

INDIAN RIVER COUNTY,
FLORIDA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the Fiscal Year
October 1, 2021 through September 30, 2022



Indian River Lagoon photo courtesy of Shutterstock

INDIAN RIVER COUNTY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
OCTOBER 1, 2021
THROUGH
SEPTEMBER 30, 2022

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
Chief Deputy of Finance

Indian River County, Florida
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended September 30, 2022

Board of County Commissioners as of September 30, 2022

Peter D. O'Bryan
Chairman
Joseph Earman
Vice-Chairman

Susan Adams
Joseph E. Flescher
Laura Moss

Current Board of County Commissioners (effective November 22, 2022)

Joseph Earman
Chairman
Susan Adams
Vice-Chairman

Deryl Loar
Joseph E. Flescher
Laura Moss

Constitutional Officers as of September 30, 2022

Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller

Wesley Davis
Property Appraiser

Eric Flowers
Sheriff

Leslie R. Swan
Supervisor of Elections

Carole Jean Jordan
Tax Collector

County Management

Jason Brown
County Administrator

Michael Zito
*Assistant County
Administrator*

Dylan Reingold
County Attorney

Kristin Daniels
*Director Office of
Management & Budget*

Richard Szpyrka
*Director of
Public Works*

Phillip Matson
*Director of
Community Development*

Sean Lieske
Director of Utilities

Dave Johnson
*Director of
Emergency Services*

Suzanne Boyll
*Director of
Human Resources*

Dan Russell
*Director of
Information Technology*

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JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of the Circuit Court & Comptroller

1801 27th Street

Vero Beach, FL 32960

Telephone: (772) 226-1516



March 10, 2023

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

The Annual Comprehensive Financial Report of Indian River County, Florida for the fiscal year ending September 30, 2022, 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 ending September 30, 2022 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, golf course, 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 Clerk submits a budget for his court-related functions to the Florida Clerks of Court Operations Corporation (CCOC) prior to June 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 a resolution 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 Annual Comprehensive 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. The fiduciary component unit of the Other Postemployment Benefits (OPEB) Trust Fund is also included because the OPEB plan is administered through a trust and the primary government (the County) has assumed the obligation to make contributions to the OPEB plan.

This Annual Comprehensive Financial Report does not include the Indian River County School District, the Indian River Mosquito Control District or the Indian River County Hospital District.

Local Economy

Indian River County's estimated population of 165,559 was a 2.38% increase over the previous year and ranks 31st in population size of Florida's 67 counties. While the population of the County has been steadily increasing, so has the median age of residents living here. Indian River County is ranked sixth among Florida counties by percent of population ages 65 and older with 31.6%. 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), construction 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. 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. Local government, healthcare and food/beverage retail chains are the County's major employers. The unemployment rate continues to decrease from 4.6% in 2021 to 3.1% in 2022.

The Atlantic beaches and the Indian River, along with the comfortable climate, provide the basis for a year-round tourism industry. Residents can enjoy public resources at any of the many beautiful County parks and conservation areas, the Sebastian Inlet State Park or the Pelican Island National Wildlife Refuge. The County's public golf course, Sandridge Golf Club, is comprised of two 18-hole championship courses earning the distinction as one of the finest public golf destinations in the entire state of Florida.

During fiscal year 2022, Indian River County continued to experience positive economic activity with property tax values increasing from \$20.6 billion in 2021 to \$23.4 billion in 2022. Tourism has increased as evidenced by the rise in tourist tax collections which are up 23.8%, reaching an all-time high. Construction activity, another significant sector for the local economy, did see a 22.4% decrease in the number of new construction permits issued in 2022. This follows a record year in 2021, where the County saw its highest number of new construction permits issued in the last ten years.

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:

- ❖ Sandridge Golf Club Clubhouse/Special Events Expansion - The existing single-story clubhouse was built in 1992 and consists of a café, pro shop, bathrooms and staff offices. The estimated \$5 million project includes a brand new, state of the art facility which will provide all the existing amenities, as well as special event spaces and a commercial grade kitchen. Funding will be provided by user fees and supported borrowing.
- ❖ Moorhen Marsh Low Energy Aquatic Plant System (Moorhen Marsh) - The project consists of construction of a regional County stormwater/canal water treatment facility that will use managed aquatic plants to remove nitrogen and phosphorus from the Indian River Farms Water Control District North Relief Canal water and is part of the County's program to reduce the flow of nutrients into the Indian River Lagoon. Moorhen Marsh will be the County's sixth regional nutrient removal facility. The \$11.0 million facility is funded by optional sales tax, as well as a St. John's River Water Management District Cost Share Grant and a Department of Environmental Protection State legislative grant.
- ❖ Indian River Boulevard Resurfacing from 53rd Street to the Merrill Barber Bridge - The \$4.5 million project includes milling and resurfacing, widening the shoulder to guarantee a minimum 5 foot wide bike lane, ADA sidewalk return improvements and interconnect improvements for hardening and resiliency. Funding is provided by a Florida Department of Transportation Small County Outreach Program (SCOP) grant and gas taxes.
- ❖ Emergency Operations Center (EOC) Expansion - A two-story, 10,000 square foot building located on the north side of the existing EOC will be constructed at an estimated cost of \$8.7 million. The expansion will provide office space for Fire Rescue administration as well as bunk rooms and kitchen facilities to enhance 24-hour full EOC activations.

- ❖ North County Library Expansion - The original library was constructed in 1990 and expanded in 2002. Due to substantial population growth in the area, and a need for more extensive children's services, a 2,800 square foot addition will modify the existing story room and expand it into a makerspace/lab. This makerspace/lab inspires integrative learning in science, technology, engineering, arts and mathematics (STEAM). In addition, two small conference rooms will be included and other ancillary improvements to support the expansion. The \$2.3 million expansion will be funded by optional sales tax, library impact fees, and donations.
- ❖ Solid Waste Disposal District High Pressure Skid System - The project will replace the current "low-pressure" landfill gas flare skid with a "high-pressure" system, convert the mechanical relays to a programmable logic controller, and install a new flare that is properly sized for current and future needs. Also included is the construction of a new landfill gas pipeline. The \$1.0 million project is funded from the landfill closure escrow account established per Florida Department of Environmental Protection (FDEP) requirements. The project will support the provision of landfill gas to be purchased by the Indian River Eco District for the production of electricity and/or conversion to renewable natural gas.

Major projects or initiatives that were completed during fiscal year 2022 are listed below:

- ❖ 58th Avenue from North of 57th Street to 85th Street/CR510 Full Depth Reclamation Project - The \$7.3 million project consisted of reconstructing the roadway, widening the shoulders, drainage improvements, utility adjustments, intersection improvements and signalization.
- ❖ Indian River County Courthouse and Parking Garage Improvements - The Courthouse roof was replaced in conjunction with a seal and wall restoration project at a cost of \$1.5 million. The Courthouse parking garage rehabilitation consisted of two phases and included garage roof repairs and stairs refurbishment.
- ❖ Roseland Elevated Storage Tank Conversion and Pump Station - The \$2.3 million conversion of the tank to a storage and re-pump station provides remote storage and repumping to the North Roseland service area.
- ❖ Building/Fire Prevention Department Renovations - The renovations addressed security, health and safety deficiencies within these spaces, as well as functionality improvements to reduce crowded waiting areas, internal work flow impediments, long lines and other barriers to efficiency at a cost of \$1.0 million.

Relevant Financial Policies

In accordance with Section 218.415, Florida Statutes, the County has 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.

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, such as hurricanes or other emergencies, 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 17.

During fiscal year 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

Awards and Acknowledgments

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 Annual Comprehensive Financial Report for the fiscal year ending September 30, 2021. This was the 39th 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 annual comprehensive 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 annual comprehensive 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 ending September 30, 2021. This was the seventh 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 Annual Comprehensive 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 2021-2022 fiscal year. This was the 31st 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.

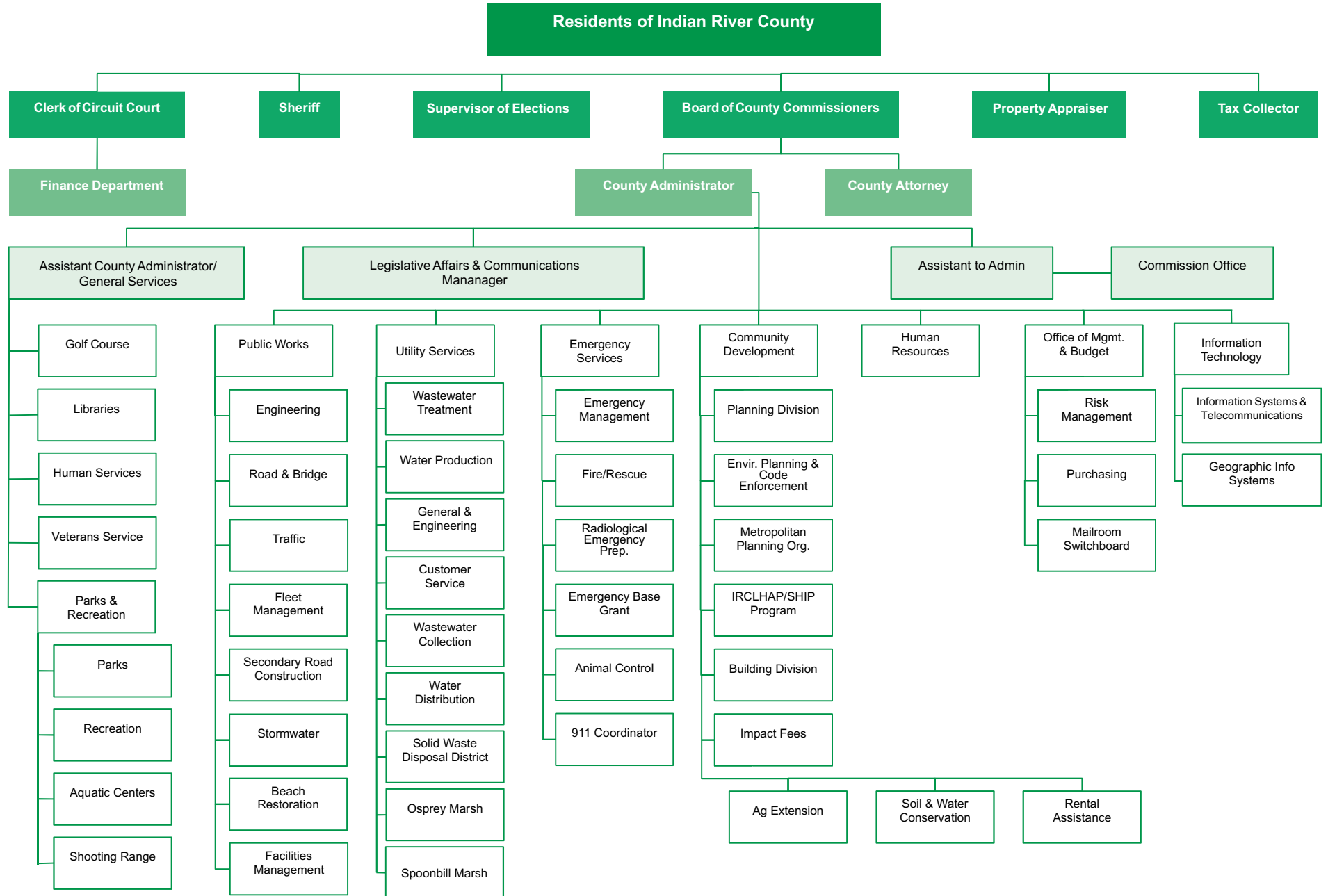
I would like to thank the entire staff of the Comptroller Division for their invaluable assistance in the preparation of this report. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and support in planning 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". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent than the last name "Smith".

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

March 9, 2023

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, 2022

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, 2022. 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-vii of this report. **All amounts are expressed in millions of dollars, except amounts in the *Economic Factors and Next Year's Budgets and Rates* section, which are expressed in whole dollars.**

FINANCIAL HIGHLIGHTS

- The County's overall financial position improved over 2021.
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows by \$1,160.0 (net position). Of this amount, \$91.7 (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 9.
- The government's total net position increased by \$50.9 or 4.6%. Governmental activities accounted for \$46.8 of this increase and business-type activities accounted for the remaining \$4.1. Further information can be found on page 11.
- Governmental activities expenses reflected a 7.0% increase (\$204.6 in 2021 to \$219.0 in 2022) and business-type activities expenses reflected a 10.9% increase (\$66.7 in 2021 to \$74.0 in 2022). Further information can be found on page 11.
- Unassigned fund balance for the general fund was \$77.7, or a 16.0% increase from the prior year general fund unassigned fund balance of \$67.0.

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.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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 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 23-25 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.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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.

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 123-168 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 26-37 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.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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 169-173 of this report. The basic proprietary fund financial statements can be found on pages 39-45 of this report.

Fiduciary funds. Fiduciary funds of the County include the custodial fund and the other postemployment benefit trust fund (OPEB Trust). The custodial fund accounts for resources held in a custodial capacity 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 46-47 of this report.

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 49-115 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 116-122 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 \$1,160.0 at the close of the fiscal year.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

Indian River County Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 381.3	\$ 354.0	\$ 134.6	\$ 129.2	\$ 515.9	\$ 483.2
Capital assets	659.6	617.2	227.0	223.6	886.6	840.8
Total assets	1,040.9	971.2	361.6	352.8	1,402.5	1,324.0
Deferred outflows of resources	50.5	38.6	3.2	2.5	53.7	41.1
Other liabilities	214.0	95.4	23.9	12.9	237.9	108.3
Long-term liabilities	32.3	29.8	10.0	9.9	42.3	39.7
Total liabilities	246.3	125.2	33.9	22.8	280.2	148.0
Deferred inflows of resources	13.9	100.3	2.1	7.7	16.0	108.0
Net position:						
Net investment in capital assets	647.2	608.0	224.2	222.2	871.4	830.2
Restricted	196.9	199.6	-	-	196.9	199.6
Unrestricted (deficit)	(12.9)	(23.2)	104.6	102.5	91.7	79.3
Total net position	\$ 831.2	\$ 784.4	\$ 328.8	\$ 324.7	\$ 1,160.0	\$ 1,109.1

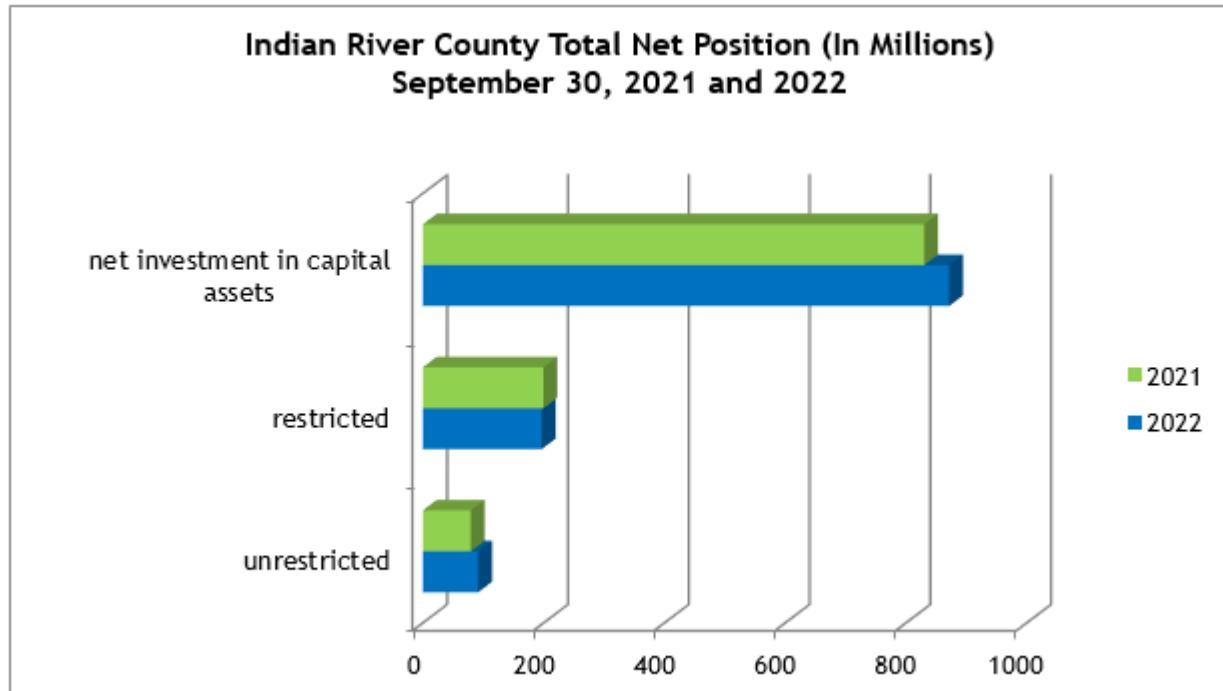
Governmental Activities

In governmental activities, the decrease in restricted net position was mainly due to a decrease in net position restricted for capital projects. The decrease in capital projects restricted net position was mainly caused by higher expenses for road projects. The increase in net investment in capital assets was a result of completed construction projects and decreased outstanding debt. The decrease in deferred inflows of resources and increase in other liabilities and deferred outflows of resources was due to an increase in the net pension liability.

Business-type Activities

In business-type activities, the increase in net investment in capital assets was due to an increase in capital purchases and decreasing outstanding debt. The decrease in deferred inflows of resources and increase in other liabilities and deferred outflows of resources was due to an increase in the net pension liability.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022**



By far, the largest portion of the County's net position (75% or \$871.4) reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure, equipment, and intangibles), 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.

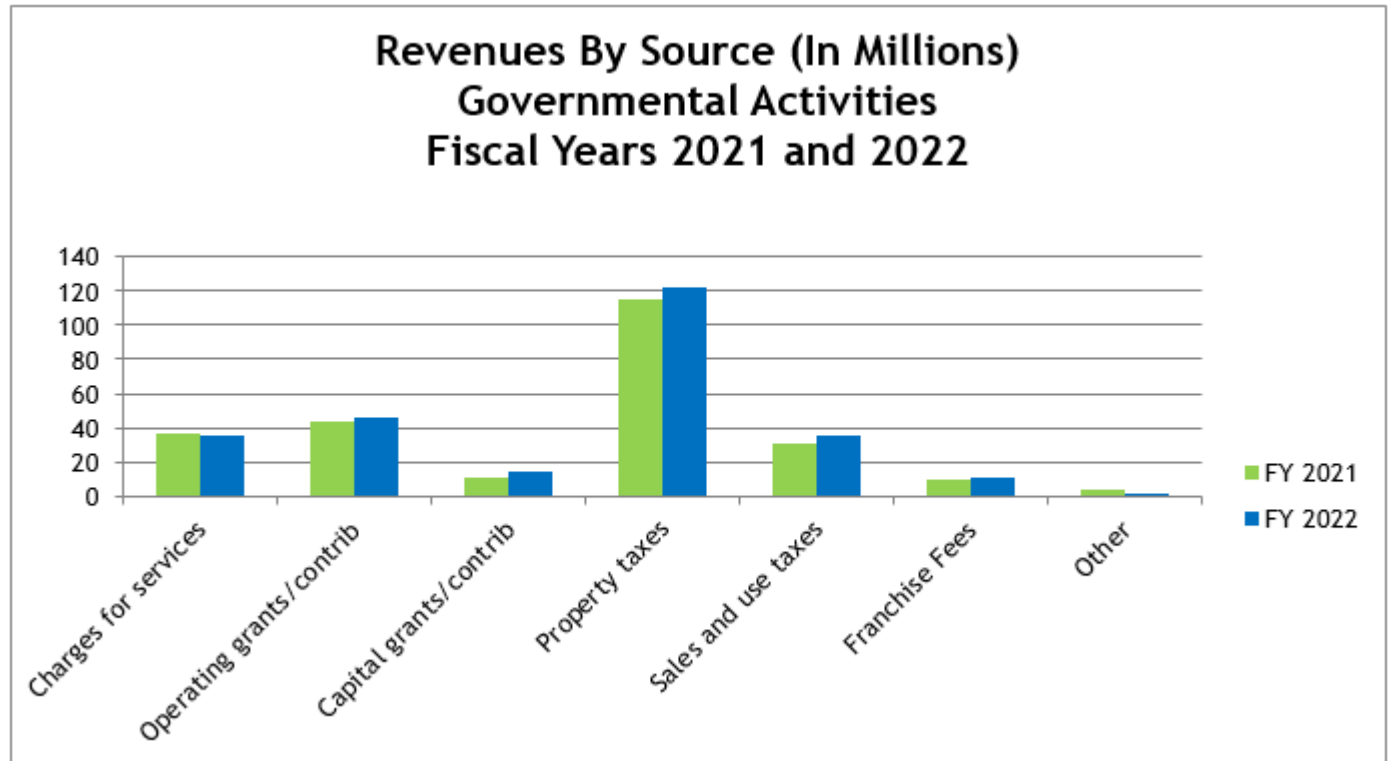
A portion of the County's net position (17% or \$196.9) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position (8% or \$91.7) may be used to meet the government's ongoing obligations to its citizens and creditors.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

Indian River County Changes in Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 35.8	\$ 36.4	\$ 69.0	\$ 63.7	\$ 104.8	\$ 100.1
Operating grants/contributions	46.1	44.1	-	0.001	46.1	44.1
Capital grants/contributions	14.4	11.0	10.8	6.9	25.2	17.9
General revenues:						
Property taxes	121.6	115.6	-	-	121.6	115.6
Sales taxes	35.6	30.7	-	-	35.6	30.7
Franchise fees	10.8	9.4	-	-	10.8	9.4
Other	1.6	3.3	(1.8)	0.2	(0.2)	3.5
Total revenues	<u>265.9</u>	<u>250.5</u>	<u>78.0</u>	<u>70.8</u>	<u>343.9</u>	<u>321.3</u>
Expenses:						
General government	35.1	29.4	-	-	35.1	29.4
Public safety	112.7	95.6	-	-	112.7	95.6
Physical environment	2.2	3.7	-	-	2.2	3.7
Transportation	31.0	29.5	-	-	31.0	29.5
Economic environment	1.0	3.8	-	-	1.0	3.8
Human services	11.6	18.6	-	-	11.6	18.6
Culture/recreation	17.8	16.4	-	-	17.8	16.4
Court related	7.4	7.4	-	-	7.4	7.4
Interest and fiscal charges	0.2	0.2	-	-	0.2	0.2
Water and sewer	-	-	46.7	41.6	46.7	41.6
Solid waste	-	-	18.6	17.3	18.6	17.3
Golf course	-	-	3.3	3.0	3.3	3.0
Building	-	-	5.4	4.8	5.4	4.8
Total expenses	<u>219.0</u>	<u>204.6</u>	<u>74.0</u>	<u>66.7</u>	<u>293.0</u>	<u>271.3</u>
Increase (decrease) in net position before transfers	46.9	45.9	4.0	4.1	50.9	50.0
Transfers	(0.10)	(0.10)	0.10	0.10	-	-
Increase (decrease) in net position	46.8	45.8	4.1	4.2	50.9	50.0
Net position - beginning	784.4	738.6	324.7	320.5	1,109.1	1,059.1
Net position - ending	<u>\$ 831.2</u>	<u>\$ 784.4</u>	<u>\$ 328.8</u>	<u>\$ 324.7</u>	<u>\$ 1,160.0</u>	<u>\$ 1,109.1</u>

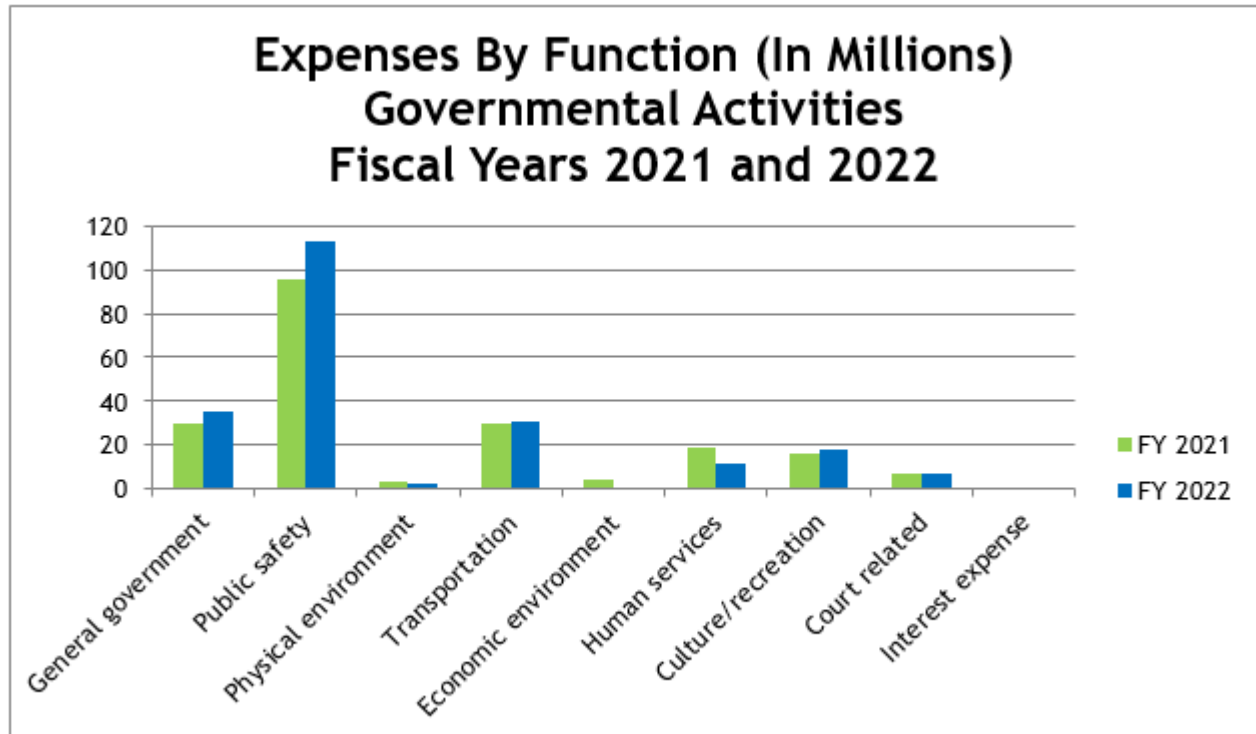
Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022



Governmental Activities

- Overall program revenues increased \$4.8 mainly due to increases in operating and capital grants and contributions. These grants were for recovery from the COVID-19 pandemic, beach restoration and road projects.
- Overall general revenues increased by \$10.6. There was a \$6.0 increase in property tax collections, as a result of increased property tax values. There was a \$4.9 increase in sales taxes and a \$1.4 increase in franchise fees, both due to the improving economy. These increases were offset by a \$1.7 decrease in other revenues, the majority of which was due to decreased investment market values.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022



- The governmental activities expenses were \$14.4 higher in 2022 than in 2021. This was mainly due to increases in general government (\$5.7), public safety (\$17.1), and transportation (\$1.5) expenses due to increased pension expense, that were offset by decreases in economic environment (\$2.8) and human services (\$7.0) expenses due to the reductions in coronavirus related expenses.

