	144,547
2024	335,649
2025	457,047
Thereafter	397,387
Total	<u>\$ 2,576,748</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program) - Continued

Actuarial Assumptions: The total pension liability for the HIS Program in the July 1, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2020
Measurement date:	June 30, 2020
Discount rate:	2.21%
Long-term expected rate of return:	N/A
Municipal bond rate:	2.21%
Inflation:	2.40%
Salary increase:	3.25%, average, including inflation
Mortality:	PUB-2010 base table, projected generationally with Scale MP-2018
Actuarial cost method:	Individual Entry Age

The actuarial assumptions that determined the total HIS Program pension liability used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The following changes in actuarial assumptions occurred in 2020:

- The municipal rate used to determine the total pension liability decreased from 3.50% to 2.21%
- The mortality assumption was changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Discount Rate for HIS Program: In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-Term Expected Rate of Return: As stated above, the HIS Program is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the Pension Plan, or assumed asset allocation.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program) - Continued

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Board's proportionate share of the Net Pension Liability (NPL) of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Board's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (1.21)%	Current Discount Rate (2.21%)	1% Increase (3.21)%
Board's proportionate share of NPL	\$ 20,051,247	\$ 17,346,039	\$ 15,131,834

HIS Program Fiduciary Net Position: Detailed information regarding the HIS Program's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (877) 377-1737 or (850) 488-5706.

FRS Investment Plan

Plan Description: The Board contributes to the Investment Plan, a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Board employees already participating in DROP are not eligible to participate in this program.

Benefits Provided: Service retirement benefits are based upon the value of the member's account upon retirement. Employers and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 13 - RETIREMENT PLAN - Continued

FRS Investment Plan - Continued

Benefits Provided - Continued: For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over his/her account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions: Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06% of payroll and by forfeited benefits of Investment Plan members. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances to various approved investment choices.

Allocations to the investment member's accounts during the 2019-2020 fiscal year were as follows: Regular class 6.30%, Special Risk class 14.00%, Senior Management Service class 7.67%, and Elected Officers' class 11.34%. This includes the employee contribution of 3%.

The Board's Investment Plan contributions and pension expense totaled \$993,377 for fiscal year ended September 30, 2020. Employee contributions totaled \$233,124 for the same period.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)

A. Plan Description

On September 23, 2008, the Board of County Commissioners approved resolution number 2008-163, establishing an irrevocable trust (OPEB Trust) to separately identify assets accumulated to pay OPEB benefits for eligible retirees. The OPEB Trust includes the Board of County Commissioners and the five constitutional officers (Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector). The resolution also established the Board of County Commissioners as trustees of the OPEB Trust and the authority for the trustees to amend the benefit provisions.

The OPEB Trust is a single-employer defined benefit plan (OPEB Plan). The OPEB Plan subsidizes the cost of health care for employees hired prior to February 1, 2006 and their eligible dependents according to the provisions of the substantive plan (the plan as understood by the employer and plan members). Employees hired on or after February 1, 2006, will not be eligible for any subsidy, regardless of the years of service or Medicare eligibility.

Active participants as well as retirees are subject to the same benefits and rules. Retired employees are permitted to remain covered under the Board's medical and life insurance plans as long as they pay a premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Florida Statute 112.0801. The retiree has the option to continue with the Board group health plan or elect Medicare Advantage Plan.

The implicit rate subsidy applies to health and life insurance coverage since the premiums charged are based upon a blending of younger active employees and older retired employees. Health insurance premiums, effective October 1, 2019 range from \$295 for single coverage Medicare participants to \$1,167.50 for family coverage. Life insurance is available to retirees at a flat rate of \$.70 per \$1,000 of coverage (to a maximum of \$20,000 until the age of 70). After 70, the maximum amount of life insurance is \$10,000.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

A. Plan Description - Continued

The Board subsidizes the cost of the health insurance premiums for each retiree based upon their years of service and employment date (as mentioned above); a 2% discount is given for each year of service based upon the following table:

Hired Before 2/1/2006				Hired On or After 2/1/2006
Retirement Date	Service	Under Age 65	Retiree or Spouse Medicare Eligible	
Before 10/1/2004		No Subsidy	60%*	No Subsidy
			**	
After 10/1/2004 but on or before 1/31/2009***	Less than 15 years	No Subsidy	20% Subsidy**	
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)**	
After 1/31/2009***	Less than 15 years	No Subsidy	No Subsidy	
	At least 15 years	2% per Year of Service (maximum of 40%)	Subsidy Ceases****	

*60% Subsidy if Medicare Eligible prior to October 1, 2004 or 20% if becoming Medicare Eligible after October 1, 2004

**Additional Subsidy will be paid to Medicare Eligible retirees regardless of which plan they are enrolled in (County's medical plan or Medicare Advantage Plan) and regardless of whether they become Medicare Eligible before or after October 1, 2004.

***Employees who commit by June 1, 2008 to retire before January 31, 2009 will receive subsidy as if retired before June 1, 2008.

****Effective May 1, 2016 and prospectively, subsidy does not cease until both Retiree and Spouse are Medicare eligible.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

A. Plan Description - Continued

The OPEB Trust financial statements are reported using the accrual basis of accounting and are included in the Indian River County Comprehensive Annual Financial Report. Questions regarding the OPEB Plan may be directed to the Finance Director.

At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,536
Retired participants	536
	<u>2,072</u>

There are two classes of participants at October 1, 2019:

Regular and senior management	1,313
Special risk	759
	<u>2,072</u>

Financial statements for the OPEB Trust are included in this report and can be found on pages 260-261. A separate, stand-alone financial report is not issued by the Board; however, the OPEB Trust investments can be found in Note 3D.

B. Contributions and Funding Policy

The Board of County Commissioners, in concert with the OPEB Board of Trustees, has the authority to establish and amend the funding policy of the OPEB Plan. The OPEB Trust is advance funded by the Board. For the year ended September 30, 2020, the Board contributed \$2.2 million to the qualifying OPEB Trust. The average employer's contribution was \$1,466 per employee, approximately 2.49% of current payroll. Plan members receiving benefits contributed \$2.6 million. It is the Board's policy to base future contributions on the annual required contribution (ARC) in subsequent annual actuarial reports. The contributions are paid by the fund(s) by which the participant is employed. Custodial and individual fund administrative fees are paid from the portfolio dividend and interest income.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

C. Net OPEB Liability

The County's Net OPEB liability was measured as of October 1, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the County at September 30, 2020, were as follows:

Total OPEB liability	\$ 34,039,143
Plan fiduciary net position	<u>(32,654,503)</u>
County's net OPEB liability	<u>\$ 1,384,640</u>

Plan fiduciary net position as a percentage of the total OPEB liability	95.93%
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D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions Used to Determine Net OPEB Liability:

Actuarial Cost Method	Entry age normal
Inflation	2.50%
Discount Rate	6.00%
Salary Increases	3.7% to 7.8%, including inflation, varies by plan type and years of service.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

D. Actuarial Methods and Assumptions - Continued

Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.24% (including the impact of the excise tax).
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - "From Birth to Death".
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the per capita health costs.
Other Information:	
Notes	There were no benefit changes during the year.

E. Changes in the Net OPEB Liability

	Increase(Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 9/30/2019	<u>\$ 33,207,465</u>	<u>\$ 30,507,845</u>	<u>\$ 2,699,620</u>
Changes for the year:			
Service cost	638,013	-	638,013
Interest	1,953,393	-	1,953,393
Contributions - employer	-	2,206,025	(2,206,025)
Net investment income	-	2,518,479	(2,518,479)
Experience	2,869,333	-	2,869,333
Assumptions	(2,051,215)	-	(2,051,215)
Benefit payments	<u>(2,577,846)</u>	<u>(2,577,846)</u>	<u>-</u>
Net changes	<u>831,678</u>	<u>2,146,658</u>	<u>(1,314,980)</u>
Balances at 9/30/2020	<u><u>\$ 34,039,143</u></u>	<u><u>\$ 32,654,503</u></u>	<u><u>\$ 1,384,640</u></u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

F. Discount Rate

Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB Plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation the expected rate of return on OPEB Plan investments is 6.00%, the municipal bond rate is 2.41%; and the resulting SDR is 6.00%. The County has adopted a broadly diversified investment portfolio composition consisting of equity, debt, and cash. Asset allocations are divided between short-term and long-term investments. Short-term asset allocations include cash and investments with maturities of 180 days or less. Long-term asset allocations range from 0-60% for equities, 0-60% for fixed income securities, and 0-100% for cash.