Business-type Activities

Business-type activities net position increased by \$4.1. Key elements of this increase are as follows:

- Overall program revenues increased \$9.2. This was due to a \$5.3 increase in charges for services and \$3.9 increase in capital grants and contributions. As the local economy began to improve from the pandemic, solid waste had increases in assessments and landfill charges; the building department had increases in permit revenue; the golf course had increases in rounds played; and the water and sewer department had increases in utilities sales revenues. The increase in capital grants and contributions was mainly due to a state grant for the septic to sewer project and well as increased developer contributions to the water and sewer system.
- Other revenues decreased \$2.0 due to decreased investment market values.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

- Overall expenses were \$7.3, or 11%, higher in 2022 than in 2021. The water and sewer utilities expenses were \$5.1 or 12.3% higher in 2022 than in 2021 mainly due to an increase in personal services and renewal and replacement projects. The solid waste expenses were \$1.3 or 7.5% higher in 2022 than in 2021 due to increased other contractual and landfill closure costs. The golf course had \$0.3 or 10% higher expenses in 2022 than in 2021 due to increased operating expenses. The building department had \$0.6 or 12.5% higher expenses in 2022 than in 2021 due to increases in personnel costs.

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, 27% (\$71.8) 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 (\$1.4), 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 (\$176.7), 3) a committed category for constraints imposed by approval of ordinances and contracts by the Board of County Commissioners (\$3.4), and 4) an assigned category for constraints by the County's intent to use for specific purposes (\$12.7).

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022

The two largest restricted amounts are in the Impact Fees Fund with a \$36.5 restricted fund balance and the Optional Sales Tax Fund with an \$84.2 restricted fund balance. Sixty-seven percent of the Impact Fees Fund (\$24.3) and forty-eight percent of the Optional Sales Tax Fund (\$40.3) is slated for major road expansions throughout the County in fiscal year 2023. 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 \$266.0, which is an increase of \$3.6 over the prior year of \$262.4. Contributing factors to the \$3.6 increase in fund balance are:

- Fund balance in the General Fund increased by \$11.0. This was due to increased property and sales taxes.
- Fund balance in the Impact Fees Fund increased by \$5.0 due to increased impact fee collections.
- Fund balance in the Emergency Services District Fund increased by \$1.6 mainly due to an increase in tax revenues because of increasing home values.
- Fund balance in the Beach Restoration Fund decreased by \$6.3 due to expenditures for the Sector 3 beach renourishment project.
- Fund balance in the American Rescue Plan Fund increased by \$0.1 due to interest earnings.
- Fund balance in the Optional Sales Tax Fund decreased by \$13.3 due to increased expenditures for capital road and stormwater projects.

Proprietary funds

Unrestricted net position at the end of the year amounted to \$20.6 in the Solid Waste Disposal District (SWDD) Fund, \$1.7 in the Golf Course Fund, \$79.1 in the County Utilities Fund and \$3.2 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.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$21.0 increase in operating appropriations between the original and final amended budget. The main components of the increase are as follows:

- \$17.0 grant appropriations and prior year rollovers for the Senior Resource Association (SRA) to provide County-wide public transportation
- \$1.5 for capital improvements
- \$0.6 for Sheriff's office request of encumbered, but unspent, fiscal year 2021 funds
- \$0.1 for interlocal agreement for pre-trial services

Actual expenditures were \$18.0 lower than anticipated for the following reasons:

- \$11.8 in SRA grant costs not yet expended
- \$1.5 in unspent funds for the 58th Avenue Ballfields renovations, Jones Pier, and other recreational improvements
- \$0.6 in unspent professional and other contractual services
- \$1.0 in unspent salary and benefits expenditures

The General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual is shown on page 33.

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, 2022, amounts to \$886.6 (net of accumulated depreciation/amortization). 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 5.4%.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022**

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 139.1	\$ 138.2	\$ 32.7	\$ 32.8	\$ 171.8	\$ 171.0
Right-of-way	69.8	68.4	-	-	69.8	68.4
Buildings and improvements	148.1	150.3	158.2	162.9	306.3	313.2
Equipment	31.4	31.4	5.2	5.7	36.6	37.1
Intangibles	2.5	2.2	2.7	2.3	5.2	4.5
Infrastructure	151.5	148.5	-	-	151.5	148.5
Construction in progress	117.2	78.2	28.2	19.9	145.4	98.1
Total	<u>\$ 659.6</u>	<u>\$ 617.2</u>	<u>\$ 227.0</u>	<u>\$ 223.6</u>	<u>\$ 886.6</u>	<u>\$ 840.8</u>

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

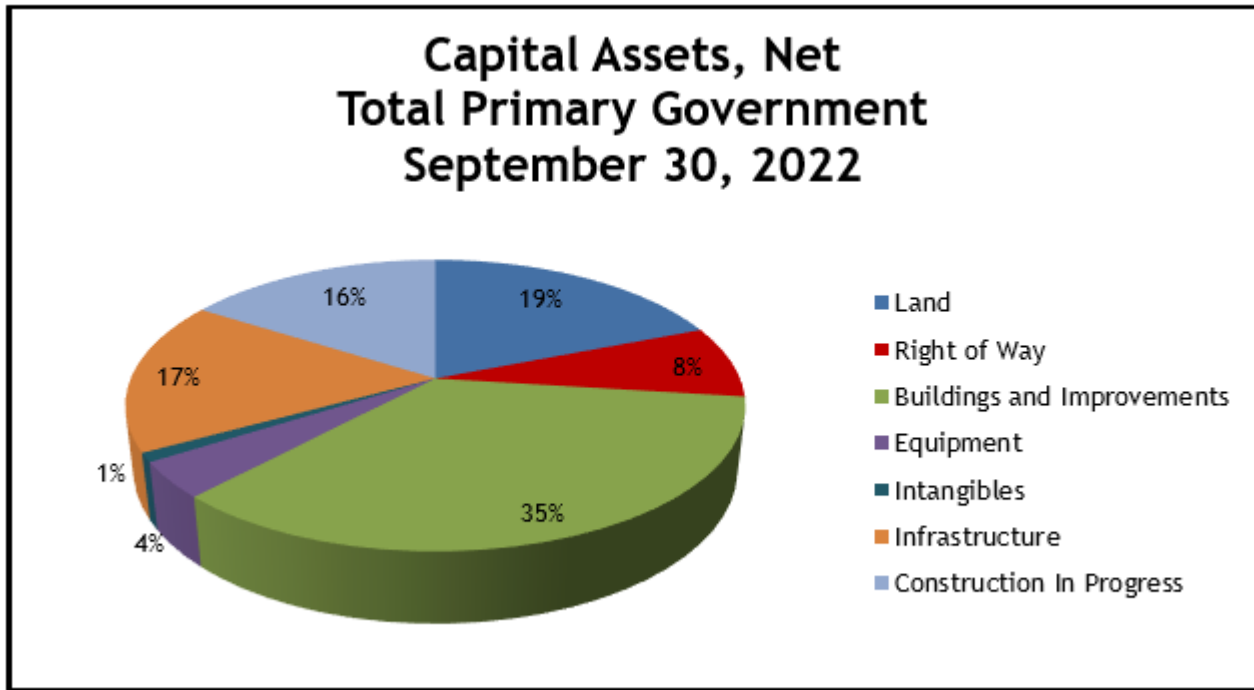
- An increase in right-of-way purchases for the widening of 66th Avenue and portions of 58th Avenue.
- An increase in infrastructure due to the completion of the 58th Avenue full depth reclamation project.
- An increase in construction-in-progress due to the Moorhen Marsh stormwater project and the 58th and 66th Avenue road expansion projects.

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

Business-type activities major increases were in construction in progress due to the North County water and sewer phase 2 and South County Water Treatment plant improvements.

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

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022



Additional information on the County's capital assets can be found in Note 5 on pages 74-76 of this report.

Debt Administration

At the end of the current fiscal year, the County had total debt outstanding of \$3.3. The revenue bonds represent bonds secured solely by specified revenue sources.

**Indian River County's Outstanding Debt
Revenue Bonds/Notes
(In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<u>Revenue Bonds/Notes:</u>						
Spring Training Facility, Series 2001	\$ 3.3	\$ 3.6	\$ -	\$ -	\$ 3.3	\$ 3.6
Water and Sewer Rev Note, Series 2015	-	-	-	1.1	-	1.1
Total	<u>\$ 3.3</u>	<u>\$ 3.6</u>	<u>\$ -</u>	<u>\$ 1.1</u>	<u>\$ 3.3</u>	<u>\$ 4.7</u>

Additional information can be found in Note 11 on pages 81-84 of this report.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The effects of inflation have played a major role in cost escalation. The Consumer Price Index - South Urban (CPI) for May 2022 reached 9.2%, climbing to rates not seen in 40 years. This has resulted in projected increases in fuel, electricity, chemicals, contracted services, and building materials. With inflation rates increasing, ongoing supply chain issues, and labor shortages, the County intends to closely monitor for impacts these factors will play on the budget. The approved budget includes funding to address these increases, but there remains uncertainty regarding the longer-term price levels.

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 fourth year into the original five-year plan, includes \$9,705,533 in funding for these projects.

The approved budget for fiscal year 2023 is \$451,964,531, a decrease of \$90,319,319 or 16.7% from the prior fiscal year. It should be noted that this is an increase of \$23,911,619 or 5.6% from the beginning budget of \$428,052,912 for fiscal year 2022. However, this is still 4.3% below the approved fiscal year 2007 budget of \$472,420,328.

The fiscal year 2023 taxroll is approximately \$2.78 billion or 13.5% higher than fiscal year 2022. Although this change in taxable values is positive, there is some uncertainty regarding future years' taxroll growth as inflation, labor shortages, and supply chain issues continue to plague the current economy.

The fiscal year 2023 millage rates remain unchanged from fiscal year 2022. The General Fund millage rate is 3.5475, the M.S.T.U. millage rate is 1.1506, and the Emergency Services District millage rate is 2.3531. The Aggregate millage rate increased 0.0060 mills or 0.10% to 6.1286 mills. This specific rate is not paid by any taxpayer, but is rather an average millage rate required to be shown for comparison purposes.

Within the Solid Waste Disposal District Fund, proposed residential assessment rates are increasing by \$11.87 or 8.8% to \$147.49 per Equivalent Residential Unit. Commercial rates are increasing by \$7.55 or 15.8% to \$55.19 per Waste Generation Unit (WGU). The proposed readiness-to-use fee is \$32.84 per WGU, an increase of \$3.33 or 11.3%.

As recommended in the Comprehensive Water, Wastewater, and Reclaimed Water Rate Study, an annual CPI adjustment of 3.0% for fiscal year 2023 was recommended for the Utilities Fund. In addition, eight streetlighting district assessments are increasing as a result of higher electric rates through Florida Power & Light.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2022**

Construction of the new Sandridge Golf Course Clubhouse is scheduled for commencement in the upcoming fiscal year. In order to stay competitive with surrounding courses, provide funding for contract maintenance costs, and offset the Clubhouse cost, there will be an increase of \$2 in 9-hole rates and \$4 in 18-hole rates. The increase in rates is expected to generate an additional \$304,861, which will support funding for the new facility. Even after these increases, Sandridge rates will remain lower than most courses in the area.

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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 346,137,839	\$ 70,446,923	\$ 416,584,762
Receivables, net	30,939,572	7,989,338	38,928,910
Internal balances	(10,921)	10,921	-
Inventories	728,285	2,193,242	2,921,527
Prepaid items	3,028,685	29,329	3,058,014
Restricted assets:			
Cash and investments	320,000	50,773,172	51,093,172
Receivables, net	134,355	3,183,964	3,318,319
Capital assets:			
Not being depreciated	330,621,272	63,519,650	394,140,922
Being depreciated/amortized	758,480,002	519,850,887	1,278,330,889
Accumulated depreciation/amortization	(429,496,622)	(356,396,305)	(785,892,927)
Total assets	1,040,882,467	361,601,121	1,402,483,588
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	65,499	-	65,499
Deferred outflows related to pensions	43,401,080	2,578,952	45,980,032
Deferred outflows related to other postemployment benefits	7,098,282	635,829	7,734,111
Total deferred outflows of resources	50,564,861	3,214,781	53,779,642
LIABILITIES			
Payables	26,744,715	7,163,311	33,908,026
Deposits	3,865,928	3,851,897	7,717,825
Unearned revenues	24,991,117	2,111,011	27,102,128
Long-term debt:			
Due within one year from restricted assets	320,000	1,000,000	1,320,000
Due within one year	10,897,157	1,037,328	11,934,485
Due in more than one year from restricted assets	2,935,000	7,720,541	10,655,541
Due in more than one year	18,179,347	289,500	18,468,847
Net pension liability, due in more than one year	152,902,822	10,244,151	163,146,973
Net other postemployment benefits liability, due in more than one year	5,528,313	468,306	5,996,619
Total liabilities	246,364,399	33,886,045	280,250,444
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	6,765,394	222,022	6,987,416
Deferred inflows related to other postemployment benefits	5,722,028	623,891	6,345,919
Deferred inflows related to leases	1,424,528	1,245,998	2,670,526
Total deferred inflows of resources	13,911,950	2,091,911	16,003,861
NET POSITION			
Net investment in capital assets	647,232,130	224,233,173	871,465,303
Restricted for:			
Transportation/road projects	36,868,311	-	36,868,311
Public safety	35,948,151	-	35,948,151
Court related costs	1,543,882	-	1,543,882
Housing assistance	2,195,127	-	2,195,127
Capital projects	94,091,466	-	94,091,466
Beach renourishment	5,029,059	-	5,029,059
Culture/recreation	17,453,512	-	17,453,512
Debt service	615,755	-	615,755
Environmental conservation/preservation	1,018,115	-	1,018,115
Special assessment projects	2,117,653	-	2,117,653
Unrestricted (deficit)	(12,942,182)	104,604,773	91,662,591
Total net position	\$ 831,170,979	\$ 328,837,946	\$ 1,160,008,925

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

Indian River County, Florida
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs		Program Revenues		
		Charges for	Operating Grants and	Capital Grants and
	Expenses	Services	Contributions	Contributions
Primary Government:				
Governmental activities:				
General government	\$ 35,060,804	\$ 9,015,728	\$ 23,263,693	\$ 369,451
Public safety	112,666,307	10,407,861	4,089,396	29,944
Physical environment	2,203,360	41,645	259,315	-
Transportation	30,960,446	9,383,448	6,165,708	9,605,738
Economic environment	1,025,808	-	6,703,934	-
Human services	11,621,358	504,587	4,583,794	-
Culture/recreation	17,827,488	3,168,849	747,931	4,440,734
Court related	7,453,043	3,260,825	302,457	-
Interest and fiscal charges	203,462	-	-	-
Total governmental activities	<u>219,022,076</u>	<u>35,782,943</u>	<u>46,116,228</u>	<u>14,445,867</u>
Business-type activities:				
Water and sewer	46,701,084	39,324,704	-	10,785,633
Solid waste	18,627,612	19,877,884	-	-
Golf course	3,260,014	4,408,287	-	-
Building	5,366,100	5,396,602	-	-
Total business-type activities	<u>73,954,810</u>	<u>69,007,477</u>	<u>-</u>	<u>10,785,633</u>
Total primary government	<u>\$ 292,976,886</u>	<u>\$ 104,790,420</u>	<u>\$ 46,116,228</u>	<u>\$ 25,231,500</u>

General revenues:
Property taxes, levied for general purposes
Sales and use taxes
Franchise fees, levied on gross receipts
Interest earnings (loss)
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
\$ (2,411,932)	\$ -	\$ (2,411,932)
(98,139,106)	-	(98,139,106)
(1,902,400)	-	(1,902,400)
(5,805,552)	-	(5,805,552)
5,678,126	-	5,678,126
(6,532,977)	-	(6,532,977)
(9,469,974)	-	(9,469,974)
(3,889,761)	-	(3,889,761)
(203,462)	-	(203,462)
<u>(122,677,038)</u>	<u>-</u>	<u>(122,677,038)</u>
-	3,409,253	3,409,253
-	1,250,272	1,250,272
-	1,148,273	1,148,273
-	30,502	30,502
-	<u>5,838,300</u>	<u>5,838,300</u>
<u>(122,677,038)</u>	<u>5,838,300</u>	<u>(116,838,738)</u>
121,642,658	-	121,642,658
35,574,613	-	35,574,613
10,763,690	-	10,763,690
(7,174,110)	(2,147,970)	(9,322,080)
8,766,962	274,251	9,041,213
(86,997)	86,997	-
<u>169,486,816</u>	<u>(1,786,722)</u>	<u>167,700,094</u>
46,809,778	4,051,578	50,861,356
784,361,201	324,786,368	1,109,147,569
<u>\$ 831,170,979</u>	<u>\$ 328,837,946</u>	<u>\$ 1,160,008,925</u>

Indian River County, Florida
Balance Sheet
Governmental Funds
September 30, 2022

	General	Impact Fees	Emergency Services District
ASSETS			
Cash and investments	\$ 82,433,775	\$ 39,418,940	\$ 24,181,877
Accounts and leases receivable	2,944,821	-	3,527,252
Special assessments receivable	-	-	-
Due from other funds	6,014,461	-	313,537
Due from other governments	3,257,432	639,995	375,279
Interest receivable	88,985	39,157	27,381
Inventories	285,849	-	81,483
Prepays and other assets	650,206	-	133,263
Advances to other funds	20,938	-	-
Total assets	<u>\$ 95,696,467</u>	<u>\$ 40,098,092</u>	<u>\$ 28,640,072</u>
LIABILITIES			
Accounts payable	\$ 8,249,621	\$ 2,788,682	\$ 982,377
Retainage payable	5,865	321,619	-
Due to other funds	431,437	-	-
Due to other governments	2,085,644	90,390	-
Unearned revenues	746,581	-	1,133
Other deposits	596,776	-	-
Total liabilities	<u>12,115,924</u>	<u>3,200,691</u>	<u>983,510</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	2,984,117
Unavailable revenue - state and federal grants	1,299,415	414,794	357,718
Unavailable revenue - investment interest	43,337	20,076	14,039
Deferred inflows related to leases	1,349,900	-	-
Total deferred inflows of resources	<u>2,692,652</u>	<u>434,870</u>	<u>3,355,874</u>
FUND BALANCES			
Nonspendable:			
Inventories	285,849	-	81,483
Prepaid items	650,206	-	133,263
Advances to other funds	20,938	-	-
Restricted for:			
Transportation/road improvements	-	24,324,242	-
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	804,281	-
Fire/emergency services	-	2,093,848	24,085,942
Tourism-related activities	-	-	-
Boating related projects	-	-	-
Land acquisition	-	-	-
Stormwater/street lighting/special assessments	-	-	-
Coronavirus assistance	-	-	-
Debt service	-	-	-
Capital projects	-	2,459,276	-
Jackie Robinson Training Complex improvements	-	-	-
Parks/recreational projects	792,120	6,780,884	-
Committed to:			
Economic incentives	1,325,907	-	-
Environmental conservation/preservation	-	-	-
Law enforcement/public safety	-	-	-
Library services	33,784	-	-
Parks/recreational projects	96,467	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Coronavirus assistance	-	-	-
Transportation/road improvements	-	-	-
Unassigned (deficit)	<u>77,682,620</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>80,887,891</u>	<u>36,462,531</u>	<u>24,300,688</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 95,696,467</u>	<u>\$ 40,098,092</u>	<u>\$ 28,640,072</u>

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

Beach Restoration	American Rescue Plan	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 117,984	\$ 24,371,777	\$ 88,186,822	\$ 50,111,058	\$ 308,822,233
-	-	486,147	971,476	7,929,696
-	-	-	134,355	134,355
-	-	-	3,580	6,331,578
10,853,672	-	4,718,272	1,781,478	21,626,128
-	-	97,841	190,715	444,079
-	-	-	31,028	398,360
-	16,568	-	175,264	975,301
-	-	-	-	20,938
<u>\$ 10,971,656</u>	<u>\$ 24,388,345</u>	<u>\$ 93,489,082</u>	<u>\$ 53,398,954</u>	<u>\$ 346,682,668</u>
\$ 209,178	\$ 1,494,521	\$ 5,383,550	\$ 1,278,563	\$ 20,386,492
-	-	1,588,447	49,755	1,965,686
5,750,000	-	-	147,000	6,328,437
-	-	-	158	2,176,192
-	22,818,211	-	1,425,192	24,991,117
-	-	-	3,266,433	3,863,209
<u>5,959,178</u>	<u>24,312,732</u>	<u>6,971,997</u>	<u>6,167,101</u>	<u>59,711,133</u>
-	-	-	256,294	256,294
-	-	-	-	2,984,117
10,853,672	-	2,245,511	917,576	16,088,686
-	-	50,164	35,231	162,847
-	-	-	74,628	1,424,528
<u>10,853,672</u>	<u>-</u>	<u>2,295,675</u>	<u>1,283,729</u>	<u>20,916,472</u>
-	-	-	31,028	398,360
-	16,568	-	175,264	975,301
-	-	-	-	20,938
-	-	-	8,916,104	33,240,346
-	-	-	1,486,603	1,486,603
-	-	-	2,062,135	2,062,135
-	-	-	5,026,064	5,830,345
-	-	-	-	26,179,790
-	-	-	1,863,981	1,863,981
-	-	-	1,416,854	1,416,854
-	-	-	1,018,115	1,018,115
-	-	-	2,117,653	2,117,653
-	59,045	-	-	59,045
-	-	-	615,755	615,755
-	-	84,221,410	-	86,680,686
-	-	-	6,599,673	6,599,673
-	-	-	-	7,573,004
-	-	-	-	1,325,907
-	-	-	1,935,447	1,935,447
-	-	-	28,726	28,726
-	-	-	-	33,784
-	-	-	-	96,467
-	-	-	188,976	188,976
-	-	-	203,681	203,681
-	-	-	12,321,453	12,321,453
(5,841,194)	-	-	(59,388)	71,782,038
<u>(5,841,194)</u>	<u>75,613</u>	<u>84,221,410</u>	<u>45,948,124</u>	<u>266,055,063</u>
<u>\$ 10,971,656</u>	<u>\$ 24,388,345</u>	<u>\$ 93,489,082</u>	<u>\$ 53,398,954</u>	<u>\$ 346,682,668</u>

Indian River County, Florida
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
September 30, 2022

Total governmental fund balances	\$ 266,055,063
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.	657,933,462
Long-term liabilities, including bonds payable (\$3,189,501), accrued compensated absences (\$15,877,106) leases payable (\$997,325), and accrued pollution remediation costs (\$1,610,000), are not due and payable in the current period and, therefore, not reported in the funds.	(21,673,932)
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 (\$151,595,578) of the cost-sharing defined benefit pension plans in which the County participates is reported. The County's net OPEB liability (\$5,460,005) of the single employer defined benefit plan is also reported on the statement of net position. Additionally, deferred outflows (\$43,073,483) and deferred inflows (\$6,675,557) related to pensions and deferred outflows (\$7,002,061) and deferred inflows (\$5,645,526) related to OPEB are also reported.	(119,301,122)
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.	19,329,097
Accrued interest receivable is not recognized in the current period because the resources are not available and, therefore, not reported in the funds.	162,847
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>28,665,564</u>
Net position of governmental activities	<u>\$ 831,170,979</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, 2022

	General	Impact Fees	Emergency Services District
REVENUES			
Taxes	\$ 84,430,049	\$ -	\$ 38,501,170
Permits, fees and special assessments	11,193,899	10,968,314	-
Intergovernmental	26,216,275	2,787,219	66,500
Charges for services	9,844,005	-	8,116,809
Judgments, fines and forfeits	1,382,559	-	2,400
Investment income (loss)	(2,034,303)	(714,829)	(751,834)
Miscellaneous	9,187,203	6,000	175,810
Total revenues	<u>140,219,687</u>	<u>13,046,704</u>	<u>46,110,855</u>
EXPENDITURES			
Current:			
General government	25,951,818	596,365	-
Public safety	60,469,701	-	44,097,167
Physical environment	355,688	-	-
Transportation	5,704,441	6,542,831	-
Economic environment	504,874	-	-
Human services	6,187,095	-	-
Culture/recreation	11,404,119	172,696	-
Court related	6,824,427	-	-
Debt service:			
Principal	212,412	-	17,298
Interest and other fiscal charges	13,641	-	11,288
Capital projects	-	-	-
Total expenditures	<u>117,628,216</u>	<u>7,311,892</u>	<u>44,125,753</u>
Excess of revenues over (under) expenditures	<u>22,591,471</u>	<u>5,734,812</u>	<u>1,985,102</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,061,849	-	-
Transfers out	(13,668,938)	(752,960)	(991,281)
Lease financings	28,529	-	604,295
Total other financing sources (uses)	<u>(11,578,560)</u>	<u>(752,960)</u>	<u>(386,986)</u>
Net change in fund balances	11,012,911	4,981,852	1,598,116
Fund balances at beginning of year	<u>69,874,980</u>	<u>31,480,679</u>	<u>22,702,572</u>
Fund balances at end of year	<u><u>\$ 80,887,891</u></u>	<u><u>\$ 36,462,531</u></u>	<u><u>\$ 24,300,688</u></u>

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

Beach Restoration	American Rescue Plan	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 1,682,053	\$ -	\$ 26,014,111	\$ 6,589,888	\$ 157,217,271
-	-	-	1,054,901	23,217,114
2,616,520	6,577,542	8,171,895	10,391,602	56,827,553
-	-	-	2,458,448	20,419,262
-	-	-	632,205	2,017,164
(2,343)	69,497	(1,910,124)	(1,190,978)	(6,534,914)
110,694	-	301,435	4,089,763	13,870,905
4,406,924	6,647,039	32,577,317	24,025,829	267,034,355
-	602,415	-	4,037,194	31,187,792
-	2,506,696	-	5,476,567	112,550,131
-	-	-	940,362	1,296,050
-	2,941,328	-	17,388,571	32,577,171
-	388,552	-	126,391	1,019,817
-	138,551	-	5,285,205	11,610,851
10,885,227	-	-	3,306,991	25,769,033
-	-	-	603,045	7,427,472
245	-	-	308,675	538,630
86	-	-	171,381	196,396
-	-	39,739,177	-	39,739,177
10,885,558	6,577,542	39,739,177	37,644,382	263,912,520
(6,478,634)	69,497	(7,161,860)	(13,618,553)	3,121,835
178,899	-	-	20,172,290	22,413,038
-	-	(6,150,912)	(987,817)	(22,551,908)
-	-	-	30,702	663,526
178,899	-	(6,150,912)	19,215,175	524,656
(6,299,735)	69,497	(13,312,772)	5,596,622	3,646,491
458,541	6,116	97,534,182	40,351,502	262,408,572
\$ (5,841,194)	\$ 75,613	\$ 84,221,410	\$ 45,948,124	\$ 266,055,063

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, 2022

Net change in fund balances - total governmental funds \$ 3,646,491

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	68,773,769	
Less current year loss on assets	(189,143)	
Less current year depreciation/amortization	<u>(26,741,120)</u>	41,843,506

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

Bond principal payment	305,000	
Lease payments	(421,932)	
Pollution remediation costs	<u>(30,000)</u>	(146,932)

Changes in accrued compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (852,387)

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	(7,278)	
Accrued lease interest expense	<u>212</u>	(7,066)

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. (4,222,353)

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. 423,061

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. 5,181,471

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. 826,341

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. 117,646

Change in net position of governmental activities \$ 46,809,778

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 83,028,021	\$ 83,028,021	\$ 84,430,049	\$ 1,402,028
Permits, fees and special assessments	8,931,900	8,951,900	11,193,899	2,241,999
Intergovernmental	15,737,936	33,049,242	26,216,275	(6,832,967)
Charges for services	11,136,185	9,743,456	9,844,005	100,549
Judgments, fines and forfeits	1,266,902	1,304,902	1,382,559	77,657
Investment income (loss)	201,966	201,966	(2,034,303)	(2,236,269)
Miscellaneous	4,363,004	4,791,504	9,187,203	4,395,699
Total revenues	<u>124,665,914</u>	<u>141,070,991</u>	<u>140,219,687</u>	<u>(851,304)</u>
EXPENDITURES				
Current:				
General government	27,483,482	28,288,375	25,951,818	2,336,557
Public safety	60,450,477	61,564,987	60,469,701	1,095,286
Physical environment	400,586	493,999	355,688	138,311
Transportation	500,000	17,567,761	5,704,441	11,863,320
Economic environment	508,327	530,545	504,874	25,671
Human services	6,322,892	6,343,709	6,187,095	156,614
Culture/recreation	12,293,974	14,098,798	11,404,119	2,694,679
Court related	6,759,984	6,773,041	6,824,427	(51,386)
Debt service:				
Principal	-	14,311	212,412	(198,101)
Interest and other fiscal charges	-	1,689	13,641	(11,952)
Total expenditures	<u>114,719,722</u>	<u>135,677,215</u>	<u>117,628,216</u>	<u>18,048,999</u>
Excess of revenues over (under) expenditures	<u>9,946,192</u>	<u>5,393,776</u>	<u>22,591,471</u>	<u>17,197,695</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,055,730	2,088,479	2,061,849	(26,630)
Transfers out	(13,668,938)	(13,668,938)	(13,668,938)	-
Lease financings	-	29,500	28,529	(971)
Total other financing sources (uses)	<u>(12,613,208)</u>	<u>(11,550,959)</u>	<u>(11,578,560)</u>	<u>(27,601)</u>
Net change in fund balances	(2,667,016)	(6,157,183)	11,012,911	<u>\$ 17,170,094</u>
Fund balances at beginning of year	<u>2,667,016</u>	<u>6,157,183</u>	<u>69,874,980</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,887,891</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Permits, fees and special assessments	\$ 6,863,750	\$ 6,863,750	\$ 10,968,314	\$ 4,104,564
Intergovernmental	-	2,787,219	2,787,219	-
Investment income (loss)	20,900	20,900	(714,829)	(735,729)
Miscellaneous	-	-	6,000	6,000
Total revenues	<u>6,884,650</u>	<u>9,671,869</u>	<u>13,046,704</u>	<u>3,374,835</u>
EXPENDITURES				
General government	1,063,490	1,116,184	596,365	519,819
Public safety	375,000	375,000	-	375,000
Transportation	13,998,012	24,278,220	6,542,831	17,735,389
Culture/recreation	1,225,000	3,056,822	172,696	2,884,126
Total expenditures	<u>16,661,502</u>	<u>28,826,226</u>	<u>7,311,892</u>	<u>21,514,334</u>
Excess of revenues over (under) expenditures	<u>(9,776,852)</u>	<u>(19,154,357)</u>	<u>5,734,812</u>	<u>24,889,169</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,225,000)</u>	<u>(1,200,000)</u>	<u>(752,960)</u>	<u>447,040</u>
Total other financing sources (uses)	<u>(1,225,000)</u>	<u>(1,200,000)</u>	<u>(752,960)</u>	<u>447,040</u>
Net change in fund balances	<u>(11,001,852)</u>	<u>(20,354,357)</u>	<u>4,981,852</u>	<u>\$ 25,336,209</u>
Fund balances at beginning of year	<u>11,001,852</u>	<u>20,354,357</u>	<u>31,480,679</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,462,531</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 37,908,916	\$ 37,908,916	\$ 38,501,170	\$ 592,254
Intergovernmental	52,250	52,250	66,500	14,250
Charges for services	6,315,720	6,649,158	8,116,809	1,467,651
Judgments, fines and forfeits	7,600	7,600	2,400	(5,200)
Investment income (loss)	52,250	52,250	(751,834)	(804,084)
Miscellaneous	190	190	175,810	175,620
Total revenues	<u>44,336,926</u>	<u>44,670,364</u>	<u>46,110,855</u>	<u>1,440,491</u>
EXPENDITURES				
Current:				
Public safety	43,735,941	49,834,886	44,097,167	5,737,719
Debt Service:				
Principal	-	17,298	17,298	-
Interest and other fiscal charges	-	11,289	11,288	1
Total expenditures	<u>43,735,941</u>	<u>49,863,473</u>	<u>44,125,753</u>	<u>5,737,720</u>
Excess of revenues over (under) expenditures	<u>600,985</u>	<u>(5,193,109)</u>	<u>1,985,102</u>	<u>7,178,211</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(720,757)	(1,017,399)	(991,281)	26,118
Lease financings	-	604,296	604,295	(1)
Total other financing sources (uses)	<u>(720,757)</u>	<u>(413,103)</u>	<u>(386,986)</u>	<u>26,117</u>
Net change in fund balances	<u>(119,772)</u>	<u>(5,606,212)</u>	<u>1,598,116</u>	<u>\$ 7,204,328</u>
Fund balances at beginning of year	<u>119,772</u>	<u>5,606,212</u>	<u>22,702,572</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,300,688</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 1,197,397	\$ 1,197,397	\$ 1,682,053	\$ 484,656
Intergovernmental	13,398,321	17,001,739	2,616,520	(14,385,219)
Investment income (loss)	4,037	4,037	(2,343)	(6,380)
Miscellaneous	-	-	110,694	110,694
Total revenues	<u>14,599,755</u>	<u>18,203,173</u>	<u>4,406,924</u>	<u>(13,796,249)</u>
EXPENDITURES				
Current:				
Culture/recreation	16,359,570	20,325,273	10,885,227	9,440,046
Debt Service:				
Principal	-	246	245	1
Interest and other fiscal charges	-	87	86	1
Total expenditures	<u>16,359,570</u>	<u>20,325,606</u>	<u>10,885,558</u>	<u>9,440,048</u>
Excess of revenues over (under) expenditures	<u>(1,759,815)</u>	<u>(2,122,433)</u>	<u>(6,478,634)</u>	<u>(4,356,201)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	178,899	178,899	178,899	-
Total other financing sources (uses)	<u>178,899</u>	<u>178,899</u>	<u>178,899</u>	<u>-</u>
Net change in fund balances	<u>(1,580,916)</u>	<u>(1,943,534)</u>	<u>(6,299,735)</u>	<u>\$ (4,356,201)</u>
Fund balances at beginning of year	<u>1,580,916</u>	<u>1,943,534</u>	<u>458,541</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,841,194)</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
American Rescue Plan Fund
For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 15,759,178	\$ 6,577,542	\$ (9,181,636)
Investment income (loss)	-	-	69,497	69,497
Total revenues	-	15,759,178	6,647,039	(9,112,139)
EXPENDITURES				
General government	-	5,454,148	602,415	4,851,733
Public safety	-	4,838,309	2,506,696	2,331,613
Physical environment	-	5,750,000	-	5,750,000
Transportation	-	3,414,034	2,941,328	472,706
Economic environment	-	2,813,714	388,552	2,425,162
Human services	-	4,875,548	138,551	4,736,997
Total expenditures	-	27,145,753	6,577,542	20,568,211
Excess of revenues over (under) expenditures	-	(11,386,575)	69,497	11,456,072
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,250,000)	-	2,250,000
Total other financing sources (uses)	-	(2,250,000)	-	2,250,000
Net change in fund balances	-	(13,636,575)	69,497	\$ 13,706,072
Fund balances at beginning of year	-	13,636,575	6,116	
Fund balances at end of year	\$ -	\$ -	\$ 75,613	

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



Indian River County, Florida
Statement of Fund Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	
ASSETS						
Current assets:						
Cash and investments	\$ 21,767,391	\$ 2,257,928	\$ 39,443,186	\$ 6,978,418	\$ 70,446,923	\$ 37,635,606
Accounts receivable - net	218,135	2,579	4,023,174	225	4,244,113	862,019
Due from other funds	114,320	-	-	-	114,320	-
Due from other governments	61,669	2,302	2,213,762	1,205	2,278,938	40,518
Leases receivable	-	-	1,260,576	-	1,260,576	-
Interest receivable	24,673	2,396	171,308	7,334	205,711	37,132
Inventories	-	152,889	2,040,353	-	2,193,242	329,925
Prepays and other assets	-	15,000	11,635	2,694	29,329	2,053,384
Current restricted assets:						
Cash and investments	9,405,784	-	41,367,388	-	50,773,172	-
Total current assets	31,591,972	2,433,094	90,531,382	6,989,876	131,546,324	40,958,584
Non-current assets:						
Capital assets - non-depreciable	12,183,478	7,092,599	44,243,573	-	63,519,650	5,482
Capital assets - depreciable	40,041,309	5,507,834	472,679,905	1,621,839	519,850,887	5,336,754
Capital assets - accumulated depreciation	(19,971,418)	(2,654,510)	(333,257,976)	(512,401)	(356,396,305)	(3,671,046)
Non-current restricted assets:						
Special assessments receivable	-	-	1,058,868	-	1,058,868	-
Impact fees receivable	-	-	78,058	-	78,058	-
Liens receivable	-	-	2,047,038	-	2,047,038	-
Total non-current assets	32,253,369	9,945,923	186,849,466	1,109,438	230,158,196	1,671,190
Total assets	63,845,341	12,379,017	277,380,848	8,099,314	361,704,520	42,629,774
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	158,827	132,669	1,903,833	383,623	2,578,952	327,597
Deferred outflows related to other postemployment benefits	37,922	10,000	471,910	115,997	635,829	96,221
Total deferred outflows of resources	196,749	142,669	2,375,743	499,620	3,214,781	423,818
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	1,608,080	166,734	4,148,174	201,976	6,124,964	2,216,345
Retainage payable	-	-	666,299	-	666,299	-
Due to other funds	-	82,461	-	-	82,461	35,000
Claims payable	-	-	-	-	-	3,292,000
Due to other governments	-	11,061	33,633	43,804	88,498	-
Other deposits	12,500	1,000	129,167	-	142,667	2,719
Unearned revenues	-	118,070	3,875	1,989,066	2,111,011	-
Pollution remediation costs payable	-	-	73,000	-	73,000	-
Accrued compensated absences	64,129	28,604	737,631	133,964	964,328	125,164
Total current liabilities (payable from current assets)	1,684,709	407,930	5,791,779	2,368,810	10,253,228	5,671,228
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	283,550	-	283,550	-
Closure and maintenance costs payable	1,000,000	-	-	-	1,000,000	-
Customer deposits	185,243	-	3,523,987	-	3,709,230	-
Total current liabilities (payable from restricted assets)	1,185,243	-	3,807,537	-	4,992,780	-
Total current liabilities	2,869,952	407,930	9,599,316	2,368,810	15,246,008	5,671,228
Non-current liabilities:						
Accrued compensated absences	40,444	47,861	176,473	24,722	289,500	105,676
Advance from other funds	-	20,938	-	-	20,938	-
Claims payable	-	-	-	-	-	7,069,233
Closure and maintenance costs payable	7,720,541	-	-	-	7,720,541	-
Net pension liability	589,851	496,769	7,488,079	1,669,452	10,244,151	1,307,244
Net other postemployment benefits liability	28,774	6,828	346,920	85,784	468,306	68,308
Total non-current liabilities	8,379,610	572,396	8,011,472	1,779,958	18,743,436	8,550,461
Total liabilities	11,249,562	980,326	17,610,788	4,148,768	33,989,444	14,221,689
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	2,031	17,878	200,208	1,905	222,022	89,837
Deferred inflows related to other postemployment benefits	37,465	11,932	466,643	107,851	623,891	76,502
Deferred inflows related to leases	-	-	1,245,998	-	1,245,998	-
Total deferred inflows of resources	39,496	29,810	1,912,849	109,756	2,091,911	166,339
NET POSITION						
Net investment in capital assets	32,126,759	9,820,239	181,176,737	1,109,438	224,233,173	1,671,190
Unrestricted (deficit)	20,626,273	1,691,311	79,056,217	3,230,972	104,604,773	26,994,374
Total net position	\$ 52,753,032	\$ 11,511,550	\$ 260,232,954	\$ 4,340,410	\$ 328,837,946	\$ 28,665,564

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, 2022

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 19,877,884	\$ 4,408,287
Total operating revenues	<u>19,877,884</u>	<u>4,408,287</u>
OPERATING EXPENSES		
Personal services	1,011,432	711,022
Material, supplies, services and other operating	16,123,338	2,265,267
Depreciation	1,492,842	277,377
Total operating expenses	<u>18,627,612</u>	<u>3,253,666</u>
Operating income (loss)	<u>1,250,272</u>	<u>1,154,621</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Investment income (loss)	(480,338)	(45,741)
Gain on disposal of assets	211,284	224
Interest expense	-	(4,197)
Loss on disposal of assets	-	(2,151)
Total nonoperating revenues (expenses)	<u>(269,054)</u>	<u>(51,865)</u>
Income (loss) before transfers and capital grants and contributions	981,218	1,102,756
Capital grants and contributions	-	-
Transfers	-	-
Change in net position	<u>981,218</u>	<u>1,102,756</u>
Total net position - beginning	51,771,814	10,408,794
Total net position - ending	<u>\$ 52,753,032</u>	<u>\$ 11,511,550</u>

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ 39,324,704	\$ 5,396,602	\$ 69,007,477	\$ 41,620,752
39,324,704	5,396,602	69,007,477	41,620,752
11,537,982	3,162,194	16,422,630	4,537,152
21,760,342	2,170,733	42,319,680	31,878,764
13,296,878	33,173	15,100,270	476,185
46,595,202	5,366,100	73,842,580	36,892,101
(7,270,498)	30,502	(4,835,103)	4,728,651
-	-	-	89
(1,490,663)	(131,228)	(2,147,970)	(696,076)
57,914	4,829	274,251	767,538
(95,569)	-	(99,766)	-
(10,313)	-	(12,464)	(1,805)
(1,538,631)	(126,399)	(1,985,949)	69,746
(8,809,129)	(95,897)	(6,821,052)	4,798,397
10,785,633	-	10,785,633	331,201
86,997	-	86,997	51,873
2,063,501	(95,897)	4,051,578	5,181,471
258,169,453	4,436,307	324,786,368	23,484,093
\$ 260,232,954	\$ 4,340,410	\$ 328,837,946	\$ 28,665,564

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 19,916,691	\$ 4,429,745
Cash paid to suppliers for goods and services	(14,917,398)	(2,348,808)
Cash paid to employees for services	(982,576)	(695,670)
Net cash provided by (used in) operating activities	<u>4,016,717</u>	<u>1,385,267</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	-	-
Operating grants	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(4,197)
Proceeds on advances from other funds	-	-
Payments on advances from other funds	-	(79,975)
Proceeds from sales of capital assets	497,800	224
Purchase of capital assets	(509,180)	(646,054)
Bond paying agent fees	-	-
Capital contributed by others	-	-
Net cash flows provided by (used in) capital and related financing activities	<u>(11,380)</u>	<u>(730,002)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	(492,626)	(47,047)
Net cash used in investing activities	<u>(492,626)</u>	<u>(47,047)</u>
Net increase (decrease) in cash and investments	3,512,711	608,218
Cash and investments at beginning of year	27,660,464	1,649,710
Cash and investments at end of year	<u>\$ 31,173,175</u>	<u>\$ 2,257,928</u>
Classified as:		
Current assets	\$ 21,767,391	\$ 2,257,928
Restricted assets	9,405,784	-
Total	<u>\$ 31,173,175</u>	<u>\$ 2,257,928</u>

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ 38,968,556	\$ 5,750,791	\$ 69,065,783	\$ 41,397,357
(21,518,185)	(2,334,888)	(41,119,279)	(31,139,220)
(11,428,294)	(3,129,834)	(16,236,374)	(4,488,737)
6,022,077	286,069	11,710,130	5,769,400
86,997	-	86,997	51,873
-	-	-	176
86,997	-	86,997	52,049
(1,074,000)	-	(1,074,000)	-
(17,721)	-	(21,918)	-
-	-	-	35,000
-	-	(79,975)	-
57,914	4,829	560,767	767,538
(10,714,723)	(4,700)	(11,874,657)	(142,999)
(2,850)	-	(2,850)	-
4,238,733	-	4,238,733	-
(7,512,647)	129	(8,253,900)	659,539
(1,287,016)	(134,599)	(1,961,288)	(717,190)
(1,287,016)	(134,599)	(1,961,288)	(717,190)
(2,690,589)	151,599	1,581,939	5,763,798
83,501,163	6,826,819	119,638,156	31,871,808
\$ 80,810,574	\$ 6,978,418	\$ 121,220,095	\$ 37,635,606
\$ 39,443,186	\$ 6,978,418	\$ 70,446,923	\$ 37,635,606
41,367,388	-	50,773,172	-
\$ 80,810,574	\$ 6,978,418	\$ 121,220,095	\$ 37,635,606