The County has a policy of depositing at least the full amount of the Actuarially Determined Contribution developed under the Entry Age Method. Consequently, the plan's fiduciary net position is projected to be sufficient to pay benefits and the resulting SDR is 6.00%.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

G. Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the SDR, the following presents the plan's net OPEB liability, calculated using a SDR of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a SDR that is one percent lower or 1% higher:

**Sensitivity of Net OPEB Liability
to the Healthcare Cost Trend Rate Assumption**

1% Decrease (5.00%)	Current Single Discount Rate Assumption (6.00%)	1% Increase (7.00%)
\$ 3,857,389	\$ 1,384,640	\$(864,355)

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

**Sensitivity of Net OPEB Liability
to the Healthcare Cost Trend Rate Assumption**

1% Decrease (5.5% down to 3.24%)	Current Healthcare Cost Trend Rate Assumption (6.5% down to 4.24%)	1% Increase (7.5% down to 5.24%)
\$(1,321,106)	\$ 1,384,640	\$ 4,475,056

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Board recognized OPEB Expense of (\$104,244). At September 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,395,837	\$ -
Changes of assumptions	-	9,789,886
Net difference between projected and actual earnings on		
OPEB plan investments	532,432	559,330
	<u>\$ 4,928,269</u>	<u>\$ 10,349,216</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB - Continued

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

Year Ending September 30	Net Deferred Outflows of Resources
2021	\$ (876,334)
2022	(876,334)
2023	(925,819)
2024	(1,070,305)
2025	(930,474)
Thereafter	(741,681)
Total	<u>\$ (5,420,947)</u>

NOTE 15 - OPERATING LEASES

The Board has entered into noncancelable operating leases, both as lessor and lessee. Lease terms vary from 1 to 99 years. Lease revenues totaled \$769,509 and lease expenditures totaled \$57,008 for the year ended September 30, 2020. The Board also leases other equipment and office facilities as both lessor and lessee on a month-to-month basis.

A. Future Minimum Lease Receipts

Year	Amount
2021	\$ 673,193
2022	593,244
2023	542,272
2024	493,475
2025	419,321
2026-2030	1,744,562
2031-2035	859,492
2036-2040	559,835
2041-2045	530,110
2046-2049	1,000
Total future minimum receipts:	<u>\$ 6,416,504</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 15- OPERATING LEASES - Continued

A. Future Minimum Lease Receipts - Continued

The property being leased is reported in the financial statements of the County and has a cost of \$32,314,621, and a carrying value of \$20,205,277. Current year depreciation on property being leased is \$663,926.

B. Future Minimum Lease Payments

The following is a schedule, by years, of minimum future payments to be paid by the Board for various noncancelable operating leases as of September 30, 2020:

Year	Amount
2021	\$ 30,168
2022	19,559
2023	19,559
2024	19,559
2025	19,559
2026-2030	7,500
2031-2035	7,500
2036-2040	5,400
2041-2045	4,500
2046-2050	3,600
2051-2055	2,400
2056-2060	1,500
2061-2065	1,500
2066-2070	1,500
2071-2075	300
Total future minimum lease payments:	<u>\$ 144,104</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 16 - FUND BALANCE

GASB Statement 54 - Fund Balance Reporting and Governmental Funds Type Definitions requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

A. Categories

There are five categories of fund balance for governmental funds under GASB Statement 54:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to remain intact.

Restricted - Use of these resources is based on the constraints imposed externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts whose use is constrained by the approval of a Board ordinance by the Board of County Commissioners. This category also includes existing resources on hand to satisfy the obligations that arise from contractual obligations entered into by the Board of County Commissioners.

Assigned - The Board of County Commissioners is the governing body authorized to assign fund balance amounts to be used for specific purposes. This assignment is done through the budget approval and amendment process. Amounts appropriated to eliminate a budgetary deficit in a subsequent year are reported in this category as well.

Unassigned - Residual amounts in the general fund that do not meet any of the other fund balance classifications.

B. Fund Balance Policy

On September 21, 2010, the Board approved a Fund Balance and Reserve Policy that set forth the following reserves of fund balance in the General, Transportation, and Emergency Services District Funds:

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 16 - FUND BALANCE - Continued

B. Fund Balance Policy - Continued

Emergency/Disaster Relief Reserve - A balance of no less than 5% of budgeted operating expenditures for the current fiscal year will be reserved only for the purpose of responding to natural and man-made disasters. Disasters include hurricanes, tropical storms, floods, wildfires, or terrorist activities. These funds can only be used to respond and provide relief after such a disaster. Funds will be replenished over a five-year period after the completion of the recovery from the disaster.

Budget Stabilization Reserve - A balance of no less than 5% of budgeted operating expenditures for the current fiscal year will be reserved only for the purpose of revenue declines or unfunded mandates from the state and federal governments. Funds utilized due to revenue declines will be replenished over a five-year period. Funds utilized for unfunded mandates or unanticipated expenditures cannot be used for more than a three-year period and must be replenished within five-years after the three-year period.

At September 30, 2020, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 7,650,000	\$ 7,650,000	\$ 15,300,000
Transportation Fund	950,000	950,000	1,900,000
Emergency Services District Fund	2,250,000	2,250,000	4,500,000
Total	<u>\$ 10,850,000</u>	<u>\$ 10,850,000</u>	<u>\$ 21,700,000</u>

The General Fund reserves are included in the unassigned fund balance on the balance sheet. The Transportation Fund reserves are included in the assigned fund balance and the Emergency Services District Fund reserves are included in the restricted fund balance on the balance sheet. The Emergency/Disaster Relief and Budget Stabilization Reserve amounts may only be revised by the Board of County Commissioners.

Minimum Fund Balance - The approved fund balance policy dictates the Board's attempt to maintain a minimum fund balance in the General, Transportation, and Emergency Services District funds of 20% of budgeted annual operating expenditures. The minimum fund balance level may be revised by the County Administrator or his designee.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 16 - FUND BALANCE - Continued

C. Spending Hierarchy

For all governmental funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

D. Fund Balance Deficit

The Metropolitan Planning Organization Fund, a nonmajor Governmental Fund, had a deficit in fund balance of \$89,708 at September 30, 2020. This deficit will be eliminated by grant proceeds in fiscal year 2021. The Jackie Robinson Training Complex Fund, a nonmajor Governmental Fund, had a deficit in fund balance of \$227,670 at September 30, 2020. This deficit will be eliminated by tourist tax collections in future fiscal years.

NOTE 17 - RISK MANAGEMENT

General Liability, Property, Worker's Compensation and Medical

The Board is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Board established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage as follows:

	<u>10/01/15 to 9/30/2020</u>
Worker's Compensation	\$ 650,000
General Liability	200,000
Auto Liability	200,000
Property Damage	200,000
Error or Omissions	200,000
Annual Aggregate	2,000,000

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 17 - RISK MANAGEMENT - Continued

General Liability, Property, Worker's Compensation and Medical - Continued

All departments of the Board participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience and actual estimates of the amounts needed to pay current year claims. The Board has received workers compensation reimbursements totaling \$3,072 for fiscal year 2020, \$41,832 for fiscal year 2019, and \$1,685 for fiscal year 2018.

The Board purchases excess insurance to cover claims in excess of the amounts listed above. There is a 5% deductible per location for property damages arising due to a hurricane under the reinsurance policy.

The Board is also self-insured for medical claims covering employees and their eligible dependents. As required by Section 112.081, Florida Statutes, retirees and their eligible dependents are provided the same health care coverage as is offered to active employees; however, the retirees are responsible for payment of the premiums. Medical claims are paid from premiums contributed by employees, retirees, and by the Board. Premiums and contributions are determined by projected claims based on historical and actuarial experience. The self-insurance medical plan assumes all risk for claims, other than worker's compensation, up to \$300,000 per occurrence. The Board has purchased a reinsurance policy to cover claims in excess of these limits. There were medical claim reimbursements totaling \$1,022,187 for fiscal year 2020, \$670,688 for fiscal year 2019, and \$471,549 for fiscal year 2018.

The claims liability of \$7,944,000 reported at September 30, 2020, is based on the requirements of generally accepted governmental accounting standards, which require that a liability for claims be reported if information is available prior to the issuance of the financial statements, and the amount of the loss, can be reasonably estimated. Estimates for claims incurred but not reported are actuarially determined and recorded. Based on the actuary's report, \$2,649,000 will be liquidated over the next twelve months.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 17 - RISK MANAGEMENT - Continued

General Liability, Property, Worker's Compensation and Medical - Continued

Changes in the fund's claims liability amount during the current and prior three fiscal years are as follows:

	Balance at Fiscal Year Beginning	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2016-2017	\$ 8,512,520	\$ 16,364,331	\$ (16,621,851)	\$ 8,255,000
2017-2018	8,255,000	21,400,694	(21,216,694)	8,439,000
2018-2019	8,439,000	26,495,950	(26,680,950)	8,254,000
2019-2020	8,254,000	23,627,530	(23,937,530)	7,944,000

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined; and at September 30, 2020, unrestricted net position of \$22,070,750 has been designated for this purpose.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 18 - COMMITMENTS AND CONTINGENCIES

A. Litigation

The Board is involved in litigation regarding a zoning dispute and other matters, and may be required to pay damages at a future date. While the ultimate amount of damages is currently unknown, management has estimated that the amount is likely to equal or exceed \$3,917,250. Accordingly, management has recorded an estimated liability in that amount in the financial statements.

Various other suits and claims are currently pending against the Board. It is impossible for the Board to accurately quantify the exposure involved given the jury's latitude in assessing compensatory and punitive damages, and the court's latitude in awarding attorney's fees. The Board intends to vigorously defend against these lawsuits and believes it has a good chance of prevailing on their merits. The Board is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of management and based on the advice of legal counsel, the ultimate disposition of lawsuits will not have a material adverse effect on the financial position of the Board.