Continued

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	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)	\$ 1,250,272	\$ 1,154,621
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	1,492,842	277,377
Capitalized self-incurred expenses	-	-
(Increase) Decrease in assets:		
Accounts receivable	(58,676)	(152)
Due from other funds	5,853	-
Due from other governments	87,130	-
Inventories	-	(31,299)
Liens receivable	-	-
Impact fees receivable	-	-
Special assessments receivable	-	-
Leases receivable	-	-
Prepaid items	-	(2,000)
Increase (Decrease) in liabilities:		
Accounts payable	(8,576)	(49,685)
Due to other governments	-	(557)
Retainage payable	-	-
Customer deposits	4,500	-
Closure and maintenance costs payable	1,214,516	-
Pollution remediation costs payable	-	-
Net pension liability	416,913	300,832
Deferred inflows of resources related to the net pension liability	(371,477)	(268,047)
Deferred outflows of resources related to the net pension liability	(27,271)	(19,679)
Net OPEB liability	31,694	7,371
Deferred intflows of resources related to the net OPEB liability	(16,648)	(3,872)
Deferred outflows of resources related to the net OPEB liability	(17,030)	(3,960)
Deferred inflows of resources related to leases	-	-
Unearned revenues	-	21,610
Claims payable	-	-
Accrued compensated absences	12,675	2,707
Total adjustments	2,766,445	230,646
Net cash provided by (used in) operating activities	\$ 4,016,717	\$ 1,385,267
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed property, infrastructure, and equipment	\$ -	\$ -
Capital assets purchased through accounts payable	\$ 126,610	\$ 125,684

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

Enterprise Funds			Governmental
County Utilities	County Building	Total	Activities - Internal Service Funds
\$ (7,270,498)	\$ 30,502	\$ (4,835,103)	\$ 4,728,651
13,296,878	33,173	15,100,270	476,185
(6,860)	-	(6,860)	-
(786,463)	2,311	(842,980)	(218,918)
-	-	5,853	-
-	-	87,130	(4,477)
(297,386)	-	(328,685)	9,046
74,681	-	74,681	-
53,888	-	53,888	-
365,136	-	365,136	-
(1,260,576)	-	(1,260,576)	-
(2,015)	(1,650)	(5,665)	(262,772)
(51,569)	(170,359)	(280,189)	41,642
33,628	7,854	40,925	-
434,518	-	434,518	-
30,333	-	34,833	-
-	-	1,214,516	-
50,300	-	50,300	-
5,230,215	1,450,204	7,398,164	1,109,820
(4,660,223)	(1,292,160)	(6,591,907)	(988,007)
(342,120)	(94,861)	(483,931)	(73,116)
390,641	98,029	527,735	85,498
(205,189)	(51,490)	(277,199)	(44,908)
(209,909)	(52,676)	(283,575)	(45,943)
1,245,998	-	1,245,998	-
(4,464)	351,878	369,024	-
-	-	-	951,628
(86,867)	(24,686)	(96,171)	5,071
13,292,575	255,567	16,545,233	1,040,749
\$ 6,022,077	\$ 286,069	\$ 11,710,130	\$ 5,769,400

\$ 4,394,155	\$ -	\$ 4,394,155	\$ 331,201
\$ 2,361,956	\$ -	\$ 2,614,250	\$ -

Indian River County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	<u>Custodial Fund</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash and investments	\$ 16,548,156	\$ 73,791
Investments, at fair value:		
Index funds	-	14,356,796
U.S. government securities funds	-	11,604,097
Money market fund	-	2,902,758
Due from hospitals	3,165,975	-
Total assets	<u>19,714,131</u>	<u>28,937,442</u>
LIABILITIES		
Accounts payable	994,996	-
Due to other governments	7,768,184	-
Total liabilities	<u>8,763,180</u>	<u>-</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	10,950,951	-
Other postemployment benefits	-	28,937,442
Total net position	<u>\$ 10,950,951</u>	<u>\$ 28,937,442</u>

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

Indian River County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2022

	<u>Custodial Fund</u>	<u>Other Postemployment Benefits Trust</u>
ADDITIONS		
Contributions:		
Hospital contributions	\$ 3,165,975	\$ -
Tax deed collections	2,016,529	-
Court ordered collections	26,681,163	-
Court fines for other governments	48,043,395	-
Property tax collections for other governments	188,338,216	-
License and tax collections due to state agencies	32,427,796	-
Employer contributions	-	1,111,473
Investment income (loss):		
Net depreciation in fair value of investments	-	(4,389,890)
Less investment expense	-	(2,205)
Net investment income (loss)	-	(4,392,095)
Total additions (net of investment loss)	<u>300,673,074</u>	<u>(3,280,622)</u>
DEDUCTIONS		
Benefit payments	-	3,058,315
Hospital payments due to state	3,165,975	-
Tax deed sale payments	1,689,226	-
Court ordered payments	21,250,301	-
Beneficiary payments	48,045,111	-
Payments of property taxes to other governments	188,338,216	-
Payments of license and tax collections to state agencies	32,427,796	-
Total deductions	<u>294,916,625</u>	<u>3,058,315</u>
Change in net position	5,756,449	(6,338,937)
Net position, beginning of year	<u>5,194,502</u>	<u>35,276,379</u>
Net position, end of year	<u><u>\$ 10,950,951</u></u>	<u><u>\$ 28,937,442</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, 2022

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Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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 165,559. 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, 2022

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.

Fiduciary Component Unit

The *Indian River County Other Postemployment Benefits Trust (OPEB Trust)* is a single-employer defined benefit postemployment healthcare trust established and administered by Indian River County to provide healthcare benefits for eligible retirees. The OPEB Trust is included as a fiduciary component unit of the County because (1) the OPEB Trust is a legally separate entity; (2) the Board of County Commissioners acts as the OPEB Board of Trustees; and (3) the County makes contributions to the OPEB Trust on behalf of its participants.

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

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

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.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

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.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus and Basis of Accounting - Continued

2. Fund Financial Statements - Continued

Governmental Funds - Continued

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.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Financial Statements - Continued

Proprietary Funds - Continued

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.

Fiduciary Funds

The fiduciary funds financial statements include financial information for the custodial fund and the other postemployment benefit trust fund. The custodial 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 custodial 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Presentation - Continued

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.

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.

American Rescue Plan Fund - The American Rescue Plan Fund accounts for expenditures incurred for recovery from the health and economic impacts from COVID-19. Funding is provided from the American Rescue Plan stimulus package.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Presentation - Continued

2. Proprietary Major Funds - Continued

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. Internal Service Funds

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.

4. Fiduciary Funds

Custodial Fund - The Custodial Fund is used to account for assets held in a custodial capacity by the County for other governmental units, individuals and businesses. Examples include property taxes, court ordered payments, and local provider participation fund Agency for Health Care Administration payments.

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.

5. 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 leases, be reported in the governmental activities column in the government-wide Statement of Net Position.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, the Florida Trust Day to Day Fund (FLTRUST), the Florida Short Term Asset Reserve (FLSTAR) and the Florida Cooperative Liquid Assets Securities System (FLCLASS). Investments are reported at market value based upon the custodian bank's valuation. The FLCLASS, FLSTAR and FLTRUST 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. 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, 2022, the allowance for water and sewer services was \$424,493 and the allowance for ambulance services was \$261,307. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2022.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

5. Prepaids 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 18.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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

Capital assets, which include land, buildings and improvements, 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 right-to-use), 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.

Major outlays for capital assets and improvements are capitalized as projects are 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.

Buildings and improvements, 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:

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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

Assets	Years
Buildings 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. 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 assets 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 \$65,499 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports unavailable revenue, which arises under the modified accrual basis of accounting, on the governmental funds balance sheet in the total amount of \$19,491,944. The sources of the unavailable revenue are special assessments on road paving, ambulance service billings, state and federal grants, investment and interest earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to the above 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

8. Deferred Outflows/Inflows of Resources - Continued

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 14 and 15.

The final deferred inflows are related to leases. The amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. Refer to Note 16 for additional details regarding leases.

9. 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 14 for additional information.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

10. Net Other Postemployment Benefits (OPEB) Liability or Asset

For purposes of measuring the net OPEB liability (or asset), 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.

11. Unearned Revenues

Unearned revenues represent revenues, which are available but unearned. At September 30, 2022, the total amount of unearned revenues reported on the statement of net position for the governmental activities is \$24,991,117 and for the business-type activities is \$2,111,011.

12. 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.

13. 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, 2022.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

14. 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.

15. 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.

16. 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.

17. Leases

The County is a lessee for noncancellable leases of land, buildings and equipment. A lease liability and an intangible right-to-use asset are recognized in the government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is initially measured as the initial amount of lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

17. Leases - Continued

The County is a lessor for noncancellable leases of cellular towers and office space. A lease receivable and a deferred inflow of resources are recognized in the Government-wide, Governmental Fund, and Proprietary Fund financial statements. The lease receivable is initially measured at the present value of payments expected to be received during the lease term. The lease receivable is then reduced by the principal portion of the lease payments. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized over the life of the lease term.

Key estimates and judgments related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 16.

18. New Accounting Pronouncement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. See Note 16 for further information on leases.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data:

(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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Budgets and Budgetary Accounting - Continued

(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.

(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, 2022

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 totals on the Statements of Net Position with the amounts discussed in the footnotes below.

Statement of Net Position:

Cash and investments	\$ 416,584,762
Restricted cash and investments	51,093,172

Statement of Fiduciary Net Position-Custodial Fund:

Cash and investments	16,548,156
Total	<u>\$ 484,226,090</u>

Deposits	\$ 87,114,087
Investments	397,112,003
Total	<u>\$ 484,226,090</u>

A. Deposits

At September 30, 2022, the carrying amount of the primary government's deposits, including \$16,548,156 in the Custodial Fund, was \$87,114,087, and the bank balance was \$92,490,953. 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, 2022, accrued interest for the County's portfolio totaled \$483,088. The remaining accrued interest is reflected in utilities and road paving assessments.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments

As of September 30, 2022, 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	\$ 116,300,450	1.11	29.29	% N/A
U.S. Agencies:**				
Federal Farm Credit Bureau	55,177,620	0.95	13.89	AA+
Federal Home Loan Bank	70,925,250	1.53	17.86	AA+
Federal Home Loan Mortgage	50,559,280	1.31	12.73	AA+
Federal National Mortgage Assoc.	17,389,770	0.91	4.38	AA+
Other Market Rate Investments:				
Florida Trust Day to Day Fund	25,200,176	0.08	6.35	AAAm
Florida PRIME	1,278,488	0.06	0.32	AAAm
FLSTAR	20,169,916	0.04	5.08	AAAm
FLCLASS	40,111,053	0.19	10.10	AAAm
Total Fair Value	<u>\$ 397,112,003</u>		<u>100.00</u>	%
Weighted Average Maturity of Investments		<u>0.94</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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments - Continued

Fair Value Measurement - Continued

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. 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 Day to Day Fund, 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, 2022. 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;
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, 2022

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, 2022

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 any 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, 2022, 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. Board investments in FLSTAR were held by JP Morgan Chase & Co. and the Florida Trust Day to Day Fund was held by UMB Bank. The Board and Tax Collector's investments in FLCLASS were held by Fifth Third Bank. Additional Tax Collector investments include 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, 2022

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, 2022 was \$1,111,473. Cash balance in the OPEB Trust at September 30, 2022 was \$73,791. 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.27%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

As of September 30, 2022, 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	\$ 6,409,140	N/A	22.20 %
Vanguard All World Ex-US	5,777,220	N/A	20.02
Vanguard Mid Cap Index	1,442,498	N/A	5.00
Vanguard Small Cap Index	727,938	N/A	2.52
Vanguard Short-Term Treasury	8,707,616	2.20	30.17
Vanguard Intermediate Treasury	2,896,481	5.30	10.03
Vanguard Prime Money Market	2,902,758	0.19	10.06
Total Fair Value	<u>\$ 28,863,651</u>		<u>100.00 %</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022:

	Level 1	Level 2	Level 3	Total
Index funds	\$ 14,356,796	\$ -	\$ -	\$ 14,356,796
U.S. government securities funds	11,604,097	-	-	11,604,097
Money market fund	2,902,758	-	-	2,902,758
Total investments	<u>\$ 28,863,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,863,651</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 2021-2022 fiscal year were levied in October 2021. 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, 2022

NOTE 5 - CAPITAL ASSETS

A. Governmental Activities

Primary Government	Beginning				Ending
Governmental activities:	Balance	Additions	Deletions	Transfers	Balance
Capital assets, not being depreciated:					
Land	\$ 138,230,341	\$ 231,599	\$ -	\$ -	\$ 138,461,940
Construction in progress	78,152,261	59,776,718	(113,603)	(20,641,975)	117,173,401
Right-of-way	68,434,623	175,221	(328,610)	1,514,778	69,796,012
Intangibles	1,614,852	-	-	-	1,614,852
Infrastructure	3,575,067	-	-	-	3,575,067
Total capital assets, not being depreciated	290,007,144	60,183,538	(442,213)	(19,127,197)	330,621,272
Capital assets, being depreciated:					
Buildings and improvements	257,789,465	491,898	(3,025,218)	4,940,327	260,196,472
Equipment	93,256,418	8,243,114	(5,575,675)	8,353	95,932,210
Intangibles	5,279,011	201,458	(7,450)	364,905	5,837,924
Infrastructure	381,468,829	-	-	13,813,612	395,282,441
Total capital assets, being depreciated	737,793,723	8,936,470	(8,608,343)	19,127,197	757,249,047
Less accumulated depreciation for:					
Buildings and improvements	(107,510,957)	(7,856,136)	2,985,826	-	(112,381,267)
Equipment	(61,866,608)	(8,109,813)	5,329,979	-	(64,646,442)
Intangibles	(4,708,771)	(219,766)	7,450	-	(4,921,087)
Infrastructure	(236,516,236)	(10,783,270)	-	-	(247,299,506)
Total accumulated depreciation	(410,602,572)	(26,968,985)	8,323,255	-	(429,248,302)
Total capital assets, being depreciated, net	327,191,151	(18,032,515)	(285,088)	19,127,197	328,000,745
Lease assets, being amortized:*					
Land	-	604,295	-	-	604,295
Buildings and improvements	449,713	-	-	-	449,713
Equipment	117,716	59,231	-	-	176,947
Total lease assets, being amortized	567,429	663,526	-	-	1,230,955
Less accumulated amortization for:					
Land	-	(20,143)	-	-	(20,143)
Buildings and improvements	-	(174,038)	-	-	(174,038)
Equipment	-	(54,139)	-	-	(54,139)
Total accumulated amortization	-	(248,320)	-	-	(248,320)
Total lease assets, being amortized, net	567,429	415,206	-	-	982,635
Governmental activities capital assets, net	\$ 617,765,724	\$ 42,566,229	\$ (727,301)	\$ -	\$ 659,604,652

*New categories for the County's leased assets, and the related accumulated amortization, have been added due to the implementation of GASB Statement No. 87, *Leases*.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 5 - CAPITAL ASSETS - Continued

A. Governmental Activities - Continued

Depreciation/amortization expense was charged to the functions/programs of the primary government's governmental activities as follows:

General government	\$ 3,826,246
Public safety	7,718,241
Physical environment	1,054,054
Transportation	8,351,539
Economic environment	527
Human service	132,075
Culture/recreation	5,600,282
Court related	58,156
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>476,185</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 27,217,305</u></u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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	\$ 32,753,201	\$ 187,599	\$ (286,517)	\$ -	\$ 32,654,283
Intangibles	2,258,109	390,907	-	-	2,649,016
Construction in progress	19,938,961	12,898,785	-	(4,621,395)	28,216,351
Total capital assets, not being depreciated	<u>54,950,271</u>	<u>13,477,291</u>	<u>(286,517)</u>	<u>(4,621,395)</u>	<u>63,519,650</u>
Capital assets, being depreciated:					
Buildings, distribution systems, & improvements	486,713,186	4,191,891	(24,372)	4,567,019	495,447,724
Intangibles	1,184,231	-	-	-	1,184,231
Equipment	22,670,045	1,113,583	(619,072)	54,376	23,218,932
Total capital assets, being depreciated	<u>510,567,462</u>	<u>5,305,474</u>	<u>(643,444)</u>	<u>4,621,395</u>	<u>519,850,887</u>
Less accumulated depreciation for:					
Buildings, distribution systems, & improvements	(323,860,529)	(13,366,600)	24,372	-	(337,202,757)
Intangibles	(1,127,944)	(29,912)	-	-	(1,157,856)
Equipment	(16,914,030)	(1,703,758)	582,096	-	(18,035,692)
Total accumulated depreciation	<u>(341,902,503)</u>	<u>(15,100,270)</u>	<u>606,468</u>	<u>-</u>	<u>(356,396,305)</u>
Total capital assets, being depreciated, net	<u>168,664,959</u>	<u>(9,794,796)</u>	<u>(36,976)</u>	<u>4,621,395</u>	<u>163,454,582</u>
Business-type activities capital assets, net	<u>\$ 223,615,230</u>	<u>\$ 3,682,495</u>	<u>\$ (323,493)</u>	<u>\$ -</u>	<u>\$ 226,974,232</u>

Depreciation/amortization expense was charged to the functions/programs of the primary government's business-type activities as follows:

Solid Waste Disposal District	\$ 1,492,842
Golf Course	277,377
County Utilities	13,296,878
County Building	<u>33,173</u>

Total depreciation/amortization expense - business-type activities \$15,100,270

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

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 were as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current portion of debt	\$ 320,000	\$ -	\$ 320,000
Renewal and replacement	-	3,485,928	3,485,928
Customer deposits	-	3,838,396	3,838,396
Capital construction	-	34,728,307	34,728,307
Closure and maintenance costs	-	8,720,541	8,720,541
Total	<u>\$ 320,000</u>	<u>\$ 50,773,172</u>	<u>\$ 51,093,172</u>

NOTE 7 - RECEIVABLES

Receivables at September 30, 2022, were as follows:

	Primary Government	
	Governmental Activities	Business-type Activities
Accounts	\$ 7,725,303	\$ 4,750,501
Allowance for uncollectible accounts receivable	(261,307)	(424,493)
Leases	1,449,962	1,260,576
Due from other governments	21,666,343	2,164,618
Interest	359,271	238,136
Total receivables, net	<u>30,939,572</u>	<u>7,989,338</u>
Restricted:		
Special assessments	134,355	1,058,868
Impact fees	-	78,058
Liens	-	2,047,038
Total receivables, net payable from restricted assets	<u>\$ 134,355</u>	<u>\$ 3,183,964</u>
Total	<u>\$ 31,073,927</u>	<u>\$ 11,173,302</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 8 - INTERFUND BALANCES

Interfund balances at September 30, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount
Major Governmental Funds:		
General Fund	Beach Restoration Fund	\$ 5,750,000
General Fund	Nonmajor Governmental Funds	147,000
General Fund	Golf Course Enterprise Fund	82,461
General Fund	Fleet Internal Service Fund	35,000
		<u>6,014,461</u>
Emergency Services District Fund	General Fund	<u>313,537</u>
Vero Lakes Estates Fund	General Fund	1,810
East Gifford Stormwater Fund	General Fund	8
Street Lighting Districts Fund	General Fund	<u>1,762</u>
		<u>3,580</u>
Total Governmental Funds		<u><u>\$ 6,331,578</u></u>
Major Enterprise Fund:		
Solid Waste Disposal District Fund	General Fund	<u><u>\$ 114,320</u></u>

Amounts due from the General Fund represent excess fees and payments of the constitutional officers remitted to various funds subsequent to September 30, 2022. 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 2023. 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 advance at September 30, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Golf Course Enterprise Fund	\$ 20,938

This amount is considered a long-term advance between major funds expected to be paid in fiscal year 2024. This amount has been presented as nonspendable on the General Fund balance sheet.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 9 - INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2022, consisted of the following:

Transfers Out:	Transfers In:					Total
	General Fund	Beach Restoration Fund	Nonmajor Governmental Funds	County Utilities Fund	Internal Service Funds	
General Fund	\$ -	\$ 178,899	\$ 13,438,166	\$ -	\$ 51,873	\$ 13,668,938
Impact Fees Fund	-	-	752,960	-	-	752,960
Emergency Services District Fund	991,281	-	-	-	-	991,281
Optional Sales Tax Fund	815,155	-	5,334,079	1,678	-	6,150,912
Nonmajor Governmental Funds	255,413	-	647,085	85,319	-	987,817
Total	\$ 2,061,849	\$ 178,899	\$ 20,172,290	\$ 86,997	\$ 51,873	\$ 22,551,908

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 stormwater revenues to offset Osprey Marsh employee costs accounted for in the utilities fund, 5) use capital project fund revenues for improvements to the Jackie Robinson Training Complex and subsidize the North Sebastian Septic to Sewer incentive program, and 6) move revenues from the fund state law requires to collect them to the fund that state law requires to expend them.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 10 - PAYABLES

Payables at September 30, 2022, were as follows:

	Primary	Government
	Governmental Activities	Business-type Activities
Accounts	\$ 16,719,694	\$ 6,095,478
Retainage	1,965,687	666,299
Due to other governments	2,085,802	54,865
Salaries and Benefits	5,973,532	346,669
Total	<u>\$ 26,744,715</u>	<u>\$ 7,163,311</u>

The County has not engaged in any short-term debt activity during fiscal year 2022 other than that listed in Note 8.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 11 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
Spring Training Facility Revenue Bonds - Series 2001	\$ 3,560,000	\$ -	\$ 305,000	\$ 3,255,000	\$ 320,000
Leases*	567,429	663,526	233,630	997,325	188,973
Other liabilities:					
Pollution remediation	1,580,000	30,000	-	1,610,000	63,533
Claims payable	9,409,605	23,325,116	22,373,488	10,361,233	3,292,000
Compensated absences	15,250,487	9,406,389	8,548,930	16,107,946	7,352,651
Total other liabilities	26,240,092	32,761,505	30,922,418	28,079,179	10,708,184
Governmental activities long-term liabilities	<u>\$ 30,367,521</u>	<u>\$ 33,425,031</u>	<u>\$ 31,461,048</u>	<u>\$ 32,331,504</u>	<u>\$ 11,217,157</u>
Business-type Activities:					
Notes from direct borrowings and direct placements:					
Water & Sewer Revenue Refunding Note	\$ 1,074,000	\$ -	\$ 1,074,000	\$ -	\$ -
Other liabilities:					
Pollution remediation	22,700	50,300	-	73,000	73,000
Landfill closure and maintenance costs	7,506,025	2,022,338	807,822	8,720,541	1,000,000
Compensated absences	1,349,999	890,246	986,417	1,253,828	964,328
Total notes payable and other liabilities	9,952,724	2,962,884	2,868,239	10,047,369	2,037,328
Business-type activities long-term liabilities	<u>\$ 9,952,724</u>	<u>\$ 2,962,884</u>	<u>\$ 2,868,239</u>	<u>\$ 10,047,369</u>	<u>\$ 2,037,328</u>

*The Leases category beginning balance was restated due to the implementation of GASB Statement No. 87, *Leases*.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 11 - 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, 2022, are as follows:

Fiscal Year Ending September 30	Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest
2023	\$ 320,000	\$ 162,750
2024	340,000	146,750
2025	355,000	129,750
2026	375,000	112,000
2027	390,000	93,250
2028-2031	1,475,000	167,750
Total	3,255,000	\$ 812,250
Less:		
Current portion	320,000	
Non-current	<u>\$ 2,935,000</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 were 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, 2022

NOTE 11 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Governmental Activities - Continued

Spring Training Facility Revenue Bonds - Continued

Pledge of Revenues - The principal and interest on the Series 2001 bonds are 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 were 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 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, 2022 is \$65,499 and is reflected as a deferred outflow of resources on the government-wide Statement of Net Position.

The current principal and interest payments of \$475,375 represent 95% of the State subsidy pledged revenues. The total principal and interest remaining to be paid on the bonds is \$4,067,250.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 11 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Governmental Activities - Continued

Spring Training Facility Revenue Bonds - Continued

Bonds Issued - At September 30, 2022, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2022
Spring Training Facility Revenue Bonds, Series 2001	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 3,255,000</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, 2027	
Date	Principal Amount
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

C. Compensated Absences

For the governmental activities compensated absences liability, the General Fund normally liquidates 79 percent, the Emergency Services District funds normally liquidate 15 percent and the remaining 6 percent is liquidated by other governmental and internal service funds.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 12 - 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 \$11.4 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:

	Capacity Used	Estimated Closing	Amount
<u>Closure Costs</u>			
Class I - Segment III, Cell II	16%	2030	\$ 5,027,752
Construction and Demolition	92%	2028	1,199,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,363,435
Construction and Demolition	N/A	N/A	129,488
Total account balance at 9/30/22			\$ 8,720,541

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, 2022, \$8,705,429 was on deposit at the Florida Cooperative Liquid Assets Securities System (FLCLASS) and \$15,112 was on deposit in the County's Operating account.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 12 - PROVISION FOR CLOSURE COSTS - Continued

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

	Balance 10/1/2021	Deposits	Withdrawals	Balance 09/30/22
Closure and long-term care costs	<u>\$ 7,506,025</u>	<u>\$ 2,022,338</u>	<u>\$ (807,822)</u>	<u>\$ 8,720,541</u>

Of the \$8,720,541 liability for closure and long-term care costs, management estimates that \$1,000,000 will be due and payable within one year.

NOTE 13 - POLLUTION REMEDIATION

In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, a consultant evaluated two 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 \$1,683,000 at September 30, 2022 for both sites. Of the \$1,683,000 liability for pollution remediation, management estimates that \$136,533 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

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 \$1,610,000 and will be paid from the Optional Sales Tax Fund.

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

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - POLLUTION REMEDIATION - Continued

Business-type Activities

Premier Citrus Property - The nature of the pollution remediation obligation is above ground 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 \$73,000 and will be paid from the Utilities Operating Fund.

Total Business-type Activities liability: \$73,000

NOTE 14 - 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, 2022

NOTE 14 - 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 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 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 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%.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Pension Plan - Continued

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, 2021 were: Regular class 11.91%, Special Risk 27.83%, Senior Management 31.57%, DROP 18.60%, and Elected Official class 57.00%. 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, 2022, was \$15,947,661. Employee contributions for September 30, 2022 were \$2,786,881. 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, 2022, the Division of Retirement calculated the County's liability of \$134,613,856 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share 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 employers, actuarially determined. At June 30, 2022, the County's proportionate share was 0.3618% for the FRS Pension Plan. This was an increase of 0.0075% from its proportionate share measured as of June 30, 2021.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Pension Plan - Continued

The County anticipates that the pension liability will be liquidated in the following manner: General Fund 54 percent, Emergency Services District Fund 32 percent, Enterprise Funds 7 percent, and the remaining 7 percent is by the Other Governmental Funds and Internal Service Funds.

For the year ended September 30, 2022, the County's calculated total of actuarially determined pension expense was \$8,326,851. 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	\$ 6,393,380	\$ -
Changes in assumptions	16,578,259	-
Net difference between projected and actual earnings on pension plan investments	8,888,535	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,300,816	2,359,447
County contributions subsequent to the measurement date	4,279,717	-
Total	<u>\$ 40,440,707</u>	<u>\$ 2,359,447</u>

The deferred outflows of resources related to the pension plan totaling \$4,279,717 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, 2023. 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>
2023	\$ 8,174,374
2024	3,084,578
2025	(2,760,522)
2026	24,018,735
2027	1,284,378
Total	<u>\$ 33,801,543</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Actuarial Assumptions: The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	July 1, 2022
Measurement date:	June 30, 2022
Discount rate:	6.70%
Long-term expected rate of return:	6.70%, 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, 2022 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 2022:

- The long-term expected rate of return decreased from 6.80% to 6.70%.

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, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Pension Plan - Continued

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100%			
Assumed inflation-mean			2.4%	1.3%

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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 6.70%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County's proportionate share of NPL	\$ 232,805,409	\$ 134,613,856	\$ 52,514,035

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - 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 Annual Comprehensive 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. The HIS Program is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2022, 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, 2022, 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 \$1,661,617 for the fiscal year ended September 30, 2022.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - 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, 2022, the Division of Retirement calculated the County's liability of \$28,533,117 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2022, the County's proportionate share was 0.2694% for the HIS Program. This was an increase of 0.0073% from its proportionate share measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$972,211. 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	\$ 866,049	\$ 125,548
Changes in assumptions	1,635,537	4,414,055
Net difference between projected and actual earnings on pension plan investments	41,309	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,570,465	88,366
County contributions subsequent to the measurement date	425,965	-
Total	<u>\$ 5,539,325</u>	<u>\$ 4,627,969</u>

The deferred outflows of resources related to HIS Program totaling \$425,965 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, 2023. 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>
2023	\$ 116,243
2024	62,684
2025	28,661
2026	63,441
2027	147,254
Thereafter	67,108
Total	<u>\$ 485,391</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Actuarial Assumptions: The total pension liability for the HIS Program in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	July 1, 2022
Measurement date:	June 30, 2022
Discount rate:	3.54%
Long-term expected rate of return:	N/A
Municipal bond rate:	3.54%
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, 2022 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 2022:

- The municipal rate used to determine the total pension liability increased from 2.16% to 3.54%.
- The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.
- The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

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.

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 3.54%. 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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County's proportionate share of NPL	\$ 32,644,229	\$ 28,533,117	\$ 25,131,257

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 Annual Comprehensive 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, 2022, the Division of Retirement calculated the County's total liability of \$163,146,973 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2022, the County's total proportionate share was 0.6312%. This was an increase of 0.0148% from its proportionate share measured as of June 30, 2021.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

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

For the year ended September 30, 2022, the County recognized pension expense for the FRS Pension and HIS Program combined of \$9,299,062. The County reported deferred outflows of resources and deferred inflows of resources related to the pension and HIS program 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	\$ 7,259,429	\$ 125,548
Changes in assumptions	18,213,796	4,414,055
Net difference between projected and actual earnings on pension plan investments	8,929,844	-
Changes in proportion and differences between County contributions and proportionate share of contributions	6,871,281	2,447,813
County contributions subsequent to the measurement date	4,705,682	-
Total	<u>\$ 45,980,032</u>	<u>\$ 6,987,416</u>

The deferred outflows of resources totaling \$4,705,682 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, 2023. 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>
2023	\$ 8,299,168
2024	3,009,496
2025	(3,243,552)
2026	26,190,827
2027	466,635
Thereafter	(435,640)
Total	<u>\$ 34,286,934</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

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 Annual Comprehensive 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.

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, 2022, 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 14 - RETIREMENT PLAN - Continued

FRS Investment Plan - Continued

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 2021-2022 fiscal year are based on a percentage of gross compensation by class as follows: Regular class 9.30%, Special Risk class 17.00%, Senior Management Service class 10.67%, and County Elected Officers' class 14.34%. This includes the employee contribution of 3%.

The County's Investment Plan contributions and pension expense totaled \$3,086,781 for fiscal year ended September 30, 2022. Employee contributions totaled \$563,548 for the same period.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15 - 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, 2021, range from \$257 for single coverage Medicare participants to \$1,297.50 for family coverage. Life insurance is available to retirees at a flat rate of \$.75 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, 2022

NOTE 15 - 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 1/31/2009**	Less than 15 years	No Subsidy	20% Subsidy*	No Subsidy
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)*	
On or 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	

*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, 2022

NOTE 15 - 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 Annual Comprehensive Financial Report. Questions regarding the OPEB Plan may be directed to the Finance Director.

At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,565
Retired participants	<u>543</u>
Total participants	<u><u>2,108</u></u>

There are two classes of participants at October 1, 2021:

Regular and senior management	1,357
Special risk	<u>751</u>
Total participants	<u><u>2,108</u></u>

The average employer's contribution was \$719 per employee, approximately 1.13% of current payroll. Financial statements for the OPEB Trust are included in this report and can be found on pages 46-47. 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, 2022 the County contributed \$1.1 million to the qualifying OPEB Trust. Plan members benefit payments totaled \$3.1 million. The County anticipates that the OPEB liability will be liquidated in the following manner: General Fund 53 percent, Emergency Services District Fund 31 percent, Enterprise Funds 7 percent, Internal Service Funds 1 percent, and the remaining 8 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, 2022

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) - Continued

C. Net OPEB Liability

The County's net OPEB liability was measured as of October 1, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. Roll-forward reports were completed at fiscal year-end. The components of the net OPEB liability of the County at September 30, 2022, were as follows:

Total OPEB liability	\$ 34,934,061
Plan fiduciary net position	<u>(28,937,442)</u>
County's net OPEB liability	<u>\$ 5,996,619</u>

Plan fiduciary net position as a percentage of the total OPEB liability	82.83%
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D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2021, 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	2.25%
Discount Rate	6.00%
Salary Increases	3.4% 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, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15 - 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 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
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, 2022

NOTE 15 - 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 4.40%; 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 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%.

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 1% lower or 1% 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%)
<hr/> \$ 8,455,562	<hr/> \$ 5,996,619	<hr/> \$ 3,770,685

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15 - 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 1% lower or 1% higher:

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

1% Decrease (5.0% down to 2.75%)	Current Healthcare Cost Trend Rate Assumption (6.0% down to 3.75%)	1% Increase (7.0% down to 4.75%)
<u>\$ 3,341,331</u>	<u>\$ 5,996,619</u>	<u>\$ 9,044,354</u>

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 9/30/2021	\$ 33,902,412	\$ 35,276,379	\$ (1,373,967)
Changes for the year:			
Service cost	631,763	-	631,763
Interest	1,980,301	-	1,980,301
Contributions - employer	-	1,111,473	(1,111,473)
Net investment loss	-	(4,392,095)	4,392,095
Experience	72,372	-	72,372
Assumptions	1,405,528	-	1,405,528
Benefit payments	(3,058,315)	(3,058,315)	-
Net changes	<u>1,031,649</u>	<u>(6,338,937)</u>	<u>7,370,586</u>
Balances at 9/30/2022	<u>\$ 34,934,061</u>	<u>\$ 28,937,442</u>	<u>\$ 5,996,619</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15 - 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, 2022, the County recognized OPEB expense of \$650,020. At September 30, 2022, 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	\$ 3,215,950	\$ -
Changes of assumptions	917,545	6,345,919
Net difference between projected and actual earnings on OPEB plan investments	3,600,616	-
	<u>\$ 7,734,111</u>	<u>\$ 6,345,919</u>

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>
2023	\$ 46,648
2024	(97,836)
2025	41,995
2026	516,805
2027	247,126
Thereafter	633,454
Total	<u>\$ 1,388,192</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 16 - LEASES

A. Lessee

The County is involved in multiple agreements as a lessee that qualify as long-term lease agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the assets at the end of the contract term and the noncancelable term of the agreements surpass one year. Below is a summary of the nature of those agreements.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Airport Land	29 years
Copiers	5 years
Mail Machines	5 years
Backup Computer System	18 months
Office Space	42 months

The assets acquired through the leases are summarized as follows:

Land	\$ 604,295
Buildings	449,713
Equipment	176,947
Less accumulated amortization	<u>(248,320)</u>
Net book value	<u>\$ 982,635</u>

The net present value of future minimum payments as of September 30, 2022 was as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 188,973	\$ 21,573
2024	125,555	16,874
2025	92,543	13,961
2026	54,074	11,821
2027	25,648	10,544
2028-2032	87,139	46,677
2033-2037	96,329	37,487
2038-2042	106,456	27,360
2043-2047	117,647	16,169
2048-2051	102,961	4,092
Totals	<u><u>\$ 997,325</u></u>	<u><u>\$ 206,558</u></u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 16 - LEASES - Continued

A. Lessee - Continued

Leases payable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Leases payable	\$ 567,429	\$ 663,526	\$ (233,630)	\$ 997,325	\$ 188,973

*The County implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with the Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

B. Lessor

The County is involved in multiple agreements as lessor that qualify as long-term lease agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreements surpass one year. Below is a summary of those agreements. Total lease revenue for the year ended September 30, 2022 was \$698,482.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Land	24 years
Buildings	5 years

Leases receivable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Leases receivable	\$ 2,975,174	\$ 65,410	\$ (330,046)	\$ 2,710,538

The County is involved in an agreement for leasing of the snack bar at the golf course. The monthly rent is calculated as a percentage of monthly sales. Total lease revenue, for this lease only, for the year ended September 30, 2022 was \$44,177. The current agreement will end on March 31, 2024 if not renewed before then.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 17 - 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.

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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 17 - FUND BALANCE - Continued

B. Fund Balance Policy - Continued

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, 2022, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 8,250,000	\$ 8,250,000	\$ 16,500,000
Transportation Fund	1,000,000	1,000,000	2,000,000
Emergency Services District Fund	2,600,000	2,600,000	5,200,000
Total	<u>\$ 11,850,000</u>	<u>\$ 11,850,000</u>	<u>\$ 23,700,000</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. 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 17 - FUND BALANCE - Continued

D. Fund Balance Deficit

At September 30, 2022, the Beach Restoration Fund, a major governmental fund, had a deficit in fund balance of \$5,841,494. The CDBG Neighborhood Stabilization Program Fund and the Metropolitan Planning Organization Fund, both nonmajor governmental funds, had a deficit in fund balance of \$49,747 and \$9,641 respectively. These fund balance deficits will be eliminated by grant proceeds in fiscal year 2023.

NOTE 18 - NET POSITION

A. Net Position Restricted by Enabling Legislation

The government-wide statement of net position for the primary government reports \$196,881,031 of restricted net position, of which \$98,958,790 is restricted by enabling legislation.

NOTE 19 - 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 up to the retention amounts listed below:

	10/01/2020 to 9/30/2022	10/01/2017 to 9/30/2020
Worker's Compensation	\$ 650,000	\$ 650,000
General Liability	200,000	200,000
Auto Liability	200,000	200,000
Property Damage	100,000	200,000
Error or Omissions	200,000	200,000
Cyber	100,000	-
Annual Aggregate	4,000,000	2,000,000

The annual aggregate reported is for the general liability, auto liability, and errors or omissions coverages.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 19 - RISK MANAGEMENT - Continued

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

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 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.

The claims liability of \$10,361,233 reported at September 30, 2022, 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, \$3,292,000 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
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
2020-2021	7,944,000	29,700,049	(28,234,444)	9,409,605
2021-2022	9,409,605	23,325,116	(22,373,488)	10,361,233

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined and at September 30, 2022, unrestricted net position of \$25,187,256 has been designated for this purpose.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 20 - COMMITMENTS AND CONTINGENCIES

A. Litigation

Various 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, 2022. 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 include resurfacing from 53rd Street to the Merrill Barber Bridge, beach profile surveys and monitoring, 6th Avenue pavement reclamation and resurfacing, 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, 66th Avenue roadway improvements from 49th to 69th Street, Moorhen Marsh Low Energy Aquatic Plant System, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for golf course maintenance, South County Water Treatment Plant improvements, Countywide meter replacement program, Roseland elevated storage tank conversion, pump station and water transmission main, North County Water and Sewer Project Phase II, 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, 2022

NOTE 20 - COMMITMENTS AND CONTINGENCIES - Continued

A summary of these projects at September 30, 2022, is as follows:

	Total Contract Price	Total Paid as of September 30, 2022	Remaining Balance at September 30, 2022
General	\$ 1,912,359	\$ (607,200)	\$ 1,305,159
Special Revenue	24,334,287	(8,172,902)	16,161,385
Capital Projects	76,185,705	(45,677,368)	30,508,337
Enterprise	36,396,473	(18,350,064)	18,046,409
Internal Service	577,950	(157,000)	420,950
Total	<u>\$ 139,406,774</u>	<u>\$ (72,964,534)</u>	<u>\$ 66,442,240</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.

NOTE 21 - SUBSEQUENT EVENTS

On November 8, 2022, a referendum was approved by County voters to issue up to \$50,000,000 in general obligation bonds for the purchase and preservation of environmentally sensitive lands within the County. It is anticipated that debt issuance will occur in fiscal year 2023, with debt payments to begin in fiscal year 2024.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2022

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
2022	2022	0.3618%	\$ 134,613,856	\$ 79,919,767	168.43%	82.89%
2021	2021	0.3543%	\$ 26,765,303	\$ 76,213,600	35.12%	96.40%
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
2022	2022	0.2694%	\$ 28,533,117	\$ 98,236,706	29.04%	4.81%
2021	2021	0.2621%	\$ 32,150,250	\$ 92,838,069	34.63%	3.56%
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, 2022

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
2022	\$ 15,947,661	\$ 15,947,661	\$ -	\$ 81,482,300	19.57%
2021	\$ 14,077,715	\$ 14,077,715	\$ -	\$ 77,571,484	18.15%
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
2022	\$ 1,661,617	\$ 1,661,617	\$ -	\$ 100,277,283	1.66%
2021	\$ 1,572,285	\$ 1,572,285	\$ -	\$ 94,783,079	1.66%
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, 2022

Schedules of Changes in Net OPEB Liability and Related Ratios

Fiscal year ending September 30,	2022	2021	2020
Total OPEB liability			
Service cost	\$ 631,763	\$ 623,279	\$ 638,013
Interest on the total OPEB liability	1,980,301	1,997,034	1,953,393
Difference between expected and actual experience	72,372	-	2,869,333
Changes of assumptions and other inputs	1,405,528	-	(2,051,215)
Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)
Net change in total OPEB liability	<u>1,031,649</u>	<u>(136,731)</u>	<u>831,678</u>
Total OPEB liability - beginning	<u>33,902,412</u>	<u>34,039,143</u>	<u>33,207,465</u>
Total OPEB liability - ending (a)	<u><u>\$ 34,934,061</u></u>	<u><u>\$ 33,902,412</u></u>	<u><u>\$ 34,039,143</u></u>
Plan fiduciary net position			
Employer contributions	\$ 1,111,473	\$ 1,095,455	\$ 2,206,025
OPEB plan net investment income (loss)	(4,392,095)	4,283,465	2,518,479
Benefit payments	(3,058,315)	(2,757,044)	(2,577,846)
Net change in plan fiduciary net position	<u>(6,338,937)</u>	<u>2,621,876</u>	<u>2,146,658</u>
Plan fiduciary net position - beginning	<u>35,276,379</u>	<u>32,654,503</u>	<u>30,507,845</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 28,937,442</u></u>	<u><u>\$ 35,276,379</u></u>	<u><u>\$ 32,654,503</u></u>
Net OPEB liability(asset)- ending (a)-(b)	<u><u>\$ 5,996,619</u></u>	<u><u>\$ (1,373,967)</u></u>	<u><u>\$ 1,384,640</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	82.83%	104.05%	95.93%
Covered payroll*	\$ 98,252,603	\$ 97,844,181	\$ 88,630,805
Net OPEB liability as a percentage of covered payroll	6.10%	(1.40)%	1.56%

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 terminated during the measurement period (fiscal year ended September 30, 2022).

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

2019	2018	2017
\$ 528,585	\$ 498,665	\$ 673,067
1,943,022	2,443,943	2,405,638
-	2,762,722	-
-	(11,946,117)	-
(2,238,521)	(2,037,101)	(2,494,672)
233,086	(8,277,888)	584,033
32,974,379	41,252,267	40,668,234
\$ 33,207,465	\$ 32,974,379	\$ 41,252,267
\$ 2,178,500	\$ 2,461,947	\$ 2,274,341
1,047,018	1,425,540	2,387,483
(2,238,521)	(2,037,101)	(2,494,672)
986,997	1,850,386	2,167,152
29,520,848	27,670,462	25,503,310
\$ 30,507,845	\$ 29,520,848	\$ 27,670,462
\$ 2,699,620	\$ 3,453,531	\$ 13,581,805
91.87%	89.53%	67.08%
\$ 82,697,197	\$ 80,387,008	\$ 77,080,800
3.26%	4.30%	17.62%

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2022

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>
2022	\$ 927,450	\$ 1,111,473	\$ (184,023)	\$ 98,252,603	1.13%
2021	\$ 1,049,479	\$ 1,095,455	\$ (45,976)	\$ 97,844,181	1.12%
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, 2022

Notes to Schedule of OPEB Contributions

Valuation Date: 10/1/2021
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	6 years
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	3.4% 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, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 to 2018 and include generational projections.
Health Care Trend Rates	Based on the Getzen Model, with trend starting at 6.0% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". See Section C of the October 1, 2021, Actuarial Valuation Report dated March 16, 2022.
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, 2022**

Schedule of OPEB Investment Returns Multiyear

FY Ending September 30,	Annual Return*
2022	(12.27)%
2021	12.93%
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 Services-	To account for the collection of court facility surcharges, additional court costs, and recording fees. Expenditures are for court technology, court services, 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.
Transportation-	To account for the 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.
Special Law Enforcement-	To account for expenditures of 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 collected on phone bills. 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.
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 and COVID-19 Response-	The CARES (Coronavirus Aid, Relief, and Economic Security) Act and COVID-19 Reponse Fund accounts for expenditures incurred for recovery from the health and economic impacts from COVID-19. Funding is provided from the CARES Act stimulus package and other County appropriations.
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 Lakes Estates-	To account for the expenditure of funds to improve roads in the Vero Lakes 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.

Street Lighting Districts-	To account for the costs of providing street lights. Financing is provided by the levying of special assessments.
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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.
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DEBT SERVICE FUNDS

Spring Training Facility Bonds-	To account for the accumulation of State assistance monies pledged to pay the principal, interest, and fiscal charges on the Spring Training Facility Bonds.
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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, 2022

	Special Revenue			
	Court Services Fund	Section 8 Rental Assistance	Secondary Roads Construction	Transportation
ASSETS				
Cash and investments	\$ 479,516	\$ 373,421	\$ 12,062,349	\$ 12,361,684
Accounts and leases receivable	-	2,031	-	1,872
Special assessments receivable	-	-	-	134,355
Due from other funds	-	-	-	-
Due from other governments	-	303	858,127	360,118
Interest receivable	346	-	12,543	134,728
Inventories	-	-	-	-
Prepays and other assets	-	6,444	38,203	21,856
Total Assets	<u>\$ 479,862</u>	<u>\$ 382,199</u>	<u>\$ 12,971,222</u>	<u>\$ 13,014,613</u>
LIABILITIES				
Accounts payable	\$ 48,920	\$ 13,394	\$ 215,356	\$ 337,068
Retainage payable	-	-	42,029	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenues	-	34,013	-	-
Other deposits	-	-	3,254,053	-
Total Liabilities	<u>48,920</u>	<u>47,407</u>	<u>3,511,438</u>	<u>337,068</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	256,294
Unavailable revenue - state and federal grants	-	-	499,046	71,386
Unavailable revenue - investment interest	177	-	6,431	6,556
Deferred inflows related to leases	-	-	-	-
Total Deferred Inflows of Resources	<u>177</u>	<u>-</u>	<u>505,477</u>	<u>334,236</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	6,444	38,203	21,856
Restricted for:				
Transportation/road improvements	-	-	8,916,104	-
Court-related costs and improvements	430,765	-	-	-
Housing assistance	-	328,348	-	-
Law enforcement/public safety	-	-	-	-
Tourism-related activities	-	-	-	-
Boating related projects	-	-	-	-
Land acquisition	-	-	-	-
Stormwater/street lighting/special assessments	-	-	-	-
Debt service	-	-	-	-
Jackie Robinson Training Complex improvements	-	-	-	-
Committed to:				
Environmental conservation/preservation	-	-	-	-
Law enforcement/public safety	-	-	-	-
Assigned to:				
Law enforcement/public safety	-	-	-	-
Coronavirus assistance	-	-	-	-
Transportation/road improvements	-	-	-	12,321,453
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>430,765</u>	<u>334,792</u>	<u>8,954,307</u>	<u>12,343,309</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 479,862</u>	<u>\$ 382,199</u>	<u>\$ 12,971,222</u>	<u>\$ 13,014,613</u>