B. Contracts and Other Commitments

The Board has various contracts and commitments outstanding at September 30, 2020. In the General Fund, contracts are for janitorial services, beach park landscape and custodial maintenance, legislative consulting services and external auditing services. In the Special Revenue Funds, contracts are for the Courthouse renovations, Indian River Blvd. and 8th Street signalization and intersection improvements, beach profile surveys and monitoring, several conservation area improvements as well as a variety of other road paving and drainage projects. In the Capital Projects Fund, contracts are for intersection improvements at State Road 60 and 43rd Avenue, 58th Avenue full depth reclamation project, 43rd Avenue improvements from 18th Street to 26th Street, P25 radio system migration project, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for the golf course maintenance, aquifer wells rehabilitation project, Countywide meter replacement program, Roseland elevated storage tank conversion, pump station and water transmission main, and various other water and sewer projects. In the Internal Service Funds, contracts are for benefit administration services and GIS aerial imagery.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 18 - COMMITMENTS AND CONTINGENCIES - Continued

B. Contracts and Other Commitments - Continued

A summary of these projects at September 30, 2020, is as follows:

	Total Contract Price	Total Paid as of September 30, 2020	Remaining Balance at September 30, 2020
General	\$ 3,338,260	\$ (1,787,648)	\$ 1,550,612
Special Revenue	9,277,222	(6,408,159)	2,869,063
Capital Projects	35,577,950	(11,688,226)	23,889,724
Enterprise	18,858,071	(10,074,741)	8,783,330
Internal Service	583,391	(286,232)	297,159
Total	<u>\$ 67,634,894</u>	<u>\$ (30,245,006)</u>	<u>\$ 37,389,888</u>

C. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Board. In the opinion of management, any such adjustments would not be significant.

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

March 10, 2021

The Honorable Board of County Commissioners
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Board of County Commissioners** (the "Board"), as of and for the year ended September 30, 2020, which collectively comprise the Board's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rehmann Lohman LLC

MANAGEMENT LETTER

March 10, 2021

The Honorable Board of County Commissioners
Indian River County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Board of County Commissioners** (the "Board"), as of and for the year ended September 30, 2020, and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Management

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

Purpose of this Letter

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

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

March 10, 2021

The Honorable Board of County Commissioners
Indian River County, Florida

We have examined the compliance of **Indian River County, Florida Board of County Commissioners** ("the Board") with Sections 218.415, 365.172(10), and 365.173(2)(d) Florida Statutes, during the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with those requirements.

Independent Accountants' Responsibility

Our responsibility is to express an opinion on the Board's compliance with those requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Board is in compliance with specified requirements established by Florida Statute and performing such procedures as we considered necessary in the circumstances.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

Opinion

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose of this Report

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

Rehmann Lobson LLC

Rehmann is an independent member of Nexia International.





CLERK OF THE CIRCUIT COURT AND COMPTROLLER

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Jeffrey R. Smith
Clerk of the Court and Comptroller
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Clerk of Court** (the "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Clerk as of September 30, 2020 and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Clerk of Court* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Balance Sheet
Governmental Funds
September 30, 2020

	General	Nonmajor Fund Special Revenue	Total Governmental Funds
ASSETS			
Cash	\$ 681,806	\$ 1,064,842	\$ 1,746,648
Accounts receivable	62,933	-	62,933
Prepaid items	54,885	106,508	161,393
Due from other governments	45,158	19,637	64,795
Total assets	<u>\$ 844,782</u>	<u>\$ 1,190,987</u>	<u>\$ 2,035,769</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 137,485	\$ 34,528	\$ 172,013
Due to other governments	304,890	179	305,069
Other deposits held in escrow	185,109	14,580	199,689
Unearned revenues	217,298	-	217,298
Total liabilities	<u>844,782</u>	<u>49,287</u>	<u>894,069</u>
Fund Balances:			
Nonspendable:			
Prepaid items	54,885	106,508	161,393
Restricted for:			
Court-related costs and improvements	-	1,035,192	1,035,192
Unassigned	(54,885)	-	(54,885)
Total fund balances	<u>-</u>	<u>1,141,700</u>	<u>1,141,700</u>
Total liabilities fund balances	<u>\$ 844,782</u>	<u>\$ 1,190,987</u>	<u>\$ 2,035,769</u>

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

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 257,261	\$ -	\$ 257,261
Charges for services	3,155,865	516,826	3,672,691
Judgments, fines and forfeits	825,215	-	825,215
Interest	26,909	6,674	33,583
Miscellaneous	43,732	69,369	113,101
Total revenues	<u>4,308,982</u>	<u>592,869</u>	<u>4,901,851</u>
EXPENDITURES			
General government	2,068,864	864,932	2,933,796
Court related	3,067,847	-	3,067,847
Total expenditures	<u>5,136,711</u>	<u>864,932</u>	<u>6,001,643</u>
Excess of revenues over (under) expenditures	<u>(827,729)</u>	<u>(272,063)</u>	<u>(1,099,792)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	1,090,651	-	1,090,651
Transfer to Board of County Commissioners	(262,922)	-	(262,922)
Total other financing sources (uses)	<u>827,729</u>	<u>-</u>	<u>827,729</u>
Net change in fund balances	-	(272,063)	(272,063)
Fund balances at beginning of year	<u>-</u>	<u>1,413,763</u>	<u>1,413,763</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,141,700</u></u>	<u><u>\$ 1,141,700</u></u>

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

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 165,690	\$ 165,690	\$ 257,261	\$ 91,571
Charges for services	3,254,048	2,970,107	3,155,865	185,758
Judgments, fines and forfeits	924,000	874,000	825,215	(48,785)
Interest	31,774	31,774	26,909	(4,865)
Miscellaneous	27,203	27,203	43,732	16,529
Total revenues	4,402,715	4,068,774	4,308,982	240,208
EXPENDITURES				
General government	2,083,425	2,077,824	2,068,864	8,960
Court related	3,409,941	3,081,601	3,067,847	13,754
Total expenditures	5,493,366	5,159,425	5,136,711	22,714
Excess of revenues over (under) expenditures	(1,090,651)	(1,090,651)	(827,729)	262,922
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	1,090,651	1,090,651	1,090,651	-
Transfers to Board of County Commissioners	-	-	(262,922)	(262,922)
Total other financing sources (uses)	1,090,651	1,090,651	827,729	(262,922)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances at beginning of year			-	
Fund balances at end of year			\$ -	

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

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

ASSETS

Cash	\$ 3,199,765
Total assets	<u>\$ 3,199,765</u>

LIABILITIES

Due to other governments	\$ 862,674
Escrow deposits	<u>2,337,091</u>
Total liabilities	<u>\$ 3,199,765</u>

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

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clerk of the Circuit Court and Comptroller (Clerk) is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. The Clerk is considered to be a part of the primary government of Indian River County.

Court-related expenditures are funded through filing fees, service charges, court costs and fines assessed to parties using the court system. Under 2013-44, Laws of Florida, revenue collected by the Clerk is retained by the County and remitted to the Florida Department of Revenue based upon various formulas determined by Florida Clerks of Court Operations Corporation. Non-court expenditures are funded by the Board of County Commissioners for both the finance and recording (board meeting recordings) departments. Additional non-court revenues include various fees assessed for the recording of documents, passports, marriage licenses and court reporter services. Both court and non-court operations are reported in these financial statements.

The financial statements contained herein represent the financial transactions of the Clerk of the Circuit Court and Comptroller only. The format of the Clerk's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

For reporting purposes, the accounting records are organized into the following two fund types: governmental funds and a fiduciary fund.

Governmental Funds

General Fund - The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general (both court and non-court) operations of the Clerk which are not accounted for in another fund. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Special Revenue Fund - The Special Revenue Fund accounts for the proceeds from recording fees to be used for modernizing the Clerk's public records systems, subsidizing court-related operational needs and program enhancements, and adding access to public records (by charging a computer usage fee).

Fiduciary Fund

Agency Fund - The Agency Fund is used to account for assets held by the Clerk in a trustee capacity or as an agent. These funds cannot be used to support the Clerk's own programs.

B. Basis of Accounting, Measurement Focus and Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred. Revenues are recorded when received or when they are considered both measurable and available. The Clerk only considers revenue to be available if collected within the current fiscal year, except for Title IV-D grant revenue. This grant revenue is subject to accrual and has been recognized as revenue of the current fiscal period. Revenues collected in excess of expenditures are not considered earned and are reflected as liabilities. The fiduciary fund is accounted for on the accrual basis.

C. Budgetary Requirements

State statutes require the Clerk to prepare the budget in two parts: the budget relating to the State court system and the budget relating to the requirements of the Clerk as Clerk to the Board of County Commissioners, County auditor, and custodian of all County funds and other County-related duties. The budget relating to the State court system is prepared by the Clerk and submitted to the Florida Clerks of Court Operations Corporation (CCOC) by May 1 of each year (for consolidation to the Florida Legislative Budget Commission by August 1). The budget relating to the requirements of the Clerk as Clerk to the Board of County Commissioners is prepared prior to May 1 and is reviewed, modified if required, and approved by the Board by October 1. Both budgets are adopted on a basis consistent with generally accepted accounting principles.

The budget legally adopted by the Clerk must be balanced; that is, the total of estimated receipts, including funding from the Board, shall equal the total estimated expenditures. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as management does not exceed the total appropriations of a fund.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Cash

Cash reported on the financial statements includes bank deposits, cash on hand, certificates of deposit, money market accounts, and all highly liquid investments with maturities of ninety days or less when purchased.

E. Prepaid Items

This account represents prepayments for services that will be used in future periods. The Clerk's policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

F. Capital Assets

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Clerk in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for capitalization threshold, depreciation methodology and useful lives.

G. Compensated Absences

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk does not, nor is legally required to, accumulate expendable, available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported in the Clerk's financial statements. Additional information on the liability is reflected in Note 6.

H. Transfer In

The non-court operations (finance function and board meeting recordings) were funded by the Board of County Commissioners in the amount of \$1,090,651.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Transfer Out

In accordance with Florida Statutes, all non-court-related revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners before November 1. A total of \$262,922 of excess fees was returned to the Board. This transfer is included in the amount reported as Due to Other Governments on the balance sheet

J. Fund Balance

GASB Statement 54 - *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH

A. Deposits

At September 30, 2020, the carrying value of the Clerk's deposits was \$4,946,413 and the bank balance was \$4,930,858. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer in accordance with Section 280.01, Florida Statutes, also known as the Florida Security for Public Deposits Act.

The Clerk's office follows the above state law (governing custodial credit risk) for cash deposits. Refer to the County-wide note on cash and investments for the definition of custodial credit risk.

B. Deposit and Investment Policies

The Clerk adopted a cash and investment policy on April 25, 2013 with the intent to match investment maturities with known cash needs and anticipated cash flow requirements. The policy was last updated on November 15, 2018.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 2 - CASH - Continued

B. Deposit and Investment Policies - Continued

Interest Rate Risk

The Clerk's cash and investment policy includes the following limits:

- All final maturities are three years or less,
- At least 50% of the portfolio shall be invested in readily available funds.

Concentration Risk

The following limits on portfolio compensation are outlined in the Clerk's investment policy:

- No more than 10% or \$1 Million of the total portfolio may be placed in certificates of deposit with a Qualified Public Depository with any one financial institution,
- No more than 40% of the portfolio may be placed in any money market fund or intergovernmental investment pool.

Custodial Credit Risk

The Clerk's cash and investment policy pursuant to 218.415, Florida Statutes, requires securities to be held in the name of the Clerk and separately identified from the assets of the financial institution. All cash and money market accounts are listed under the name of the Indian River County Clerk of Circuit Court.

Credit Risk

Authorized investments are subject to the restrictions imposed by Section 218.145 of the Florida Statutes and are limited to the following securities:

- Florida Local Government Investment Trust Funds (Florida Trust),
- State of Florida Local Government Surplus Funds Trust Funds, for existing fund only,
- Interest-bearing time deposits or savings accounts in qualified public depositories (as defined in Section 280.02, F.S.),
- Money market funds registered with the Securities and Exchange Commission (with the highest quality rating from a nationally recognized rating agency),
- Derivatives are prohibited.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN

Florida Retirement System

Plan Description: The Clerk's employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2020 were: regular class 10.00%, senior management class 27.29%, DROP class 16.98%, and elected official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS Pension Plan prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS Pension Plan on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the FRS and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

For the year ended September 30, 2020, the Clerk's actuarial contribution to FRS under the Pension Plan was \$315,293 and the Health Insurance Subsidy (HIS Program) was \$63,408. Employee contributions for both plans were \$89,072. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2020, the Division of Retirement calculated the Clerk's liability of \$3,798,371 for the FRS plan and \$1,329,164 for the HIS Program, for a total of \$5,127,535 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Clerk's proportion was .008764% for the FRS Pension Plan and .010886% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Clerk's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Clerk's proportionate share of the net pension liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Clerk's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Clerk's proportionate share of NPL	\$ 6,065,360	\$ 3,798,371	\$ 1,904,972

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

Discount rate for the HIS Program: In general, the discount rate for calculating the pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Clerk's proportionate share of the NPL of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Clerk's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Clerk's proportionate share of NPL	\$ 1,536,454	\$ 1,329,164	\$ 1,159,498

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Clerk since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 4 - OTHER POSTEMPLOYMENT BENEFITS

The Clerk participated in the Indian River County Other Postemployment Benefits Trust (OPEB Trust). The Clerk's 2020 annual contribution of \$74,412 was funded by: the Board of County Commissioners in the amount of \$12,402; non-court operations in the amount of \$57,240; and special revenue funds in the amount of \$4,770. This contribution was considered part of a total contribution determined by the OPEB Trust actuary. Further information on the OPEB Trust can be found in the County-wide financial statements and in the County notes.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - RISK MANAGEMENT

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self Insurance Fund. The Clerk participated in the County's self-insurance program during the fiscal year at an annual cost of approximately \$706,834. Further details of this self-insurance program are discussed in the County-wide financial statements and County-wide note on risk management.

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

The following is a schedule of changes in long-term liabilities as of September 30, 2020:

	Beginning Balance 10/01/19	Additions	Deletions	Ending Balance 9/30/20
Accrued Compensated Absences	<u>\$ 271,395</u>	<u>\$ 349,050</u>	<u>\$ 295,561</u>	<u>\$ 324,884</u>

Of the \$324,884 liability for accrued compensated absences, management estimates that \$40,000 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since they are not payable from available spendable resources. They are reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

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

March 10, 2021

The Honorable Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller
Indian River Clerk, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Clerk of Court** (the "Clerk"), as of and for the year ended September 30, 2020, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

MANAGEMENT LETTER

March 10, 2021

The Honorable Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller
Indian River County, Florida

Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Clerk of Court** (the "Clerk"), as of and for the year ended September 30, 2020, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

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Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

March 10, 2021

The Honorable Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller
Indian River County, Florida

We have examined the compliance of **Indian River County, Florida Clerk of Circuit Court and Comptroller** ("the Clerk") with Sections 218.415, 28.35, 28.36, and 61.81 Florida Statutes, during the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with those requirements.

Independent Accountants' Responsibility

Our responsibility is to express an opinion on the Clerk's compliance with those requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk is in compliance with specified requirements established by Florida Statute and performing such procedures as we considered necessary in the circumstances.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

Opinion

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose of this Report

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

Rehmann Lobson LLC

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PROPERTY APPRAISER

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Wesley Davis
Property Appraiser
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of the major fund information of the **Indian River County, Florida Property Appraiser** (the "Property Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fund of the Property Appraiser as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Property Appraiser* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Rehmann Loborn LLC

**Indian River County, Florida
Property Appraiser
Balance Sheet
General Fund
September 30, 2020**

ASSETS

Cash	\$ 285,309
Accounts receivable	1,553
Prepaid items	47,772
Total assets	<u>\$ 334,634</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 136,646
Due to other governments	197,988
Total liabilities	<u>334,634</u>

Fund Balances:

Nonspendable:

Prepaid items	47,772
Unassigned	<u>(47,772)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 334,634</u>
-------------------------------------	-------------------

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

Indian River County, Florida
Property Appraiser
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,128,520	\$ 4,129,692	\$ 4,129,729	\$ 37
Interest	-	-	5,975	5,975
Miscellaneous	-	-	7,083	7,083
Total revenues	<u>4,128,520</u>	<u>4,129,692</u>	<u>4,142,787</u>	<u>13,095</u>
EXPENDITURES				
Current:				
General government	4,128,520	4,129,692	3,959,471	170,221
Debt Service:				
Principal	-	-	3,314	(3,314)
Interest and fiscal charges	-	-	279	(279)
Total expenditures	<u>4,128,520</u>	<u>4,129,692</u>	<u>3,963,064</u>	<u>166,628</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>179,723</u>	<u>179,723</u>
OTHER FINANCING SOURCES (USES)				
Transfers to Board of County Commissioners	-	-	(179,723)	(179,723)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(179,723)</u>	<u>(179,723)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances at beginning of year			<u>-</u>	
Fund balances at end of year			<u>\$ -</u>	

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

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Property Appraiser is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Property Appraiser does not meet the definition of a legally separate organization and is not considered to be a component unit. The Property Appraiser is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Property Appraiser only. The format of the Property Appraiser's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

For reporting purposes, the accounting records are organized on the basis of governmental funds.

Governmental Fund

General Fund - The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

B. Basis of Accounting, Measurement Focus and Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred. Revenues are recorded when received or when they are considered both measurable and available. Revenues collected in excess of expenditures are not considered earned and are reflected as liabilities.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgetary Requirements

State statutes require the Property Appraiser to prepare an annual budget, which clearly reflects the revenues available to his office and the functions for which money is to be expended. The budgeted revenues and expenditures are subject to the review and approval of the Department of Revenue. Management is authorized to transfer budgeted amounts between objects and departments as long as management does not exceed the total appropriations of a fund. Department of Revenue approval is only required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations. The budget is prepared on a basis consistent with generally accepted accounting principles.

D. Capital Assets

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Property Appraiser in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for capitalization threshold, depreciation methodology and useful lives.

E. Compensated Absences

The Property Appraiser accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Property Appraiser does not, nor is legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported on the Property Appraiser's financial statements. Additional information on the liability is reflected in subsequent Note 6.