Special Revenue

Special Law Enforcement	Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse	State Housing Initiatives Partnership
\$ 502,809	\$ 1,460,702	\$ 1,992,882	\$ 1,128,705	\$ 376,971	\$ 2,843,718
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	76,098	-	156
388	1,513	2,277	1,195	386	2,918
-	-	-	-	-	-
-	-	-	51,482	-	-
<u>\$ 503,197</u>	<u>\$ 1,462,215</u>	<u>\$ 1,995,159</u>	<u>\$ 1,257,480</u>	<u>\$ 377,357</u>	<u>\$ 2,846,792</u>
\$ -	\$ 56,580	\$ 130,011	\$ 11,564	\$ 11,460	\$ 36,235
-	1,422	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,391,179
-	-	-	-	-	-
<u>-</u>	<u>58,002</u>	<u>130,011</u>	<u>11,564</u>	<u>11,460</u>	<u>1,427,414</u>
-	-	-	-	-	-
-	-	-	5,609	-	156
199	776	1,167	613	198	1,496
-	-	-	-	-	-
<u>199</u>	<u>776</u>	<u>1,167</u>	<u>6,222</u>	<u>198</u>	<u>1,652</u>
-	-	-	-	-	-
-	-	-	51,482	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,417,726
502,998	-	-	1,188,212	365,699	-
-	-	1,863,981	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,403,437	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>502,998</u>	<u>1,403,437</u>	<u>1,863,981</u>	<u>1,239,694</u>	<u>365,699</u>	<u>1,417,726</u>
<u>\$ 503,197</u>	<u>\$ 1,462,215</u>	<u>\$ 1,995,159</u>	<u>\$ 1,257,480</u>	<u>\$ 377,357</u>	<u>\$ 2,846,792</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue			
	Metropolitan Planning Organization	Native Uplands Land Acquisition	CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program
ASSETS				
Cash and investments	\$ 3,714	\$ 545,653	\$ 253	\$ 1,416,141
Accounts and leases receivable	-	-	-	-
Special assessments receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	90,036	210,565	126,391	-
Interest receivable	-	577	-	1,464
Inventories	-	-	-	-
Prepays and other assets	-	-	-	-
Total Assets	<u>\$ 93,750</u>	<u>\$ 756,795</u>	<u>\$ 126,644</u>	<u>\$ 1,417,605</u>
LIABILITIES				
Accounts payable	\$ 8,968	\$ 7,620	\$ -	\$ -
Retainage payable	-	6,304	-	-
Due to other funds	90,000	-	50,000	-
Due to other governments	-	-	-	-
Unearned revenues	-	-	-	-
Other deposits	-	-	-	-
Total Liabilities	<u>98,968</u>	<u>13,924</u>	<u>50,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - state and federal grants	4,423	210,565	126,391	-
Unavailable revenue - investment interest	-	296	-	751
Deferred inflows related to leases	-	-	-	-
Total Deferred Inflows of Resources	<u>4,423</u>	<u>210,861</u>	<u>126,391</u>	<u>751</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Restricted for:				
Transportation/road improvements	-	-	-	-
Court-related costs and improvements	-	-	-	-
Housing assistance	-	-	-	-
Law enforcement/public safety	-	-	-	-
Tourism-related activities	-	-	-	-
Boating related projects	-	-	-	1,416,854
Land acquisition	-	-	-	-
Stormwater/street lighting/special assessments	-	-	-	-
Debt service	-	-	-	-
Jackie Robinson Training Complex improvements	-	-	-	-
Committed to:				
Environmental conservation/preservation	-	532,010	-	-
Law enforcement/public safety	-	-	-	-
Assigned to:				
Law enforcement/public safety	-	-	-	-
Coronavirus assistance	-	-	-	-
Transportation/road improvements	-	-	-	-
Unassigned (deficit)	<u>(9,641)</u>	<u>-</u>	<u>(49,747)</u>	<u>-</u>
Total Fund Balances	<u>(9,641)</u>	<u>532,010</u>	<u>(49,747)</u>	<u>1,416,854</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 93,750</u>	<u>\$ 756,795</u>	<u>\$ 126,644</u>	<u>\$ 1,417,605</u>

Special Revenue

Disabled Access Program	Federal/State Grants	Traffic Education Program	CARES Act and COVID-19 Response	Land Acquisition	East Gifford Stormwater
\$ 71,598	\$ 999	\$ 198,263	\$ 283,224	\$ 1,017,600	\$ 27,887
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8
-	41,427	-	-	-	-
74	-	200	25,800	1,057	29
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 71,672</u>	<u>\$ 42,426</u>	<u>\$ 198,463</u>	<u>\$ 309,024</u>	<u>\$ 1,018,657</u>	<u>\$ 27,924</u>
\$ -	\$ 35,426	\$ -	\$ 92,115	\$ -	\$ -
-	-	-	-	-	-
-	7,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>42,426</u>	<u>-</u>	<u>92,115</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
38	-	103	13,228	542	15
-	-	-	-	-	-
<u>38</u>	<u>-</u>	<u>103</u>	<u>13,228</u>	<u>542</u>	<u>15</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
71,634	-	198,360	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,018,115	-
-	-	-	-	-	27,909
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	203,681	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,634</u>	<u>-</u>	<u>198,360</u>	<u>203,681</u>	<u>1,018,115</u>	<u>27,909</u>
<u>\$ 71,672</u>	<u>\$ 42,426</u>	<u>\$ 198,463</u>	<u>\$ 309,024</u>	<u>\$ 1,018,657</u>	<u>\$ 27,924</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue			
	Vero Lakes Estates	Jackie Robinson Training Complex Reserve	Clerk Special Revenue	Sheriff Special Revenue
ASSETS				
Cash and investments	\$ 1,558,839	\$ 6,617,197	\$ 1,066,760	\$ 2,247,007
Accounts and leases receivable	-	78,472	719	888,382
Special assessments receivable	-	-	-	-
Due from other funds	1,810	-	-	-
Due from other governments	-	-	18,257	-
Interest receivable	1,619	2,373	-	-
Inventories	-	-	-	31,028
Prepays and other assets	-	-	57,279	-
Total Assets	<u>\$ 1,562,268</u>	<u>\$ 6,698,042</u>	<u>\$ 1,143,015</u>	<u>\$ 3,166,417</u>
LIABILITIES				
Accounts payable	\$ 34	\$ 22,556	\$ 17,360	\$ 218,526
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	158	-
Unearned revenues	-	-	-	-
Other deposits	-	-	12,380	-
Total Liabilities	<u>34</u>	<u>22,556</u>	<u>29,898</u>	<u>218,526</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - state and federal grants	-	-	-	-
Unavailable revenue - investment interest	830	1,185	-	-
Deferred inflows related to leases	-	74,628	-	-
Total Deferred Inflows of Resources	<u>830</u>	<u>75,813</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	31,028
Prepaid items	-	-	57,279	-
Restricted for:				
Transportation/road improvements	-	-	-	-
Court-related costs and improvements	-	-	1,055,838	-
Housing assistance	-	-	-	-
Law enforcement/public safety	-	-	-	2,699,161
Tourism-related activities	-	-	-	-
Boating related projects	-	-	-	-
Land acquisition	-	-	-	-
Stormwater/street lighting/special assessments	1,561,404	-	-	-
Debt service	-	-	-	-
Jackie Robinson Training Complex improvements	-	6,599,673	-	-
Committed to:				
Environmental conservation/preservation	-	-	-	-
Law enforcement/public safety	-	-	-	28,726
Assigned to:				
Law enforcement/public safety	-	-	-	188,976
Coronavirus assistance	-	-	-	-
Transportation/road improvements	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,561,404</u>	<u>6,599,673</u>	<u>1,113,117</u>	<u>2,947,891</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,562,268</u>	<u>\$ 6,698,042</u>	<u>\$ 1,143,015</u>	<u>\$ 3,166,417</u>

Special Revenue		Debt Service		Total
Street Lighting Districts	CDBG NSP3 Grant	Spring Training Facility Bonds	Nonmajor Governmental Funds	
\$ 541,667	\$ 316,061	\$ 615,438	\$ 50,111,058	
-	-	-	971,476	
-	-	-	134,355	
1,762	-	-	3,580	
-	-	-	1,781,478	
577	-	651	190,715	
-	-	-	31,028	
-	-	-	175,264	
<u>\$ 544,006</u>	<u>\$ 316,061</u>	<u>\$ 616,089</u>	<u>\$ 53,398,954</u>	
\$ 15,370	\$ -	\$ -	\$ 1,278,563	
-	-	-	49,755	
-	-	-	147,000	
-	-	-	158	
-	-	-	1,425,192	
-	-	-	3,266,433	
<u>15,370</u>	<u>-</u>	<u>-</u>	<u>6,167,101</u>	
-	-	-	256,294	
-	-	-	917,576	
296	-	334	35,231	
-	-	-	74,628	
<u>296</u>	<u>-</u>	<u>334</u>	<u>1,283,729</u>	
-	-	-	31,028	
-	-	-	175,264	
-	-	-	8,916,104	
-	-	-	1,486,603	
-	316,061	-	2,062,135	
-	-	-	5,026,064	
-	-	-	1,863,981	
-	-	-	1,416,854	
-	-	-	1,018,115	
528,340	-	-	2,117,653	
-	-	615,755	615,755	
-	-	-	6,599,673	
-	-	-	1,935,447	
-	-	-	28,726	
-	-	-	188,976	
-	-	-	203,681	
-	-	-	12,321,453	
-	-	-	(59,388)	
<u>528,340</u>	<u>316,061</u>	<u>615,755</u>	<u>45,948,124</u>	
<u>\$ 544,006</u>	<u>\$ 316,061</u>	<u>\$ 616,089</u>	<u>\$ 53,398,954</u>	

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue		
	Court Services	Section 8 Rental Assistance	Secondary Roads Construction
REVENUES			
Taxes	\$ -	\$ -	\$ 3,784,989
Permits, fees and special assessments	-	-	-
Intergovernmental	-	2,970,581	138,818
Charges for services	634,159	17,840	-
Judgments, fines and forfeits	-	-	-
Investment income (loss)	(6,962)	1,685	(230,352)
Miscellaneous	-	623	93,855
Total revenues	<u>627,197</u>	<u>2,990,729</u>	<u>3,787,310</u>
EXPENDITURES			
Current:			
General government	1,999	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	2,278,572
Economic environment	-	-	-
Human services	-	3,126,300	-
Culture/recreation	-	-	-
Court related	602,857	-	-
Debt service:			
Principal	-	-	476
Interest and other fiscal charges	-	-	165
Total expenditures	<u>604,856</u>	<u>3,126,300</u>	<u>2,279,213</u>
Excess of revenues over (under) expenditures	<u>22,341</u>	<u>(135,571)</u>	<u>1,508,097</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Lease financings	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	22,341	(135,571)	1,508,097
Fund balances at beginning of year	408,424	470,363	7,446,210
Fund balances at end of year	<u>\$ 430,765</u>	<u>\$ 334,792</u>	<u>\$ 8,954,307</u>

Special Revenue

Transportation	Special Law Enforcement	Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse
\$ -	\$ -	\$ -	\$ 1,682,054	\$ -	\$ -
576,189	-	-	-	-	-
3,272,376	-	-	-	972,147	-
107,280	54,098	-	-	-	-
1,000	50,120	461,150	-	-	28,115
(237,859)	(9,278)	(24,956)	(43,517)	(21,254)	(7,330)
584,108	-	-	-	727	-
<u>4,303,094</u>	<u>94,940</u>	<u>436,194</u>	<u>1,638,537</u>	<u>951,620</u>	<u>20,785</u>
390,919	-	-	-	-	-
-	-	-	-	594,979	-
857,153	-	-	-	-	-
14,781,448	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	11,985
-	-	95,776	946,747	-	-
-	-	-	-	-	-
1,242	-	-	-	-	-
431	-	-	-	-	-
<u>16,031,193</u>	<u>-</u>	<u>95,776</u>	<u>946,747</u>	<u>594,979</u>	<u>11,985</u>
<u>(11,728,099)</u>	<u>94,940</u>	<u>340,418</u>	<u>691,790</u>	<u>356,641</u>	<u>8,800</u>
13,438,166	-	-	-	-	-
(85,319)	(46,061)	-	(601,024)	(240,575)	-
-	-	-	-	-	-
<u>13,352,847</u>	<u>(46,061)</u>	<u>-</u>	<u>(601,024)</u>	<u>(240,575)</u>	<u>-</u>
1,624,748	48,879	340,418	90,766	116,066	8,800
10,718,561	454,119	1,063,019	1,773,215	1,123,628	356,899
<u>\$ 12,343,309</u>	<u>\$ 502,998</u>	<u>\$ 1,403,437</u>	<u>\$ 1,863,981</u>	<u>\$ 1,239,694</u>	<u>\$ 365,699</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, 2022

	Special Revenue		
	State Housing Initiatives Partnership	Metropolitan Planning Organization	Native Uplands Land Acquisition
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	613,879	600,365	48,750
Charges for services	486,747	-	182,816
Judgments, fines and forfeits	-	-	-
Investment income (loss)	(41,414)	-	(8,519)
Miscellaneous	152	969	-
Total revenues	<u>1,059,364</u>	<u>601,334</u>	<u>223,047</u>
EXPENDITURES			
Current:			
General government	-	517,380	-
Public safety	-	-	-
Physical environment	-	-	33,498
Transportation	-	-	-
Economic environment	-	-	-
Human services	613,879	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>613,879</u>	<u>517,380</u>	<u>33,498</u>
Excess of revenues over (under) expenditures	<u>445,485</u>	<u>83,954</u>	<u>189,549</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Lease financings	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	445,485	83,954	189,549
Fund balances at beginning of year	<u>972,241</u>	<u>(93,595)</u>	<u>342,461</u>
Fund balances at end of year	<u>\$ 1,417,726</u>	<u>\$ (9,641)</u>	<u>\$ 532,010</u>

Special Revenue

CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program	Disabled Access Program	Federal/State Grants	Traffic Education Program	CARES Act and COVID-19 Response
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	84,297	-	999,334	-	-
-	-	-	-	-	-
-	-	267	-	42,172	-
-	(28,243)	(1,452)	-	(3,932)	(393,844)
-	-	-	-	-	-
-	56,054	(1,185)	999,334	38,240	(393,844)
-	-	-	-	-	2,250,728
-	-	-	-	-	33,783
-	-	-	-	-	16,129
-	-	-	-	23,652	18,590
126,391	-	-	-	-	-
-	-	-	999,334	-	533,707
-	38,020	-	-	-	3,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
126,391	38,020	-	999,334	23,652	2,856,057
(126,391)	18,034	(1,185)	-	14,588	(3,249,901)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(126,391)	18,034	(1,185)	-	14,588	(3,249,901)
76,644	1,398,820	72,819	-	183,772	3,453,582
<u>\$ (49,747)</u>	<u>\$ 1,416,854</u>	<u>\$ 71,634</u>	<u>\$ -</u>	<u>\$ 198,360</u>	<u>\$ 203,681</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, 2022

	<u>Special Revenue</u>		
	<u>Land Acquisition</u>	<u>East Gifford Stormwater</u>	<u>Vero Lakes Estates</u>
REVENUES			
Taxes	\$ -	\$ 115	\$ 9
Permits, fees and special assessments	-	957	242,838
Intergovernmental	-	-	-
Charges for services	-	-	-
Judgments, fines and forfeits	-	-	-
Investment income (loss)	(20,821)	(559)	(31,208)
Miscellaneous	-	-	-
Total revenues	<u>(20,821)</u>	<u>513</u>	<u>211,639</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	33,582	-	-
Transportation	-	-	13,758
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>33,582</u>	<u>-</u>	<u>13,758</u>
Excess of revenues over (under) expenditures	<u>(54,403)</u>	<u>513</u>	<u>197,881</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(66)	(5,758)
Lease financings	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(66)</u>	<u>(5,758)</u>
Net changes in fund balances	(54,403)	447	192,123
Fund balances at beginning of year	<u>1,072,518</u>	<u>27,462</u>	<u>1,369,281</u>
Fund balances at end of year	<u>\$ 1,018,115</u>	<u>\$ 27,909</u>	<u>\$ 1,561,404</u>

Special Revenue					Debt Service
Jackie Robinson Training Complex Reserve	Clerk Special Revenue	Sheriff Special Revenue	Street Lighting Districts	CDBG NSP3 Grant	Spring Training Facility Bonds
\$ 1,121,369	\$ -	\$ -	\$ 1,352	\$ -	\$ -
-	-	-	234,917	-	-
24,629	-	191,051	-	-	475,375
-	582,963	392,545	-	-	-
-	-	49,381	-	-	-
(57,672)	1,757	-	(12,749)	-	(12,499)
25,722	286,382	3,061,822	-	35,403	-
1,114,048	871,102	3,694,799	223,520	35,403	462,876
-	876,168	-	-	-	-
-	-	4,847,805	-	-	-
-	-	-	-	-	-
-	-	-	272,551	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,223,328	-	-	-	-	-
-	-	188	-	-	-
-	1,957	-	-	-	305,000
-	410	-	-	-	170,375
2,223,328	878,535	4,847,993	272,551	-	475,375
(1,109,280)	(7,433)	(1,153,194)	(49,031)	35,403	(12,499)
5,344,462	-	1,389,662	-	-	-
-	-	-	(9,014)	-	-
-	30,702	-	-	-	-
5,344,462	30,702	1,389,662	(9,014)	-	-
4,235,182	23,269	236,468	(58,045)	35,403	(12,499)
2,364,491	1,089,848	2,711,423	586,385	280,658	628,254
\$ 6,599,673	\$ 1,113,117	\$ 2,947,891	\$ 528,340	\$ 316,061	\$ 615,755

Continued

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Total Nonmajor Governmental Funds
REVENUES	
Taxes	\$ 6,589,888
Permits, fees and special assessments	1,054,901
Intergovernmental	10,391,602
Charges for services	2,458,448
Judgments, fines and forfeits	632,205
Investment income (loss)	(1,190,978)
Miscellaneous	4,089,763
Total revenues	<u>24,025,829</u>
EXPENDITURES	
Current:	
General government	4,037,194
Public safety	5,476,567
Physical environment	940,362
Transportation	17,388,571
Economic environment	126,391
Human services	5,285,205
Culture/recreation	3,306,991
Court related	603,045
Debt service:	
Principal	308,675
Interest and other fiscal charges	171,381
Total expenditures	<u>37,644,382</u>
Excess of revenues over (under) expenditures	<u>(13,618,553)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	20,172,290
Transfers out	(987,817)
Lease financings	30,702
Total other financing sources (uses)	<u>19,215,175</u>
Net changes in fund balances	5,596,622
Fund balances at beginning of year	<u>40,351,502</u>
Fund balances at end of year	<u>\$ 45,948,124</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Court Services Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 572,500	\$ 634,159	\$ 61,659
Investment income (loss)	200	(6,962)	(7,162)
Total revenues	<u>572,700</u>	<u>627,197</u>	<u>54,497</u>
EXPENDITURES			
General government	19,037	1,999	17,038
Court related	637,789	602,857	34,932
Total expenditures	<u>656,826</u>	<u>604,856</u>	<u>51,970</u>
Net change in fund balances	(84,126)	22,341	106,467
Fund balances at beginning of year	<u>84,126</u>	<u>408,424</u>	<u>324,298</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 430,765</u></u>	<u><u>\$ 430,765</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Section 8 Rental Assistance Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 3,068,713	\$ 2,970,581	\$ (98,132)
Charges for services	12,400	17,840	5,440
Investment income (loss)	-	1,685	1,685
Miscellaneous	-	623	623
Total revenues	<u>3,081,113</u>	<u>2,990,729</u>	<u>(90,384)</u>
EXPENDITURES			
Human services	<u>3,389,290</u>	<u>3,126,300</u>	<u>262,990</u>
Total expenditures	<u>3,389,290</u>	<u>3,126,300</u>	<u>262,990</u>
Net change in fund balances	(308,177)	(135,571)	172,606
Fund balances at beginning of year	<u>308,177</u>	<u>470,363</u>	<u>162,186</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 334,792</u>	<u>\$ 334,792</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Secondary Roads Construction Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,225,487	\$ 3,784,989	\$ 559,502
Intergovernmental	1,119,684	138,818	(980,866)
Investment income (loss)	14,250	(230,352)	(244,602)
Miscellaneous	-	93,855	93,855
Total revenues	<u>4,359,421</u>	<u>3,787,310</u>	<u>(572,111)</u>
EXPENDITURES			
Current:			
Transportation	8,751,303	2,278,572	6,472,731
Debt Service:			
Principal	476	476	-
Interest and other fiscal charges	166	165	1
Total expenditures	<u>8,751,945</u>	<u>2,279,213</u>	<u>6,472,732</u>
Net change in fund balances	(4,392,524)	1,508,097	5,900,621
Fund balances at beginning of year	<u>4,392,524</u>	<u>7,446,210</u>	<u>3,053,686</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 8,954,307</u>	<u>\$ 8,954,307</u>

Indian River County, Florida
Budgetary Comparison Schedule
Transportation Fund
For the Year Ended September 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Permits, fees and special assessments	\$ 460,750	\$ 576,189	\$ 115,439
Intergovernmental	2,824,951	3,272,376	447,425
Charges for services	87,400	107,280	19,880
Judgments, fines and forfeits	-	1,000	1,000
Investment income (loss)	22,325	(237,859)	(260,184)
Miscellaneous	373,500	584,108	210,608
Total revenues	<u>3,768,926</u>	<u>4,303,094</u>	<u>534,168</u>
EXPENDITURES			
Current:			
General government	442,112	390,919	51,193
Physical environment	1,733,420	857,153	876,267
Transportation	17,040,912	14,781,448	2,259,464
Debt Service:			
Principal	1,244	1,242	2
Interest and other fiscal charges	434	431	3
Total expenditures	<u>19,218,122</u>	<u>16,031,193</u>	<u>3,186,929</u>
Excess of revenues over (under) expenditures	(15,449,196)	(11,728,099)	3,721,097
OTHER FINANCING SOURCES (USES)			
Transfers in	13,438,166	13,438,166	-
Transfers out	(85,319)	(85,319)	-
Total other financing sources (uses)	<u>13,352,847</u>	<u>13,352,847</u>	<u>-</u>
Net change in fund balances	(2,096,349)	1,624,748	3,721,097
Fund balances at beginning of year	<u>2,096,349</u>	<u>10,718,561</u>	<u>8,622,212</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 12,343,309</u>	<u>\$ 12,343,309</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Special Law Enforcement Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 54,098	\$ 54,098
Judgments, fines and forfeits	-	50,120	50,120
Investment income (loss)	-	(9,278)	(9,278)
Total revenues	-	94,940	94,940
OTHER FINANCING SOURCES (USES)			
Transfers out	(161,900)	(46,061)	115,839
Total other financing sources (uses)	(161,900)	(46,061)	115,839
Net change in fund balances	(161,900)	48,879	210,779
Fund balances at beginning of year	161,900	454,119	292,219
Fund balances at end of year	\$ -	\$ 502,998	\$ 502,998

Indian River County, Florida
 Budgetary Comparison Schedule
 Tree Ordinance Fines Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 50,000	\$ 461,150	\$ 411,150
Investment income (loss)	-	(24,956)	(24,956)
Total revenues	<u>50,000</u>	<u>436,194</u>	<u>386,194</u>
EXPENDITURES			
Culture/recreation	<u>200,000</u>	<u>95,776</u>	<u>104,224</u>
Total expenditures	<u>200,000</u>	<u>95,776</u>	<u>104,224</u>
Net change in fund balances	(150,000)	340,418	490,418
Fund balances at beginning of year	<u>150,000</u>	<u>1,063,019</u>	<u>913,019</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,403,437</u></u>	<u><u>\$ 1,403,437</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Tourist Development Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,088,541	\$ 1,682,054	\$ 593,513
Investment income (loss)	950	(43,517)	(44,467)
Total revenues	<u>1,089,491</u>	<u>1,638,537</u>	<u>549,046</u>
EXPENDITURES			
Culture/recreation	964,394	946,747	17,647
Total expenditures	<u>964,394</u>	<u>946,747</u>	<u>17,647</u>
Excess of revenues over (under) expenditures	125,097	691,790	566,693
OTHER FINANCING SOURCES (USES)			
Transfers out	(601,024)	(601,024)	-
Total other financing sources (uses)	<u>(601,024)</u>	<u>(601,024)</u>	<u>-</u>
Net change in fund balances	(475,927)	90,766	566,693
Fund balances at beginning of year	<u>475,927</u>	<u>1,773,215</u>	<u>1,297,288</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,863,981</u></u>	<u><u>\$ 1,863,981</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 911 Surcharge Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 693,500	\$ 972,147	\$ 278,647
Investment income (loss)	-	(21,254)	(21,254)
Miscellaneous	-	727	727
Total revenues	<u>693,500</u>	<u>951,620</u>	<u>258,120</u>
EXPENDITURES			
Public safety	<u>975,266</u>	<u>594,979</u>	<u>380,287</u>
Total expenditures	<u>975,266</u>	<u>594,979</u>	<u>380,287</u>
Excess of revenues over (under) expenditures	(281,766)	356,641	638,407
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(240,575)</u>	<u>(240,575)</u>	-
Total other financing sources (uses)	<u>(240,575)</u>	<u>(240,575)</u>	-
Net change in fund balances	(522,341)	116,066	638,407
Fund balances at beginning of year	<u>522,341</u>	<u>1,123,628</u>	<u>601,287</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,239,694</u></u>	<u><u>\$ 1,239,694</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Drug Abuse Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 28,500	\$ 28,115	\$ (385)
Investment income (loss)	-	(7,330)	(7,330)
Total revenues	<u>28,500</u>	<u>20,785</u>	<u>(7,715)</u>
EXPENDITURES			
Human services	50,000	11,985	38,015
Total expenditures	<u>50,000</u>	<u>11,985</u>	<u>38,015</u>
Net change in fund balances	(21,500)	8,800	30,300
Fund balances at beginning of year	<u>21,500</u>	<u>356,899</u>	<u>335,399</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 365,699</u></u>	<u><u>\$ 365,699</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 State Housing Initiatives Partnership Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,072,404	\$ 613,879	\$ (458,525)
Charges for services	250,000	486,747	236,747
Investment income (loss)	-	(41,414)	(41,414)
Miscellaneous	-	152	152
Total revenues	<u>1,322,404</u>	<u>1,059,364</u>	<u>(263,040)</u>
EXPENDITURES			
Human services	<u>1,810,393</u>	<u>613,879</u>	<u>1,196,514</u>
Total expenditures	<u>1,810,393</u>	<u>613,879</u>	<u>1,196,514</u>
Net change in fund balances	(487,989)	445,485	933,474
Fund balances at beginning of year	<u>487,989</u>	<u>972,241</u>	<u>484,252</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,417,726</u>	<u>\$ 1,417,726</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Metropolitan Planning Organization Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 608,124	\$ 600,365	\$ (7,759)
Miscellaneous	-	969	969
Total revenues	<u>608,124</u>	<u>601,334</u>	<u>(6,790)</u>
EXPENDITURES			
General government	608,124	517,380	90,744
Total expenditures	<u>608,124</u>	<u>517,380</u>	<u>90,744</u>
Net change in fund balances	-	83,954	83,954
Fund balances at beginning of year	-	(93,595)	(93,595)
Fund balances at end of year	<u>\$ -</u>	<u>\$ (9,641)</u>	<u>\$ (9,641)</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Native Uplands Land Acquisition Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 12,358	\$ 48,750	\$ 36,392
Charges for services	-	182,816	182,816
Investment income (loss)	-	(8,519)	(8,519)
Total revenues	<u>12,358</u>	<u>223,047</u>	<u>210,689</u>
EXPENDITURES			
Physical environment	<u>62,358</u>	<u>33,498</u>	<u>28,860</u>
Total expenditures	<u>62,358</u>	<u>33,498</u>	<u>28,860</u>
Net change in fund balances	(50,000)	189,549	239,549
Fund balances at beginning of year	<u>50,000</u>	<u>342,461</u>	<u>292,461</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 532,010</u></u>	<u><u>\$ 532,010</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CDBG Neighborhood Stabilization Program Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 269,995	\$ -	\$ (269,995)
Total revenues	<u>269,995</u>	<u>-</u>	<u>(269,995)</u>
EXPENDITURES			
Economic environment	<u>279,995</u>	<u>126,391</u>	<u>153,604</u>
Total expenditures	<u>279,995</u>	<u>126,391</u>	<u>153,604</u>
Net change in fund balances	(10,000)	(126,391)	(116,391)
Fund balances at beginning of year	<u>10,000</u>	<u>76,644</u>	<u>66,644</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ (49,747)</u></u>	<u><u>\$ (49,747)</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Florida Boating Improvement Program Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 189,600	\$ 84,297	\$ (105,303)
Investment income (loss)	-	(28,243)	(28,243)
Miscellaneous	100,000	-	(100,000)
Total revenues	<u>289,600</u>	<u>56,054</u>	<u>(233,546)</u>
EXPENDITURES			
Culture/recreation	<u>299,600</u>	<u>38,020</u>	<u>261,580</u>
Total expenditures	<u>299,600</u>	<u>38,020</u>	<u>261,580</u>
Net change in fund balances	(10,000)	18,034	28,034
Fund balances at beginning of year	<u>10,000</u>	<u>1,398,820</u>	<u>1,388,820</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,416,854</u></u>	<u><u>\$ 1,416,854</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Disabled Access Program Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ -	\$ 267	\$ 267
Investment income (loss)	-	(1,452)	(1,452)
Total revenues	-	(1,185)	(1,185)
EXPENDITURES			
Human services	20,000	-	20,000
Total expenditures	20,000	-	20,000
Net change in fund balances	(20,000)	(1,185)	18,815
Fund balances at beginning of year	20,000	72,819	52,819
Fund balances at end of year	\$ -	\$ 71,634	\$ 71,634

Indian River County, Florida
 Budgetary Comparison Schedule
 Federal/State Grants Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,002,068	\$ 999,334	\$ (1,002,734)
Total revenues	<u>2,002,068</u>	<u>999,334</u>	<u>(1,002,734)</u>
EXPENDITURES			
Human services	<u>2,002,068</u>	<u>999,334</u>	<u>1,002,734</u>
Total expenditures	<u>2,002,068</u>	<u>999,334</u>	<u>1,002,734</u>
Net change in fund balances	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</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 Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 47,500	\$ 42,172	\$ (5,328)
Investment income (loss)	-	(3,932)	(3,932)
Total revenues	<u>47,500</u>	<u>38,240</u>	<u>(9,260)</u>
EXPENDITURES			
Transportation	49,000	23,652	25,348
Total expenditures	<u>49,000</u>	<u>23,652</u>	<u>25,348</u>
Net change in fund balances	(1,500)	14,588	16,088
Fund balances at beginning of year	<u>1,500</u>	<u>183,772</u>	<u>182,272</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 198,360</u></u>	<u><u>\$ 198,360</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CARES Act and COVID-19 Response Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Investment income (loss)	\$ -	\$ (393,844)	\$ (393,844)
Total revenues	-	(393,844)	(393,844)
EXPENDITURES			
General government	2,673,984	2,250,728	423,256
Public safety	64,601	33,783	30,818
Physical environment	16,130	16,129	1
Transportation	18,591	18,590	1
Human services	699,379	533,707	165,672
Culture/recreation	3,525	3,120	405
Total expenditures	3,476,210	2,856,057	620,153
Net change in fund balances	(3,476,210)	(3,249,901)	226,309
Fund balances at beginning of year	3,476,210	3,453,582	(22,628)
Fund balances at end of year	\$ -	\$ 203,681	\$ 203,681

Indian River County, Florida
 Budgetary Comparison Schedule
 Land Acquisition Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 84,000	\$ -	\$ (84,000)
Investment income (loss)	-	(20,821)	(20,821)
Total revenues	<u>84,000</u>	<u>(20,821)</u>	<u>(104,821)</u>
EXPENDITURES			
Physical environment	1,062,250	33,582	1,028,668
Total expenditures	<u>1,062,250</u>	<u>33,582</u>	<u>1,028,668</u>
Net change in fund balances	(978,250)	(54,403)	923,847
Fund balances at beginning of year	<u>978,250</u>	<u>1,072,518</u>	<u>94,268</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,018,115</u></u>	<u><u>\$ 1,018,115</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 East Gifford Stormwater Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 115	\$ 115
Permits, fees and special assessments	940	957	17
Investment income (loss)	-	(559)	(559)
Total revenues	<u>940</u>	<u>513</u>	<u>(427)</u>
EXPENDITURES			
Transportation	<u>874</u>	<u>-</u>	<u>874</u>
Total expenditures	<u>874</u>	<u>-</u>	<u>874</u>
Excess of revenues over (under) expenditures	66	513	447
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(67)</u>	<u>(66)</u>	<u>1</u>
Total other financing sources (uses)	<u>(67)</u>	<u>(66)</u>	<u>1</u>
Net change in fund balances	(1)	447	448
Fund balances at beginning of year	<u>1</u>	<u>27,462</u>	<u>27,461</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 27,909</u></u>	<u><u>\$ 27,909</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Vero Lakes Estates Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 9	\$ 9
Permits, fees and special assessments	241,300	242,838	1,538
Investment income (loss)	1,753	(31,208)	(32,961)
Total revenues	<u>243,053</u>	<u>211,639</u>	<u>(31,414)</u>
EXPENDITURES			
Transportation	1,155,501	13,758	1,141,743
Total expenditures	<u>1,155,501</u>	<u>13,758</u>	<u>1,141,743</u>
Excess of revenues over (under) expenditures	(912,448)	197,881	1,110,329
OTHER FINANCING SOURCES (USES)			
Transfers out	(5,759)	(5,758)	1
Total other financing sources (uses)	<u>(5,759)</u>	<u>(5,758)</u>	<u>1</u>
Net change in fund balances	(918,207)	192,123	1,110,330
Fund balances at beginning of year	<u>918,207</u>	<u>1,369,281</u>	<u>451,074</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,561,404</u></u>	<u><u>\$ 1,561,404</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Jackie Robinson Training Complex Reserve Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 326,562	\$ 1,121,369	\$ 794,807
Intergovernmental	-	24,629	24,629
Investment income (loss)	-	(57,672)	(57,672)
Miscellaneous	-	25,722	25,722
Total revenues	<u>326,562</u>	<u>1,114,048</u>	<u>787,486</u>
EXPENDITURES			
Culture/recreation	<u>7,054,722</u>	<u>2,223,328</u>	<u>4,831,394</u>
Total expenditures	<u>7,054,722</u>	<u>2,223,328</u>	<u>4,831,394</u>
Excess of revenues over (under) expenditures	(6,728,160)	(1,109,280)	5,618,880
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>5,344,462</u>	<u>5,344,462</u>	<u>-</u>
Total other financing sources (uses)	<u>5,344,462</u>	<u>5,344,462</u>	<u>-</u>
Net change in fund balances	(1,383,698)	4,235,182	5,618,880
Fund balances at beginning of year	<u>1,383,698</u>	<u>2,364,491</u>	<u>980,793</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 6,599,673</u></u>	<u><u>\$ 6,599,673</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Clerk Special Revenue Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 771,362	\$ 582,963	\$ (188,399)
Investment income (loss)	1,000	1,757	757
Miscellaneous	287,000	286,382	(618)
Total revenues	<u>1,059,362</u>	<u>871,102</u>	<u>(188,260)</u>
EXPENDITURES			
Current:			
General government	1,090,362	876,168	214,194
Debt Service:			
Principal	-	1,957	(1,957)
Interest and other fiscal charges	-	410	(410)
Total expenditures	<u>1,090,362</u>	<u>878,535</u>	<u>211,827</u>
Excess of revenues over (under) expenditures	(31,000)	(7,433)	23,567
OTHER FINANCING SOURCES (USES)			
Lease financings	31,000	30,702	(298)
Total other financing sources (uses)	<u>31,000</u>	<u>30,702</u>	<u>(298)</u>
Net change in fund balances	-	23,269	23,269
Fund balances at beginning of year	-	1,089,848	1,089,848
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,113,117</u>	<u>\$ 1,113,117</u>

Indian River County, Florida
 Budgetary Comparison Schedule
 Sheriff Special Revenue Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 191,051	\$ 191,051	\$ -
Charges for services	393,000	392,545	(455)
Judgments, fines and forfeits	70,000	49,381	(20,619)
Miscellaneous	2,819,287	3,061,822	242,535
Total revenues	<u>3,473,338</u>	<u>3,694,799</u>	<u>221,461</u>
EXPENDITURES			
Public safety	4,863,000	4,847,805	15,195
Court related	-	188	(188)
Total expenditures	<u>4,863,000</u>	<u>4,847,993</u>	<u>15,007</u>
Excess of revenues over (under) expenditures	(1,389,662)	(1,153,194)	236,468
OTHER FINANCING SOURCES (USES)			
Transfers in	1,389,662	1,389,662	-
Total other financing sources (uses)	<u>1,389,662</u>	<u>1,389,662</u>	<u>-</u>
Net change in fund balances	-	236,468	236,468
Fund balances at beginning of year	-	2,711,423	2,711,423
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,947,891</u>	<u>\$ 2,947,891</u>

Indian River County, Florida
Budgetary Comparison Schedule
Street Lighting Districts Fund
For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 1,352	\$ 1,352
Permits, fees and special assessments	228,754	234,917	6,163
Investment income (loss)	1,331	(12,749)	(14,080)
Total revenues	<u>230,085</u>	<u>223,520</u>	<u>(6,565)</u>
EXPENDITURES			
Transportation	<u>364,609</u>	<u>272,551</u>	<u>92,058</u>
Total expenditures	<u>364,609</u>	<u>272,551</u>	<u>92,058</u>
Excess of revenues over (under) expenditures	(134,524)	(49,031)	85,493
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(9,524)</u>	<u>(9,014)</u>	<u>510</u>
Total other financing sources (uses)	<u>(9,524)</u>	<u>(9,014)</u>	<u>510</u>
Net change in fund balances	(144,048)	(58,045)	86,003
Fund balances at beginning of year	<u>144,048</u>	<u>586,385</u>	<u>442,337</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 528,340</u></u>	<u><u>\$ 528,340</u></u>

Indian River County, Florida
 Budgetary Comparison Schedule
 CDBG NSP3 Grant Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Miscellaneous	\$ -	\$ 35,403	\$ 35,403
Total revenues	-	35,403	35,403
EXPENDITURES			
Economic environment	10,000	-	10,000
Total expenditures	10,000	-	10,000
Net change in fund balances	(10,000)	35,403	45,403
Fund balances at beginning of year	10,000	280,658	270,658
Fund balances at end of year	\$ -	\$ 316,061	\$ 316,061

Indian River County, Florida
 Budgetary Comparison Schedule
 Spring Training Facility Bonds Fund
 For the Year Ended September 30, 2022

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 475,000	\$ 475,375	\$ 375
Investment income (loss)	-	(12,499)	(12,499)
Total revenues	<u>475,000</u>	<u>462,876</u>	<u>(12,124)</u>
EXPENDITURES			
Debt service:			
Principal	305,000	305,000	-
Interest and other fiscal charges	<u>178,000</u>	<u>170,375</u>	<u>7,625</u>
Total expenditures	<u>483,000</u>	<u>475,375</u>	<u>7,625</u>
Net change in fund balances	(8,000)	(12,499)	(4,499)
Fund balances at beginning of year	<u>8,000</u>	<u>628,254</u>	<u>620,254</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 615,755</u></u>	<u><u>\$ 615,755</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Optional Sales Tax Capital Projects Fund
For the Year Ended September 30, 2022

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 19,095,000	\$ 26,014,111	\$ 6,919,111
Intergovernmental	10,859,244	8,171,895	(2,687,349)
Investment income (loss)	190,000	(1,910,124)	(2,100,124)
Miscellaneous	-	301,435	301,435
Total revenues	<u>30,144,244</u>	<u>32,577,317</u>	<u>2,433,073</u>
EXPENDITURES			
Capital projects	<u>70,957,201</u>	<u>39,739,177</u>	<u>31,218,024</u>
Total expenditures	<u>70,957,201</u>	<u>39,739,177</u>	<u>31,218,024</u>
Excess of revenues over (under) expenditures	<u>(40,812,957)</u>	<u>(7,161,860)</u>	<u>33,651,097</u>
OTHER FINANCING USES			
Transfers out	<u>(6,872,532)</u>	<u>(6,150,912)</u>	<u>721,620</u>
Total other financing uses	<u>(6,872,532)</u>	<u>(6,150,912)</u>	<u>721,620</u>
Net change in fund balances	(47,685,489)	(13,312,772)	34,372,717
Fund balances at beginning of year	<u>47,685,489</u>	<u>97,534,182</u>	<u>49,848,693</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 84,221,410</u></u>	<u><u>\$ 84,221,410</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 amount 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, 2022

	Fleet Management	Self Insurance	Information Technology	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 21,790	\$ 34,934,525	\$ 2,679,291	\$ 37,635,606
Accounts receivable - net	205,254	651,095	5,670	862,019
Due from other governments	30,704	175	9,639	40,518
Interest receivable	69	34,293	2,770	37,132
Inventories	329,925	-	-	329,925
Prepays and other assets	756	1,867,207	185,421	2,053,384
Total current assets	<u>588,498</u>	<u>37,487,295</u>	<u>2,882,791</u>	<u>40,958,584</u>
Non-current assets:				
Capital assets - non-depreciable	-	-	5,482	5,482
Capital assets - depreciable	497,359	2,142	4,837,253	5,336,754
Capital assets - accumulated depreciation	(478,215)	(2,142)	(3,190,689)	(3,671,046)
Total non-current assets	<u>19,144</u>	<u>-</u>	<u>1,652,046</u>	<u>1,671,190</u>
Total assets	<u>607,642</u>	<u>37,487,295</u>	<u>4,534,837</u>	<u>42,629,774</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	110,811	49,608	167,178	327,597
Deferred outflows related to other postemployment benefits	26,279	10,541	59,401	96,221
Total deferred outflows of resources	<u>137,090</u>	<u>60,149</u>	<u>226,579</u>	<u>423,818</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	163,382	1,740,628	312,335	2,216,345
Due to other funds	35,000	-	-	35,000
Claims payable	-	3,292,000	-	3,292,000
Other deposits	-	2,719	-	2,719
Accrued compensated absences	23,699	11,152	90,313	125,164
Total current liabilities (payable from current assets)	<u>222,081</u>	<u>5,046,499</u>	<u>402,648</u>	<u>5,671,228</u>
Non-current liabilities:				
Accrued compensated absences	3,957	9,908	91,811	105,676
Claims payable	-	7,069,233	-	7,069,233
Net pension liability	350,714	213,025	743,505	1,307,244
Net other postemployment benefits liability	18,523	7,081	42,704	68,308
Total non-current liabilities	<u>373,194</u>	<u>7,299,247</u>	<u>878,020</u>	<u>8,550,461</u>
Total liabilities	<u>595,275</u>	<u>12,345,746</u>	<u>1,280,668</u>	<u>14,221,689</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	47,716	2,902	39,219	89,837
Deferred inflows related to other postemployment benefits	26,125	11,540	38,837	76,502
Total deferred inflows of resources	<u>73,841</u>	<u>14,442</u>	<u>78,056</u>	<u>166,339</u>
NET POSITION				
Net investment in capital assets	19,144	-	1,652,046	1,671,190
Unrestricted (deficit)	56,472	25,187,256	1,750,646	26,994,374
Total net position	<u>\$ 75,616</u>	<u>\$ 25,187,256</u>	<u>\$ 3,402,692</u>	<u>\$ 28,665,564</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, 2022

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 4,077,026	\$ 33,643,719	\$ 3,900,007	\$ 41,620,752
Total revenues	<u>4,077,026</u>	<u>33,643,719</u>	<u>3,900,007</u>	<u>41,620,752</u>
OPERATING EXPENSES				
Personal services	428,553	2,366,844	1,741,755	4,537,152
Material, supplies, services and other operating	3,672,143	26,471,037	1,735,584	31,878,764
Depreciation	9,840	-	466,345	476,185
Total operating expenses	<u>4,110,536</u>	<u>28,837,881</u>	<u>3,943,684</u>	<u>36,892,101</u>
Operating income (loss)	(33,510)	4,805,838	(43,677)	4,728,651
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	-	-	89	89
Investment income (loss)	(2,418)	(641,103)	(52,555)	(696,076)
Gain on disposal of assets	-	-	767,538	767,538
Loss on disposal of assets	-	-	(1,805)	(1,805)
Total nonoperating revenues (expenses)	<u>(2,418)</u>	<u>(641,103)</u>	<u>713,267</u>	<u>69,746</u>
Income (loss) before transfers	(35,928)	4,164,735	669,590	4,798,397
Capital grants and contributions	-	-	331,201	331,201
Transfers in (out)	-	51,873	-	51,873
Change in net position	(35,928)	4,216,608	1,000,791	5,181,471
Total net position - beginning	<u>111,544</u>	<u>20,970,648</u>	<u>2,401,901</u>	<u>23,484,093</u>
Total net position - ending	<u>\$ 75,616</u>	<u>\$ 25,187,256</u>	<u>\$ 3,402,692</u>	<u>\$ 28,665,564</u>

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Fleet Management	Self Insurance	Information Technology	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 3,957,814	\$ 33,539,121	\$ 3,900,422	\$ 41,397,357
Cash paid to suppliers for goods and services	(3,712,498)	(25,766,045)	(1,660,677)	(31,139,220)
Cash paid to employees for services	(424,003)	(2,357,872)	(1,706,862)	(4,488,737)
Net cash provided by (used in) operating activities	(178,687)	5,415,204	532,883	5,769,400
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	-	51,873	-	51,873
Operating grants	-	-	176	176
Net cash provided by noncapital financing activities	-	51,873	176	52,049
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from advances from other funds	35,000	-	-	35,000
Proceeds from the sale of capital assets	-	-	767,538	767,538
Purchase of capital assets	-	-	(142,999)	(142,999)
Net cash provided by (used in) capital and related financing activities	35,000	-	624,539	659,539
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	(2,409)	(660,377)	(54,404)	(717,190)
Net cash used in investing activities	(2,409)	(660,377)	(54,404)	(717,190)
Net increase (decrease) in cash and investments	(146,096)	4,806,700	1,103,194	5,763,798
Cash and investments at beginning of year	167,886	30,127,825	1,576,097	31,871,808
Cash and investments at end of year	\$ 21,790	\$ 34,934,525	\$ 2,679,291	\$ 37,635,606
Classified as:				
Current assets	\$ 21,790	\$ 34,934,525	\$ 2,679,291	\$ 37,635,606

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	<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)	\$ (33,510)	\$ 4,805,838	\$ (43,677)	\$ 4,728,651
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	9,840	-	466,345	476,185
(Increase) decrease in assets:				
Accounts receivable	(114,735)	(104,598)	415	(218,918)
Due from other governments	(4,477)	-	-	(4,477)
Inventories	9,046	-	-	9,046
Prepays and other assets	69	(196,191)	(66,650)	(262,772)
Increase (decrease) in liabilities:				
Accounts payable	(49,470)	(50,445)	141,557	41,642
Claims payable	-	951,628	-	951,628
Net pension liability	207,640	160,457	741,723	1,109,820
Deferred inflows related to pension	(185,011)	(142,106)	(660,890)	(988,007)
Deferred outflows related to pension	(13,583)	(11,015)	(48,518)	(73,116)
Net OPEB liability	21,375	8,107	56,016	85,498
Deferred inflows related to OPEB	(11,227)	(4,258)	(29,423)	(44,908)
Deferred outflows related to OPEB	(11,486)	(4,357)	(30,100)	(45,943)
Accrued compensated absences	(3,158)	2,144	6,085	5,071
Total adjustments	(145,177)	609,366	576,560	1,040,749
Net cash provided by (used in) operating activities	<u>\$ (178,687)</u>	<u>\$ 5,415,204</u>	<u>\$ 532,883</u>	<u>\$ 5,769,400</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants and contributions	\$ -	\$ -	\$ 331,201	\$ 331,201



Statistical Section

This part of the Indian River County Annual Comprehensive 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 Disclosures (Schedules 21 - 26) These schedules provide information for required continuing disclosure for the water and sewer revenue refunding note and the spring training facility revenue bonds. Required information on dependent special districts is also included in this section of schedules.	214-221

Sources:

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

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

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 518,255,719	\$ 514,764,316	\$ 520,214,002	\$ 533,304,941
Restricted	117,321,755	116,203,827	128,580,087	132,069,178
Unrestricted (Deficit)	71,830,421	72,873,567	7,158,887	5,985,180
Total governmental activities net position	<u>\$ 707,407,895</u>	<u>\$ 703,841,710</u>	<u>\$ 655,952,976</u>	<u>\$ 671,359,299</u>
Business-type activities				
Net investment in capital assets	\$ 210,772,860	\$ 211,660,190	\$ 213,114,279	\$ 206,497,575
Restricted	20,871,037	- (A)	-	-
Unrestricted	68,686,611	88,420,541	91,057,348	100,336,692
Total business-type activities net position	<u>\$ 300,330,508</u>	<u>\$ 300,080,731</u>	<u>\$ 304,171,627</u>	<u>\$ 306,834,267</u>
Primary government				
Net investment in capital assets	\$ 729,028,579	\$ 726,424,506	\$ 733,328,281	\$ 739,802,516
Restricted	138,192,792	116,203,827	128,580,087	132,069,178
Unrestricted	140,517,032	161,294,108	98,216,235	106,321,872
Total primary government net position	<u>\$ 1,007,738,403</u>	<u>\$ 1,003,922,441</u>	<u>\$ 960,124,603</u>	<u>\$ 978,193,566</u>