F. Transfer Out

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners and other governments. These "excess fees" totaled \$197,988 at September 30, 2020, and are included as due to other governments on the balance sheet. Of this amount, \$179,723 was owed to the Board of County Commissioners and is reported as Transfers to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Fund Balance

GASB Statement 54 - *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH

Deposits

At September 30, 2020, the carrying amount of the Property Appraiser's deposits was \$285,309 and the bank balance was \$340,150. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer in accordance with Section 280.01, Florida Statutes, also known as the Florida Security for Public Deposits Act. The Property Appraiser adopted the Board of County Commissioners' investment policy. This policy requires the Property Appraiser's office to follow the above state law (governing custodial credit risk) for cash deposits. Refer to the County-wide note on cash and investments for the definition of custodial credit risk.

NOTE 3 - PENSION PLAN

Florida Retirement System

Plan Description: The Property Appraiser's employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2020 were: regular class 10.00%, senior management class 27.29%, DROP class 16.98%, and elected official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the FRS and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2020, the Property Appraiser's actuarial contributions to FRS under the Pension Plan were \$261,507 and the Health Insurance Subsidy (HIS Program) were \$38,471. Employee contributions were \$62,327. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Pension Liabilities: At September 30, 2020, the Division of Retirement calculated the Property Appraiser's liability of \$3,300,157 for the FRS plan and \$808,950 for the HIS Program, for a total of \$4,109,107 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Property Appraiser's proportion of the net pension liability was based on a projection of the Property Appraiser's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Property Appraiser's proportion was .007614% for the FRS Pension Plan and .006625% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Property Appraiser's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Property Appraiser's proportionate share of the Net Pension Liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Property Appraiser's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Property Appraiser 's proportionate share of NPL	\$ 5,269,796	\$ 3,300,157	\$ 1,655,106

Discount rate for the HIS Program: In general, the discount rate for calculating the pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Property Appraiser's proportionate share of the NPL of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Property Appraiser's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Discount (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Property Appraiser's proportionate share of NPL	\$ 935,110	\$ 808,950	\$ 705,688

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Property Appraiser since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 4 - OTHER POSTEMPLOYMENT BENEFITS

The Property Appraiser participated in the Indian River County Other Postemployment Benefits Trust (OPEB Trust). The Property Appraiser's 2020 annual contribution of \$37,206 was funded by the Board of County Commissioners as part of a total contribution determined by the OPEB Trust actuary. Further information on the OPEB Trust can be found in the County-wide financial statements and in the County notes.

NOTE 5 - RISK MANAGEMENT

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self Insurance Fund. The Property Appraiser participated in the County's self-insurance program during fiscal year 2020 at an annual cost of approximately \$370,571. Further details on the self-insurance program are discussed in the County-wide financial statements and County notes.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	Beginning Balance 10/01/19	Additions	Deletions	Ending Balance 9/30/2020
Accrued Compensated Absences	<u>\$ 64,682</u>	<u>\$ 266,279</u>	<u>\$ 156,680</u>	<u>\$ 174,281</u>

Of the \$174,281 liability for accrued compensated absences, management estimates that \$22,000 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Property Appraiser since they are not payable from available spendable resources. They are reported in the financial statements of the County.

NOTE 7 - OPERATING LEASES

The Property Appraiser has entered into a noncancelable operating lease as lessee for office space. Lease expenditures totaled \$12,000 for the fiscal year ended September 30, 2020.

The following is a schedule by years of minimum future lease payments to be paid by the Property Appraiser for noncancelable operating leases as of September 30:

Year Ended	Amount
2021	\$ 12,120
2022	12,240
2023	<u>6,120</u>
Future minimum lease payments	<u>\$ 30,480</u>

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 8 - CAPITAL LEASES

The Property Appraiser has entered into a noncancelable capital lease for a backup computer system. Assets acquired under this lease totaled \$20,855 for the fiscal year ended September 30, 2020.

The following is a schedule by years of minimum future lease payments to be paid by the Property Appraiser for noncancelable capital leases as of September 30:

<u>Year Ended</u>	<u>Amount</u>
2021	\$ 3,592
2022	3,592
2023	3,592
2024	1,796
Future minimum lease payments	<u>\$ 12,572</u>

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

March 10, 2021

The Honorable Wesley Davis
Property Appraiser
Indian River Property Appraiser, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund of the **Indian River County, Florida Property Appraiser** (the "Property Appraiser"), as of and for the year ended September 30, 2020, which collectively comprise the Property Appraiser's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rehmann Loborn LLC

MANAGEMENT LETTER

March 10, 2021

The Honorable Wesley Davis
Property Appraiser
Indian River County, Florida

Report on the Financial Statements

We have audited the fund financial statements of the major fund of the **Indian River County, Florida Property Appraiser** (the "Property Appraiser"), as of and for the year ended September 30, 2020, which collectively comprise the Property Appraiser's fund financial statements and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Rehmann is an independent member of Nexia International.



Financial Management

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

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Rehmann Lohman LLC". The signature is written in a cursive, flowing style.

INDEPENDENT ACCOUNTANTS' REPORT

March 10, 2021

The Honorable Wesley Davis
Property Appraiser
Indian River County, Florida

We have examined the compliance of **Indian River County, Florida Property Appraiser** ("the Property Appraiser") with Sections 218.415 Florida Statutes, during the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with those requirements.

Independent Accountants' Responsibility

Our responsibility is to express an opinion on the Property Appraiser's compliance with those requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser is in compliance with specified requirements established by Florida Statute and performing such procedures as we considered necessary in the circumstances.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

Opinion

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose of this Report

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

Rehmann Lobson LLC

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SHERIFF

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Eric Flowers
Sheriff
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Sheriff as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Sheriff* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2020

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 2,763,866	\$ 2,402,464	\$ 5,166,330
Accounts receivable	121,507	380,692	502,199
Inventories	166,414	22,251	188,665
Total assets	<u>\$ 3,051,787</u>	<u>\$ 2,805,407</u>	<u>\$ 5,857,194</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,538,220	\$ 164,842	\$ 2,703,062
Due to other governments	509,167	21,890	531,057
Unearned revenues	4,400	-	4,400
Total liabilities	<u>3,051,787</u>	<u>186,732</u>	<u>3,238,519</u>
Fund Balances:			
Nonspendable:			
Inventories	166,414	22,251	188,665
Restricted for:			
Law enforcement/public safety	-	2,373,334	2,373,334
Committed to:			
Law enforcement/public safety	-	76,921	76,921
Assigned to:			
Law enforcement/public safety	-	146,169	146,169
Unassigned	<u>(166,414)</u>	<u>-</u>	<u>(166,414)</u>
Total fund balances	<u>-</u>	<u>2,618,675</u>	<u>2,618,675</u>
Total liabilities and fund balances	<u>\$ 3,051,787</u>	<u>\$ 2,805,407</u>	<u>\$ 5,857,194</u>

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

Indian River County, Florida
Sheriff
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ -	\$ 340,126	\$ 340,126
Charges for services	-	312,874	312,874
Judgments, fines and forfeits	-	45,562	45,562
Interest	-	50	50
Miscellaneous	96,398	538,523	634,921
Total revenues	<u>96,398</u>	<u>1,237,135</u>	<u>1,333,533</u>
EXPENDITURES			
Public safety	50,941,067	1,015,383	51,956,450
Court related	2,453,732	-	2,453,732
Total expenditures	<u>53,394,799</u>	<u>1,015,383</u>	<u>54,410,182</u>
Excess of revenues over (under) expenditures	(53,298,401)	221,752	(53,076,649)
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	53,807,568	180,000	53,987,568
Transfers to Board of County Commissioners	(509,167)	(21,890)	(531,057)
Total other financing sources	<u>53,298,401</u>	<u>158,110</u>	<u>53,456,511</u>
Net change in fund balances	-	379,862	379,862
Fund balances at beginning of year	<u>-</u>	<u>2,238,813</u>	<u>2,238,813</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,618,675</u></u>	<u><u>\$ 2,618,675</u></u>

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

Indian River County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous	\$ -	\$ 96,398	\$ 96,398	\$ -
Total revenues	-	96,398	96,398	-
EXPENDITURES				
Public safety	51,125,799	51,318,107	50,941,067	377,040
Court related	2,576,887	2,551,969	2,453,732	98,237
Total expenditures	53,702,686	53,870,076	53,394,799	475,277
Excess of revenues over (under) expenditures	(53,702,686)	(53,773,678)	(53,298,401)	475,277
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	53,702,686	53,773,678	53,807,568	33,890
Transfers to Board of County Commissioners	-	-	(509,167)	(509,167)
Total other financing sources	53,702,686	53,773,678	53,298,401	(475,277)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances at beginning of year			-	
Fund balances at end of year			\$ -	

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

Indian River County, Florida
Sheriff
Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

ASSETS

Cash	\$	34,294
Total assets	\$	<u>34,294</u>

LIABILITIES

Escrow deposits	\$	34,294
Total liabilities	\$	<u>34,294</u>

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

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sheriff is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. The Sheriff is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Sheriff only. The format of the Sheriff's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

For reporting purposes, the accounting records are organized into the following two fund types: governmental funds and a fiduciary fund.

Governmental Funds

General Fund - The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Sheriff, which are not accounted for in another fund. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Special Revenue Fund - The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted, committed or assigned for public safety such as police education, special purpose equipment, jail commissary, and special law enforcement activities.

Fiduciary Fund

Agency Fund - The Agency Fund is used to account for assets held by the Sheriff in a trustee capacity or as an agent. Funds are for the employee cafeteria plan.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Accounting, Measurement Focus and Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred. Revenues are recorded when received or when they are considered both measurable and available. Revenues collected in excess of expenditures are not considered earned and are reflected as liabilities. The fiduciary fund is reported on an accrual basis.

C. Budgetary Requirements

State statutes require the Sheriff to submit a proposed budget to the Board of County Commissioners by May 1 of each year. The budget reflects the estimated amounts of all proposed expenditures for operating and equipping the Sheriff's office and jail. Capital improvements for these buildings are funded by the Board. The budget is prepared on a basis consistent with generally accepted accounting principles. After review and approval of the budget by the Board, the Sheriff is authorized to transfer budgeted amounts between objects and departments as long as it does not exceed the total appropriations approved by the Board. Increases in the total budget are subject to the review and approval of the Board. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners.

D. Compensated Absences

The Sheriff accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Sheriff does not, nor is legally required to, accumulate expendable, available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported on the Sheriff's financial statements. Additional information on the liability is reflected in subsequent Note 8.

E. Transfer Out

In accordance with Florida Statutes, all general fund revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners. The September 30, 2020 amount totaled \$531,057 and was reported as a transfer to the Board of County Commissioners at year end. This transfer is also reported as due to other governments on the balance sheet.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Fund Balance

GASB Statement 54 - *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH

Deposits

At September 30, 2020, the carrying amount of the Sheriff's deposits was \$5,200,624 and the bank balance was \$5,965,264. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer in accordance with Section 280.01, Florida Statutes, also known as the Florida Security for Public Deposits Act.

The Sheriff's office elected not to adopt a formal investment policy and selects the alternative investment guidelines as provided by Florida Statutes 218.415, subsection 17. Refer to the County-wide note on cash and investments for the definition of custodial credit risk.

NOTE 3 - CAPITAL ASSETS

Equipment used by the Sheriff in operations is reported in the financial statements of the County. State law requires the Sheriff to account for all tangible property used by the Sheriff. A summary of changes in capital assets is as follows:

	Beginning Balance 10/01/19	Additions	Deletions	Ending Balance 09/30/20
Equipment	<u>\$ 29,835,561</u>	<u>\$ 4,441,087</u>	<u>\$ 1,582,218</u>	<u>\$ 32,694,430</u>

Refer to the County-wide note on capital assets for capitalization threshold, depreciation methodology and useful lives.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 4 - INVENTORIES

Inventories are valued at cost, which approximates market, using the “first-in, first-out” method of accounting. The costs of inventory are recorded as an expenditure when consumed rather than when purchased. Inventory of the Sheriff represents law enforcement gear, miscellaneous clothing and store items.

NOTE 5 - PENSION PLAN

Florida Retirement System

Plan Description: The Sheriff’s employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member’s employment class. Classes and rates in effect at July 1, 2020 were: regular class 10.00%, special risk 24.45%, senior management class 27.29%, DROP class 16.98%, and elected official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - PENSION PLAN - Continued

Florida Retirement System - Continued

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the FRS and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2020, the Sheriff's actuarial contributions to FRS under the Pension Plan were \$4,761,856 and the HIS Program were \$463,347. Employee contributions were \$779,971. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2020, the Division of Retirement calculated the Sheriff's liability of \$62,152,636 for the FRS plan and \$9,758,063 for the HIS Program, for a total of \$71,910,699 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Sheriff's proportion was .143402% for the FRS Pension Plan and .079920% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Sheriff's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Indian River County, Florida
 Sheriff
 Notes To Financial Statements
 Year Ended September 30, 2020

NOTE 5 - PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Sheriff's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Sheriff's proportionate share of the net pension liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Sheriff's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
Sheriff's proportionate share of NPL	\$ 99,247,315	\$ 62,152,636	\$ 31,170,999

Discount rate for the HIS Program: In general, the discount rate for calculating the pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Sheriff's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Sheriff's proportionate share of the NPL of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Sheriff's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Sheriff's proportionate share of NPL	\$ 11,279,885	\$ 9,758,063	\$ 8,512,455

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Sheriff since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

The Sheriff participated in the Indian River County Other Postemployment Benefits Trust (OPEB Trust). The Sheriff's 2020 annual contribution of \$904,536 was funded by the Board of County Commissioners as part of a total contribution determined by the OPEB Trust actuary. Further information on the OPEB Trust can be found in the County-wide financial statements and County notes.

NOTE 7 - RISK MANAGEMENT

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self Insurance Fund. The Sheriff participated in the County's self-insurance program during fiscal year 2020 at an annual cost of approximately \$4,522,596. Further details on this self-insurance program are disclosed in the County-wide financial statements and County notes.

NOTE 8 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

The following is a schedule of changes in long-term liabilities as of September 30, 2020:

	Beginning Balance 10/01/19	Additions	Deletions	Ending Balance 09/30/20
Accrued Compensated Absences	<u>\$ 7,868,050</u>	<u>\$ 4,491,064</u>	<u>\$ 3,563,709</u>	<u>\$ 8,795,405</u>

Of the \$8,795,405 liability for accrued compensated absences, management estimates that \$3,562,761 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Sheriff since they are not payable from available spendable resources. They are reported in the County-wide financial statements and County notes.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 9 - OPERATING LEASES

The Sheriff has entered into noncancelable operating leases as lessee of a building, hangar, mail machine, and copiers. Lease expenditures totaled \$86,972 for the year ended September 30, 2020.

The following is a schedule by years of minimum future lease payments to be paid by the Sheriff for noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2021	<u>\$ 84,028</u>
Total Future Minimum Lease Payments	<u><u>\$ 84,028</u></u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Various suits and claims are currently pending against the Sheriff. It is impossible for the Sheriff to accurately quantify the exposure involved given the jury's latitude in assessing compensatory and punitive damages, and the court's latitude in awarding attorney's fees. The Sheriff intends to vigorously defend against these lawsuits and believes he has a good chance of prevailing on their merits. In the opinion of management and based on the advice of legal counsel, the ultimate disposition of these lawsuits will not have a material adverse effect on the financial position of the Sheriff.

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

March 10, 2021

The Honorable Eric Flowers
Sheriff
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2020, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Lehmann Rohan LLC". The signature is written in a cursive, flowing style.

MANAGEMENT LETTER

March 10, 2021

The Honorable Eric Flowers
Sheriff
Indian River County, Florida

Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2020, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

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Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Rehmann Lohman LLC



SUPERVISOR OF ELECTIONS

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Leslie Swan
Supervisor of Elections
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Supervisor of Elections** (the "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Rehmann is an independent member of Nexia International.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Supervisor of Elections* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

Indian River County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds
September 30, 2020

		Nonmajor Fund	
	General	Special Revenue	Total Governmental Funds
ASSETS			
Cash	\$ 28,220	\$ 83,988	\$ 112,208
Prepaid items	103,867	-	103,867
Total assets	<u>\$ 132,087</u>	<u>\$ 83,988</u>	<u>\$ 216,075</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 85,863	\$ -	\$ 85,863
Due to other governments	46,224	-	46,224
Unearned revenues	-	83,444	83,444
Total liabilities	<u>132,087</u>	<u>83,444</u>	<u>215,531</u>
Fund Balances:			
Nonspendable:			
Prepaid items	103,867	-	103,867
Restricted for:			
Voting/election activities	-	544	544
Unassigned	(103,867)	-	(103,867)
Total fund balances	<u>-</u>	<u>544</u>	<u>544</u>
Total liabilities and fund balances	<u>\$ 132,087</u>	<u>\$ 83,988</u>	<u>\$ 216,075</u>

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

Indian River County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Nonmajor Fund Special Revenue	Total Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 192,293	\$ 192,293
Charges for services	10,831	-	10,831
Interest	-	266	266
Miscellaneous	105,518	-	105,518
Total revenues	<u>116,349</u>	<u>192,559</u>	<u>308,908</u>
EXPENDITURES			
General government	<u>1,672,787</u>	<u>199,861</u>	<u>1,872,648</u>
Total expenditures	<u>1,672,787</u>	<u>199,861</u>	<u>1,872,648</u>
Excess of revenues over (under) expenditures	(1,556,438)	(7,302)	(1,563,740)
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	1,607,569	-	1,607,569
Transfers from other funds	-	4,907	4,907
Transfers to Board of County Commissioners	(46,224)	-	(46,224)
Transfers to other funds	(4,907)	-	(4,907)
Total other financing sources (uses)	<u>1,556,438</u>	<u>4,907</u>	<u>1,561,345</u>
Net change in fund balances	-	(2,395)	(2,395)
Fund balances at beginning of year	<u>-</u>	<u>2,939</u>	<u>2,939</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 544</u>	<u>\$ 544</u>

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

Indian River County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 10,831	\$ 10,831
Miscellaneous	-	105,518	105,518	-
Total revenues	-	105,518	116,349	10,831
EXPENDITURES				
General government	1,607,569	1,708,180	1,672,787	35,393
Total expenditures	1,607,569	1,708,180	1,672,787	35,393
Excess of revenues over (under) expenditures	(1,607,569)	(1,602,662)	(1,556,438)	46,224
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	1,607,569	1,607,569	1,607,569	-
Transfers to Board of County Commissioners	-	-	(46,224)	(46,224)
Transfers to other funds	-	(4,907)	(4,907)	-
Total other financing sources (uses)	1,607,569	1,602,662	1,556,438	(46,224)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances at beginning of year			-	
Fund balances at end of year			\$ -	

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

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Supervisor of Elections is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor of Elections does not meet the definition of a legally separate organization and is not considered to be a component unit. The Supervisor of Elections is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Supervisor of Elections only. The format of the Supervisor of Elections' statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

The accounting records are organized for reporting purposes on the basis of governmental funds.