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

2017	2018	2019	2020	2021	2022
\$ 542,933,904	\$ 553,586,726	\$ 569,410,018	\$ 592,232,052	\$ 607,995,429	\$ 647,232,130
150,132,598	159,375,667	171,911,419	181,876,656	199,580,938	196,881,031
(1,350,721)	(21,032,366)	(34,540,764)	(35,583,743)	(23,215,166)	(12,942,182)
<u>\$ 691,715,781</u>	<u>\$ 691,930,027</u>	<u>\$ 706,780,673</u>	<u>\$ 738,524,965</u>	<u>\$ 784,361,201</u>	<u>\$ 831,170,979</u>
\$ 201,774,405	\$ 197,842,084	\$ 212,240,133	\$ 221,342,196	\$ 222,216,022	\$ 224,233,173
-	-	-	-	-	-
107,047,824	113,467,530	106,508,242	99,207,097	102,570,346	104,604,773
<u>\$ 308,822,229</u>	<u>\$ 311,309,614</u>	<u>\$ 318,748,375</u>	<u>\$ 320,549,293</u>	<u>\$ 324,786,368</u>	<u>\$ 328,837,946</u>
\$ 744,708,309	\$ 751,428,810	\$ 781,650,151	\$ 813,574,248	\$ 830,211,451	\$ 871,465,303
150,132,598	159,375,667	171,911,419	181,876,656	199,580,938	196,881,031
105,697,103	92,435,164	71,967,478	63,623,354	79,355,180	91,662,591
<u>\$ 1,000,538,010</u>	<u>\$ 1,003,239,641</u>	<u>\$ 1,025,529,048</u>	<u>\$ 1,059,074,258</u>	<u>\$ 1,109,147,569</u>	<u>\$ 1,160,008,925</u>

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

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 20,637,750	\$ 22,968,835	\$ 24,732,636	\$ 27,472,414
Public safety	66,178,467	66,954,956	66,364,113	77,587,638
Physical environment	1,858,307	1,031,710	1,636,749	1,457,248
Transportation	26,286,998	23,577,720	25,992,461	28,221,515
Economic environment	2,550,157	1,084,204	421,057	427,227
Human service	6,818,023	7,136,042	7,352,777	7,790,430
Cultural/recreation	19,369,326	16,610,269	17,011,188	14,713,304
Court related	5,835,184	6,360,814	6,677,054	7,077,295
Interest on long-term debt	2,087,204	1,944,229	1,013,527	938,123
Total governmental activities expenses	<u>151,621,416</u>	<u>147,668,779</u>	<u>151,201,562</u>	<u>165,685,194</u>
Business-type activities:				
Water and sewer	33,815,749	35,821,287	35,223,882	35,420,291
Solid waste	10,405,143	10,801,408	11,708,383	12,714,713
Golf course	2,537,525	2,588,424	2,498,397	2,605,612
Building	1,547,815	1,833,528	7,085,190	2,724,650
Total business-type activities expenses	<u>48,306,232</u>	<u>51,044,647</u>	<u>56,515,852</u>	<u>53,465,266</u>
Total primary government expenses	<u>\$ 199,927,648</u>	<u>\$ 198,713,426</u>	<u>\$ 207,717,414</u>	<u>\$ 219,150,460</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,482,814	\$ 5,895,424	\$ 6,641,363	\$ 7,192,821
Public safety	6,625,924	8,025,849	6,457,584	8,244,224
Physical environment	5,900	20,970	-	9,153
Transportation	2,768,107	3,365,961	4,273,591	4,508,637
Human service	213,485	211,294	277,279	165,041
Cultural/recreation	1,765,912	1,883,347	1,941,993	2,405,951
Court related	1,301,135	3,592,298	3,308,235	2,394,385
Operating grants and contributions	26,921,514	22,229,254	24,872,734	24,587,446
Capital grants and contributions	6,681,421	7,521,538	11,671,085	5,969,099
Total governmental activities program revenues	<u>51,766,212</u>	<u>52,745,935</u>	<u>59,443,864</u>	<u>55,476,757</u>
Business-type activities:				
Charges for services:				
Water and sewer	28,522,667	29,565,901	30,089,101	31,089,758
Solid waste	9,998,410	10,272,415	11,455,302	13,345,745
Golf course	3,072,332	3,080,960	3,235,879	3,230,630
Building	2,018,104	2,417,724	2,958,488	3,406,022
Operating grants and contributions	-	-	-	-
Capital grants and contributions	4,700,473	5,032,042	8,616,416	5,035,914
Total business-type activities program revenues	<u>48,311,986</u>	<u>50,369,042</u>	<u>56,355,186</u>	<u>56,108,069</u>
Total primary government program revenues	<u>\$ 100,078,198</u>	<u>\$ 103,114,977</u>	<u>\$ 115,799,050</u>	<u>\$ 111,584,826</u>

2017	2018	2019	2020	2021	2022
\$ 25,936,632	\$ 28,331,287	\$ 31,389,285	\$ 32,530,843	\$ 29,399,931	\$ 35,060,804
83,312,452	85,963,087	100,559,725	110,273,562	95,656,888	112,666,307
2,312,036	1,610,264	1,929,479	4,689,444	3,686,818	2,203,360
28,844,114	34,860,409	31,169,505	29,192,110	29,496,592	30,960,446
439,460	422,142	471,588	731,507	3,815,959	1,025,808
8,030,927	9,346,942	9,647,749	11,647,461	18,578,036	11,621,358
16,000,837	15,399,398	17,877,861	16,485,742	16,405,029	17,827,488
7,241,707	7,038,280	7,906,671	7,286,197	7,417,305	7,453,043
763,636	668,269	460,704	496,647	193,268	203,462
172,881,801	183,640,078	201,412,567	213,333,513	204,649,826	219,022,076
38,609,232	38,257,678	45,076,191	42,817,472	41,609,227	46,701,084
14,542,100	15,756,764	14,731,205	15,828,035	17,327,560	18,627,612
2,693,389	2,785,664	2,870,275	2,814,165	3,026,386	3,260,014
3,504,086	3,908,938	4,675,422	5,029,336	4,809,807	5,366,100
59,348,807	60,709,044	67,353,093	66,489,008	66,772,980	73,954,810
\$ 232,230,608	\$ 244,349,122	\$ 268,765,660	\$ 279,822,521	\$ 271,422,806	\$ 292,976,886
\$ 6,436,467	\$ 7,029,378	\$ 8,022,184	\$ 8,216,420	\$ 9,677,435	\$ 9,015,728
8,557,148	8,389,034	8,425,164	8,668,917	9,246,495	10,407,861
9,650	9,192	9,350	2,150	268,135	41,645
4,139,569	5,098,549	5,357,114	7,268,659	10,365,424	9,383,448
201,484	458,452	151,861	314,202	515,156	504,587
2,723,416	3,136,349	3,224,903	2,106,421	2,835,866	3,168,849
3,214,658	3,225,394	3,658,067	2,816,548	3,466,990	3,260,825
32,161,715	28,765,842	29,402,984	48,590,589	44,137,317	46,116,228
6,820,530	7,158,737	4,168,347	8,352,887	10,961,650	14,445,867
64,264,637	63,270,927	62,419,974	86,336,793	91,474,468	96,345,038
32,020,230	32,834,696	34,050,737	34,484,220	37,069,899	39,324,704
13,784,379	14,769,028	15,837,635	16,636,375	18,066,665	19,877,884
3,219,311	3,216,513	3,306,251	3,234,590	4,081,805	4,408,287
3,742,659	4,673,531	3,555,314	3,556,867	4,544,591	5,396,602
1,523,631	1,465,891	8,336	243,189	646	-
6,108,117	6,737,992	13,990,806	8,029,748	6,915,639	10,785,633
60,398,327	63,697,651	70,749,079	66,184,989	70,679,245	79,793,110
\$ 124,662,964	\$ 126,968,578	\$ 133,169,053	\$ 152,521,782	\$ 162,153,713	\$ 176,138,148

Continued

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

	2013	2014	2015	2016
Net (Expense)/Revenue				
Governmental activities	\$ (99,855,204)	\$ (94,922,844)	\$ (91,757,698)	\$ (110,208,437)
Business-type activities	5,754	(675,605)	4,839,334	2,642,803
Total primary government net expenses	\$ (99,849,450)	\$ (95,598,449)	\$ (86,918,364)	\$ (107,565,634)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental activities:				
Property taxes, levied for general purposes	\$ 62,305,177	\$ 67,985,321	\$ 71,825,109	\$ 80,100,810
Property taxes, levied for debt service	4,664,885	4,730,556	4,795,927	4,594,381
Sales and use taxes	21,035,360	21,860,958	23,549,042	24,387,340
Franchise fees	8,818,952	9,310,711	9,180,652	9,273,567
Interest earnings (loss)	637,099	542,542	1,051,822	1,333,048
Miscellaneous	2,903,771	2,459,033	1,799,538	5,141,162
Transfers	-	(44,000)	(3,057,421)	784,452
Total governmental activities	100,365,244	106,845,121	109,144,669	125,614,760
Business-type activities:				
Interest earnings (loss)	427,041	381,497	625,525	791,683
Miscellaneous	37,812	331	56,887	12,606
Transfers	-	44,000	3,057,421	(784,452)
Total business-type activities	464,853	425,828	3,739,833	19,837
Total primary government	\$ 100,830,097	\$ 107,270,949	\$ 112,884,502	\$ 125,634,597
<u>Change in Net Position</u>				
Governmental activities	\$ 510,040	\$ 11,922,277	\$ 17,386,971	\$ 15,406,323
Business-type activities	470,607	(249,777)	8,579,167	2,662,640
Total primary government change in net position	\$ 980,647	\$ 11,672,500	\$ 25,966,138	\$ 18,068,963

Notes:

(A) Limited General Obligation Note paid off in fiscal year 2020.

2017	2018	2019	2020	2021	2022
\$ (108,617,164) 1,049,520	\$ (120,369,151) 2,988,607	\$ (138,992,593) 3,395,986	\$ (126,996,720) (304,019)	\$ (113,175,358) 3,906,265	\$ (122,677,038) 5,838,300
<u>\$ (107,567,644)</u>	<u>\$ (117,380,544)</u>	<u>\$ (135,596,607)</u>	<u>\$ (127,300,739)</u>	<u>\$ (109,269,093)</u>	<u>\$ (116,838,738)</u>
\$ 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)	\$ 115,590,183 - (A) 30,706,183 9,463,082 341,974 3,022,250 (112,078)	\$ 121,642,658 - 35,574,613 10,763,690 (7,174,110) 8,766,962 (86,997)
<u>128,973,646</u>	<u>140,760,524</u>	<u>153,843,239</u>	<u>158,741,012</u>	<u>159,011,594</u>	<u>169,486,816</u>
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	181,819 36,913 112,078	(2,147,970) 274,251 86,997
<u>938,442</u>	<u>1,417,291</u>	<u>4,042,775</u>	<u>2,104,937</u>	<u>330,810</u>	<u>(1,786,722)</u>
<u>\$ 129,912,088</u>	<u>\$ 142,177,815</u>	<u>\$ 157,886,014</u>	<u>\$ 160,845,949</u>	<u>\$ 159,342,404</u>	<u>\$ 167,700,094</u>
\$ 20,356,482 1,987,962	\$ 20,391,373 4,405,898	\$ 14,850,646 7,438,761	\$ 31,744,292 1,800,918	\$ 45,836,236 4,237,075	\$ 46,809,778 4,051,578
<u>\$ 22,344,444</u>	<u>\$ 24,797,271</u>	<u>\$ 22,289,407</u>	<u>\$ 33,545,210</u>	<u>\$ 50,073,311</u>	<u>\$ 50,861,356</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 1,224,835	\$ 1,134,846	\$ 459,546	\$ 371,121
Restricted	1,000,000	1,000,000	1,000,000	1,000,000
Committed	2,370,079	1,223,183	1,092,575	1,166,830
Assigned	900,000	- (A)	-	-
Unassigned	<u>44,385,674</u>	<u>48,320,836</u>	<u>47,727,109</u>	<u>45,909,787</u>
Total general fund	<u>\$ 49,880,588</u>	<u>\$ 51,678,865</u>	<u>\$ 50,279,230</u>	<u>\$ 48,447,738</u>
All other governmental funds				
Nonspendable	\$ 50,788	\$ 39,337	\$ 69,907	\$ 121,906
Restricted	112,523,743	112,266,321	120,531,318	127,285,732
Committed	1,481,312	1,492,929	1,504,391	1,401,530
Assigned	8,964,238	8,139,695	7,139,358	7,118,668
Unassigned deficit	<u>(339,223)</u>	<u>(201,587)</u>	<u>(439,479)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 122,680,858</u>	<u>\$ 121,736,695</u>	<u>\$ 128,805,495</u>	<u>\$ 135,927,836</u>
Total governmental funds	<u>\$ 172,561,446</u>	<u>\$ 173,415,560</u>	<u>\$ 179,084,725</u>	<u>\$ 184,375,574</u>

Notes:

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

Schedule 3

2017	2018	2019	2020	2021	2022
\$ 1,183,875	\$ 976,972	\$ 614,277	\$ 777,974	\$ 757,345	\$ 956,993
1,246,278	1,139,811	1,001,230	815,990	792,120	792,120
1,655,789	1,627,628	1,310,621	1,214,785	1,290,006	1,456,158
-	-	-	-	-	-
43,334,507	47,904,588	52,768,642	56,299,820	67,035,509	77,682,620
<u>\$ 47,420,449</u>	<u>\$ 51,648,999</u>	<u>\$ 55,694,770</u>	<u>\$ 59,108,569</u>	<u>\$ 69,874,980</u>	<u>\$ 80,887,891</u>
\$ 217,550	\$ 199,134	\$ 145,165	\$ 219,292	\$ 338,924	\$ 437,606
133,714,625	153,053,248	166,534,476	169,805,890	176,562,298	175,951,865
1,515,217	1,610,299	1,478,993	1,119,342	1,430,822	1,964,173
7,400,390	7,620,206	8,666,836	9,470,790	14,298,624	12,714,110
(290,542)	(2,400)	(160,530)	(317,815)	(97,076)	(5,900,582)
<u>\$ 142,557,240</u>	<u>\$ 162,480,487</u>	<u>\$ 176,664,940</u>	<u>\$ 180,297,499</u>	<u>\$ 192,533,592</u>	<u>\$ 185,167,172</u>
<u>\$ 189,977,689</u>	<u>\$ 214,129,486</u>	<u>\$ 232,359,710</u>	<u>\$ 239,406,068</u>	<u>\$ 262,408,572</u>	<u>\$ 266,055,063</u>

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

	2013	2014	2015	2016
Revenues				
Taxes	\$ 88,005,422	\$ 94,585,345	\$ 100,170,078	\$ 109,082,531
Permits, fees, and special assessments	12,769,844	14,321,389	15,567,731	16,530,179
Intergovernmental	30,086,479	30,563,650	32,065,821	33,535,027
Charges for services	15,887,241	18,076,888	18,558,182	15,532,928
Judgments, fines and forfeits	778,575	1,004,374	897,860	1,672,773
Investment income (loss)	570,559	463,274	894,705	1,133,215
Miscellaneous	3,841,294	3,221,548	2,470,553	8,158,393
Total Revenues	151,939,414	162,236,468	170,624,930	185,645,046
Expenditures				
Current:				
General government	19,056,322	20,681,570	22,957,111	22,693,234
Public safety	66,908,328	67,799,667	71,703,248	77,316,218
Physical environment	771,942	781,306	1,055,021	788,803
Transportation	28,223,229	23,321,248	27,945,569	27,505,659
Economic environment	2,581,401	1,106,886	436,320	424,593
Human service	6,952,460	7,178,542	7,519,756	7,868,392
Culture/recreation	11,538,809	11,627,286	15,719,709	13,562,765
Court related	6,054,822	6,487,906	6,677,909	6,605,682
Debt service:				
Principal	6,050,000 (A)	3,700,000	4,180,000	4,383,000
Interest and fiscal charges	2,118,704	1,984,616	1,266,070	832,007
Capital projects	13,037,552	16,560,991	5,309,597 (C)	13,329,391
Total Expenditures	163,293,569	161,230,018	164,770,310	175,309,744
Excess of revenues over (under) expenditures	(11,354,155)	1,006,450	5,854,620	10,335,302
Other Financing Sources (Uses)				
Issuance of refunding notes	-	-	20,369,000 (B)	-
Insurance recoveries	-	-	-	-
Transfers out	(12,540,187)	(10,244,980)	(11,354,519)	(17,375,606)
Payments to refunded bond escrow agent	-	-	(20,340,959) (B)	-
Lease financings	-	-	-	-
Transfers in	12,504,699	10,092,644	11,141,023	12,331,173
Total other financing sources (uses)	(35,488)	(152,336)	(185,455)	(5,044,433)
Net change in fund balances	\$ (11,389,643)	\$ 854,114	\$ 5,669,165	\$ 5,290,869
Debt service as a percentage of noncapital expenditures	6.0%	4.3%	3.8%	3.6%

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

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

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

(D) Reclass from lease purchase proceeds to lease financings due to implementation of GASB 87, *Leases* in Fiscal Year 2022.

(E) Two major road projects and Moorhen Marsh storm water project under construction.

2017	2018	2019	2020	2021	2022
\$ 115,757,400	\$ 125,723,036	\$ 132,686,763	\$ 140,993,468	\$ 146,296,366	\$ 157,217,271
15,900,775	17,825,047	18,092,708	17,959,288	23,330,849	23,217,114
30,031,350	36,535,393	31,956,921	33,738,425	63,146,188	56,827,553
16,006,929	17,133,195	17,919,081	17,375,509	19,581,100	20,419,262
1,620,964	1,697,085	2,148,209	1,398,028	2,152,438	2,017,164
1,287,415	2,273,375	7,575,639	4,718,014	412,332	(6,534,914)
6,392,927	5,891,296	5,986,962	8,436,416	9,212,240	13,870,905
186,997,760	207,078,427	216,366,283	224,619,148	264,131,513	267,034,355
24,681,861	25,016,607	24,925,629	27,589,352	29,337,151	31,187,792
83,397,539	85,158,140	89,020,678	95,448,236	105,546,317	112,550,131
1,300,862	1,131,396	1,353,623	1,719,293	1,879,810	1,296,050
26,562,596	26,900,384	30,379,114	26,635,184	32,328,979	32,577,171
437,031	426,085	469,565	720,010	3,839,633	1,019,817
8,116,910	9,302,125	9,484,542	11,452,394	18,941,495	11,610,851
12,013,338	12,089,937	15,583,672	21,671,840	25,514,675	25,769,033
6,755,050	6,540,045	7,241,534	6,536,101	7,752,380	7,427,472
4,573,000	4,708,000	5,738,632	7,561,314	308,381	538,630
657,520	562,153	442,999	326,053	186,218	196,396
12,777,795	17,978,862	13,393,105	17,302,374	15,331,717	39,739,177 (E)
181,273,502	189,813,734	198,033,093	216,962,151	240,966,756	263,912,520
5,724,258	17,264,693	18,333,190	7,656,997	23,164,757	3,121,835
-	-	-	-	-	-
-	7,014,087	109,671	398,872	-	-
(14,453,902)	(13,274,738)	(16,552,188)	(18,779,742)	(18,633,526)	(22,551,908)
-	-	-	-	-	-
-	-	20,855 (D)	-	-	663,526
14,331,739	13,147,755	16,318,696	17,770,231	18,471,273	22,413,038
(122,163)	6,887,104	(102,966)	(610,639)	(162,253)	524,656
\$ 5,602,095	\$ 24,151,797	\$ 18,230,224	\$ 7,046,358	\$ 23,002,504	\$ 3,646,491
3.4%	3.2%	3.7%	4.4%	0.3%	0.4%

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
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
2021	115,590,183	22,078,826	3,623,215	3,759,740	1,244,402	146,296,366
2022	121,642,658	26,014,111	4,485,476	3,784,989	1,290,037	157,217,271

(A) The County 's primary source of revenue is property taxes, amounting to 77 percent of Governmental Funds tax revenues in 2022. 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
2013	\$ 16,563,604,291	\$ 635,119,066	\$ 17,198,723,357	\$ 4,497,471,382	\$ 12,701,251,975	4.1625
2014	16,563,604,291	697,294,522	17,260,898,813	4,670,052,667	12,590,846,146	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	8,125,447,769	17,804,458,233	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
2021	29,331,050,832	850,748,919	30,181,799,751	9,592,471,404	20,589,328,347	4.6981
2022	36,552,287,738	986,160,779	37,538,448,517	14,173,050,634	23,365,397,883	4.6981

Source: Indian River County Property Appraiser; values are established as of January 1 of the previous calendar year, i.e., January 1, 2021 taxable values apply to the fiscal year ending September 30, 2022.

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

	2013	2014	2015	2016
<u>County direct rate</u>				
General fund	3.0892	3.2620	3.3375	3.3602
Municipal service	1.0733	1.0733	1.0733	1.0733
Total direct rate (A)	4.1625	4.3353	4.4108	4.4335
County-wide district school board rate	8.3130	8.1160	7.9950	7.9550
<u>Other County-wide rates</u>				
Emergency Management Services District	1.7148	1.9799	1.9799	2.2551
Land acquisition bond	0.3799	0.3788	0.3694	0.3315
Total other County-wide rates	2.0947	2.3587	2.3493	2.5866
Total County-wide rate (B)	14.5702	14.8100	14.7551	14.9751
<u>City rates</u>				
Fellsmere	5.4999	5.6190	5.5309	5.2756
Indian River Shores	1.4731	1.4731	1.6786	1.6786
Sebastian	3.7166	3.7166	3.8556	3.8556
Orchid	0.5000	0.4864	0.5500	0.7000
Vero Beach	2.0336	2.0336	2.0336	2.3800
Average of cities rates	2.6446	2.6657	2.7297	2.7780
Other special district rates	1.6859	1.7128	1.7124	1.6993

(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

2017	2018	2019	2020	2021	2022
3.3602	3.4604	3.4604	3.5475	3.5475	3.5475
1.0733	1.0733	1.0733	1.1506	1.1506	1.1506
4.4335	4.5337	4.5337	4.6981	4.6981	4.6981
7.4100	7.0530	6.7930	6.5690	6.3960	6.2680
2.3010	2.3655	2.3655	2.3655	2.3531	2.3531
0.3143	0.2955	0.2827	0.2568	-	-
2.6153	2.6610	2.6482	2.6223	2.3531	2.3531
14.4588	14.2477	13.9749	13.8894	13.4472	13.3192
4.9599	4.9599	5.3662	5.2210	5.3226	5.3226
1.7186	1.3774	1.2890	1.3349	1.3349	1.3349
3.8556	3.4000	3.1514	2.9399	3.1514	3.0043
1.2500	2.3000	1.4000	1.6000	1.9000	1.4000
2.3800	2.5194	2.5194	2.5000	2.5000	2.5000
2.8328	2.9113	2.7452	2.7192	2.8418	2.7124
1.5170	1.5390	1.5396	1.4091	1.4091	1.2933

Indian River County, Florida
Principal Property Taxpayers (Unaudited)
Year 2022 and Year 2013

Schedule 8

Taxpayer	2022			2013		
	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation
Florida Power & Light	\$ 872,007,496	1	3.73%	\$ 102,669,719	1	0.81%
Disney Vacation Dev. Inc.	152,387,918	2	0.65	70,764,710	2	0.56
John's Island Club, Inc.	90,230,388	3	0.39	29,794,930	6	0.23
MPT of Sebastian-Steward, LLC	69,973,530	4	0.30	-		-
Welltower TCG Ridea Landlord, LLC	61,176,690	5	0.26	-		-
Adult