Governmental Funds

General Fund - The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Special Revenue Fund - The Special Revenue Fund accounts for State and Federal grant proceeds and matching funds from the County. These funds are legally restricted for voter education and poll worker recruitment and training, cybersecurity, safety at polling locations, and other election related activities.

B. Basis of Accounting, Measurement Focus and Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred. Revenues are recorded when received in cash or when they are considered both measurable and available. Revenues collected in excess of expenditures are not considered earned and are reflected as liabilities.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgetary Requirements

State statutes require the Supervisor of Elections to submit a proposed budget to the Board of County Commissioners by May 1 of each year. After review and approval of the budget by the Board, the Supervisor of Elections is authorized to transfer budgeted amounts between objects and departments as long as it does not exceed the total appropriations approved by the Board. Increases in the total budget are subject to the review and approval of the Board.

The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

D. Prepaid Items

Deposits in the governmental funds represent prepayments for services that will be used in future periods. The Supervisor of Elections' policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

E. Capital Assets

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Supervisor of Elections in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for the capitalization threshold, depreciation methodology and useful lives.

F. Unearned Revenues

Unearned revenues reported on the Supervisor of Elections' balance sheet represent revenues which are available but not earned.

G. Compensated Absences

The Supervisor of Elections accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Supervisor of Elections does not, nor is legally required to, accumulate expendable, available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported on the Supervisor of Elections' financial statements. Additional information on the liability is reflected in subsequent Note 6.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Transfer Out

In accordance with Florida Statutes, all general fund revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners and other governments. This unspent budget totaled \$46,224 and was reported as a transfer to the Board of County Commissioners. These transfers are also reflected as due to other governments on the balance sheet.

I. Fund Balance

GASB Statement 54 - *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH

Deposits

At September 30, 2020, the carrying amount of the Supervisor of Elections' deposits was \$112,208, and the bank balance was \$140,118. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer in accordance with Section 280.01, Florida Statutes, also known as the Florida Security for Public Deposits Act.

The Supervisor of Elections has adopted the Board of County Commissioners' investment policy. This policy requires the Supervisor of Elections' office to follow the above state law (governing custodial credit risk) for cash deposits. Refer to the County-wide note on cash and investments for the definition of custodial credit risk.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN

Florida Retirement System

Plan Description: The Supervisor of Elections' employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2020 were: regular class 10.00%, senior management class 27.29%, DROP class 16.98%, and elected official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

For the year ended September 30, 2020, the Supervisor of Elections' actuarial contribution to FRS under the Pension Plan were \$100,396 and the HIS Program were \$10,596. Employee contributions were \$17,264. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2020, the Division of Retirement calculated the Supervisor of Elections' liability of \$1,207,019 for the FRS plan and \$204,981 for the HIS Program, for a total of \$1,412,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Supervisor of Elections' proportion of the net pension liability was based on a projection of the Supervisor of Elections' long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Supervisor of Elections' proportion was .002785% for the FRS Pension Plan and .001679% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Supervisor of Elections' contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Supervisor of Elections' proportionate share of the net pension liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Supervisor of Elections' proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Supervisor of Elections's proportionate share of NPL	\$ 1,927,407	\$ 1,207,019	\$ 605,348

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

Discount rate for the HIS Program: In general, the discount rate for calculating the pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Supervisor of Elections' proportionate share of the NPL of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Supervisor of Election's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Supervisor of Election's proportionate share of NPL	\$ 236,949	\$ 204,981	\$ 178,815

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Supervisor of Elections since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 4 - OTHER POSTEMPLOYMENT BENEFITS

The Supervisor of Elections participated in the Indian River County Other Postemployment Benefit Trust (OPEB Trust). The Supervisor of Election's 2020 annual contribution of \$8,586 was funded by the Board of County Commissioners as part of a total contribution determined by the OPEB Trust actuary. Further information on the OPEB Trust can be found in the County-wide financial statements and County notes.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - RISK MANAGEMENT

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self Insurance Fund. The Supervisor of Elections participated in the County's self-insurance program during fiscal year 2020 at an annual cost of approximately \$79,974.

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

The following is a schedule of changes in long-term liabilities as of September 30, 2020:

	Beginning Balance 10/1/2019	Additions	Deletions	Ending Balance 9/30/2020
Accrued Compensated Absences	<u>\$ 16,939</u>	<u>\$ 33,050</u>	<u>\$ 13,193</u>	<u>\$ 36,796</u>

Of the \$36,796 liability for accrued compensated absences, management estimates that \$13,778 will be due and payable within one year. The liability for accrued compensated absences is not reported in the financial statements of the Supervisor of Elections since it is not payable from available spendable resources. The liability is reported in the financial statements of the County.

NOTE 7 - OPERATING LEASES

The Supervisor of Elections has entered into noncancelable operating leases as lessee for a mail machine and ballot equipment. Lease expenditures totaled \$3,648 for the year ended September 30, 2020. The following is a schedule by years of minimum future lease payments to be paid by the Supervisor of Elections for the noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2021	\$ 4,068
2022	2,274
2023	480
2024	480
Total Future Minimum Lease Payments	<u>\$ 7,302</u>

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

March 10, 2021

The Honorable Leslie Swan
Supervisor of Elections
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Supervisor of Elections** (the "Supervisor of Elections"), as of and for the year ended September 30, 2020, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rehmann Lohman LLC

MANAGEMENT LETTER

March 10, 2021

The Honorable Leslie Swan
Supervisor of Elections
Indian River County, Florida

Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Supervisor of Elections** (the “Supervisor of Elections”), as of and for the year ended September 30, 2020, which collectively comprise the Supervisor of Elections’ fund financial statements and have issued our report thereon dated March 10, 2021.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

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Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Rehmann Lohman LLC



TAX COLLECTOR

INDEPENDENT AUDITORS' REPORT

March 10, 2021

The Honorable Carole Jean Jordan
Tax Collector
Indian River County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Tax Collector as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Tax Collector* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Rehmann Lohman LLC

**Indian River County, Florida
Tax Collector
Balance Sheet
General Fund
September 30, 2020**

ASSETS

Cash and investments	\$ 2,700,753
Accounts receivable	531,911
Inventories	4,366
Prepaid items	30,987
Total assets	<u>\$ 3,268,017</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 320,721
Due to other governments	2,867,653
Unearned revenues	77,865
Other deposits	1,778
Total liabilities	<u>3,268,017</u>

Fund Balances:

Nonspendable:

Inventories	4,366
Prepaid items	30,987
Unassigned	<u>(35,353)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 3,268,017</u>
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The accompanying notes are an integral part of the financial statements.

Indian River County, Florida
Tax Collector
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 7,101,700	\$ 7,101,700	\$ 7,393,656	\$ 291,956
Interest	50,000	50,000	37,085	(12,915)
Total revenues	<u>7,151,700</u>	<u>7,151,700</u>	<u>7,430,741</u>	<u>279,041</u>
EXPENDITURES				
General government	<u>4,900,474</u>	<u>4,900,474</u>	<u>4,833,977</u>	<u>66,497</u>
Total expenditures	<u>4,900,474</u>	<u>4,900,474</u>	<u>4,833,977</u>	<u>66,497</u>
Excess of revenues over (under) expenditures	2,251,226	2,251,226	2,596,764	345,538
OTHER FINANCING USES				
Transfers to Board of County Commissioners	<u>(2,251,226)</u>	<u>(2,251,226)</u>	<u>(2,596,764)</u>	<u>(345,538)</u>
Total other financing uses	<u>(2,251,226)</u>	<u>(2,251,226)</u>	<u>(2,596,764)</u>	<u>(345,538)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances at beginning of year			-	
Fund balances at end of year			<u>\$ -</u>	

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

Indian River County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

ASSETS

Cash and investments	\$ 5,254,499
Total assets	<u>\$ 5,254,499</u>

LIABILITIES

Due to other governments	\$ 5,254,499
Total liabilities	<u>\$ 5,254,499</u>

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

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tax Collector is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector does not meet the definition of a legally separate organization and is not considered to be a component unit. The Tax Collector is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Tax Collector only. The format of the Tax Collector's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

The accounting records are organized for reporting purposes on the basis of governmental funds and a fiduciary fund.

Governmental Fund

General Fund - The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Fiduciary Fund

Fiduciary Fund - The Fiduciary Fund of the Tax Collector is the Agency Fund, which is used to account for assets held by the Tax Collector as an agent. The Agency Fund is custodial in nature and does not involve measurement of results of operations. These funds cannot be used to support the Tax Collector's own programs.

B. Basis of Accounting, Measurement Focus and Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred. Revenues are recorded when received or when they are considered both measurable and available. Revenues collected in excess of expenditures are

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Accounting, Measurement Focus and Presentation - Continued

not considered earned and are reflected as liabilities. The fiduciary fund is reported on an accrual basis.

C. Budgetary Requirements

State statutes require the Tax Collector to prepare an annual budget that clearly reflects the revenues available to the office and the functions for which money is to be expended. The budgeted revenues and expenditures are subject to the review and approval of the Department of Revenue.

Management is authorized to transfer budgeted amounts between objects and departments as long as management does not exceed the total appropriations of a fund. Department of Revenue approval is only required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund. The budget is prepared on a basis consistent with generally accepted accounting principles.

D. Cash

Cash includes cash on hand, bank deposits, certificates of deposit, money market accounts, and short term investments with original maturities of ninety days or less from the date of acquisition.

E. Prepaid Items

This account represents prepayments for services that will be used in future periods. The Tax Collector's policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

F. Capital Assets

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Tax Collector in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for capitalization threshold, depreciation methodology and useful lives.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Unearned Revenues

Unearned revenues represent revenues which are available but not earned. The amount reported on the Tax Collector's balance sheet of \$77,865 represents prepaid vehicle registrations.

H. Compensated Absences

The Tax Collector accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Tax Collector does not, nor is legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported on the Tax Collector's financial statements. Additional information on the liability is reflected in subsequent Note 7.

I. Transfer Out

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners and other governments. These "excess fees" totaled \$2,867,653 at September 30, 2020, and are included as due to other governments on the balance sheet. Of this amount, \$2,596,764 was owed to the Board of County Commissioners and is reported as Transfers to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balances.

J. Fund Balance

GASB Statement 54 - *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 2 - CASH AND INVESTMENTS

A. Deposits

All bank deposits and certificates of deposit with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer in accordance with Section 280.01, Florida Statutes, also known as the Florida Security for Public Deposits Act. At September 30, 2020, the carrying amount of the Tax Collector's deposits was \$2,036,545 and the bank balance was \$1,949,943.

B. Investments

At September 30, 2020, the Tax Collector had investments with a balance of \$5,918,707. The Florida Prime had a balance of \$3,660,428 and weighted average maturity of 63 days. The Florida Trust Day to Day Fund (Florida Trust) had a balance of \$348,881 and weighted average maturity of 27 days. The FLCLASS had a balance of \$1,909,398 and a weighted average maturity of 81 days.

Fair Value Measurement

The Tax Collector's investments in the Florida Cooperative Liquid Assets Securities System (FLCLASS) and the Florida Trust, both external local government investment pools organized under the laws of the State of Florida, are presented at Net Asset Value (NAV), which reflects fair value. The objectives of the FLCLASS and the Florida Trust are to generate investment income while maintaining safety and liquidity. There were no unfunded commitments as of September 30, 2020. Investments may be redeemed weekly/daily based on similar investments of other clients. The Florida PRIME is valued at amortized cost. There are no restrictions or limitations on withdrawals, however, Florida PRIME may, on occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

C. Deposit and Investment Policy

The Tax Collector last modified their investment and deposit policy in March 2019. This policy requires the Tax Collector's office to follow the above state law (governing custodial credit risk) for deposits and Section 218.415, Florida Statutes. Refer to the County-wide note on cash and investments for the definition of custodial credit risk.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 2 - CASH AND INVESTMENTS - Continued

C. Deposit and Investment Policy - Continued

Concentration Risk

The Tax Collector's cash and investment policy limits portfolio composition to the following maximum guidelines:

Local Government Surplus Funds Trust Fund (Florida Prime)	75%
Florida Trust Day to Day Fund (Florida Trust)	75%
Florida Cooperative Liquid Assets Securities System (FLCLASS)	75%
Direct Obligations of the U.S. Government	25%
Money Market, CD's, and Savings Accounts	95%
Securities & Exchange Commission Money Funds	25%
Bank Super NOW Accounts	95%
Bank Repo Agreements	25%
United States Government Agencies	25%

Interest Rate Risk

The Tax Collector will attempt to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twelve months and funds in excess of current operating needs may have maturities of no longer than twenty-four months.

Credit Risk

Florida Statutes authorize investments in certificates of deposit, savings accounts, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and direct obligations of the U.S. Treasury. At September 30, 2020 the Florida PRIME, the Florida Trust Day to Day Fund and FLCLASS held a rating of AAAM.

Custodial Credit Risk

All investments are held in the name of the Tax Collector, by the Tax Collector, with the exception of the Florida Trust Day to Day Fund, which was held by UMB Fund Services; the FLCLASS, which was held by Wells Fargo Bank, N.A.; and the Florida PRIME, which was held by BNY Mellon.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 3 - INVENTORIES

Inventories are valued at cost, which approximates market, using the “first-in, first-out” method of accounting. The costs of general fund inventory are recorded as an expenditure when consumed rather than when purchased. Inventory of the Tax Collector, included in the general fund, represents postage and Sunpass transponders.

NOTE 4 - PENSION PLAN

Florida Retirement System

Plan Description: The Tax Collector’s employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member’s employment class. Classes and rates in effect at July 1, 2020 were: regular class 10.00%, senior management class 27.29%, DROP class 16.98%, and elected official class 49.18%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 4 - PENSION PLAN - Continued

Florida Retirement System - Continued

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the FRS and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2020, the Tax Collector's actuarial contributions to FRS under the Pension Plan were \$262,106 and the Health Insurance Subsidy (HIS Program) were \$39,272. Employee contributions were \$63,184. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2020, the Division of Retirement calculated the Tax Collector's liability of \$3,271,643 for the FRS plan and \$821,303 for the HIS Program, for a total of \$4,092,946 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Tax Collector's proportion of the net pension liability was based on a projection of the Tax Collector's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Tax Collector's proportion was .007548% for the FRS Pension Plan and .006726% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Tax Collector's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 4 - PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Tax Collector's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Tax Collector's proportionate share of the net pension liability (NPL) of the Pension Plan calculated using the discount rate of 6.80%. Also presented is what the Tax Collector's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
Tax Collector's proportionate share of NPL	\$ 5,224,264	\$ 3,271,643	\$ 1,640,806

Discount rate for the HIS Program: In general, the discount rate for calculating the pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Tax Collector's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Tax Collector's proportionate share of the NPL of the HIS Program calculated using the discount rate of 2.21%. Also presented is what the Tax Collector's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Tax Collector's proportionate share of NPL	\$ 949,389	\$ 821,303	\$ 716,464

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Tax Collector since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS

The Tax Collector participated in the Indian River County Other Postemployment Benefits Trust (OPEB Trust). The Tax Collector paid their 2020 annual contribution of \$56,286 which was their part of the total contribution determined by the OPEB Trust actuary. Further information on the OPEB Trust can be found in the County-wide financial statements and County notes.

NOTE 6 - RISK MANAGEMENT

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self Insurance Fund. The Tax Collector participated in the County's self-insurance program during fiscal year 2020 at an annual cost of approximately \$525,083. Further details of this self-insurance program are discussed in the risk management note in the County-wide financial statements.

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

The following is a schedule of changes in long-term liabilities as of September 30, 2020:

	Beginning Balance 10/1/2019	Additions	Deletions	Ending Balance 9/30/2020
Accrued Compensated Absences	<u>\$ 120,570</u>	<u>\$ 25,697</u>	<u>\$ 27,840</u>	<u>\$ 118,427</u>

Of the \$118,427 liability for accrued compensated absences, management estimates that \$14,276 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Tax Collector since they are not payable from available spendable resources. They are reported in the financial statements of the County.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2020

NOTE 8 - OPERATING LEASES

The Tax Collector has entered into noncancelable operating leases as lessee for office space and office equipment. Lease expenditures totaled \$97,199 for the fiscal year ended September 30, 2020.

The following is a schedule by years of minimum future lease payments to be paid by the Tax Collector for noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2021	\$ 108,520
2022	92,840
2023	21,753
2024	848
Total future minimum lease payments	<u><u>\$ 223,961</u></u>

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

March 10, 2021

The Honorable Carole Jean Jordan
Tax Collector
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2020, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rehmann Lohman LLC

MANAGEMENT LETTER

March 10, 2021

The Honorable Carole Jean Jordan
Tax Collector
Indian River County, Florida

Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2020, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 10, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the March 10, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

March 10, 2021

The Honorable Carole Jean Jordan
Tax Collector
Indian River County, Florida

We have examined the compliance of **Indian River County, Florida Tax Collector** ("the Tax Collector") with Sections 218.415 Florida Statutes, during the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with those requirements.

Independent Accountants' Responsibility

Our responsibility is to express an opinion on the Tax Collector's compliance with those requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector is in compliance with specified requirements established by Florida Statute and performing such procedures as we considered necessary in the circumstances.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

Opinion

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Purpose of this Report

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

Rehmann Lohman LLC

Rehmann is an independent member of Nexia International.



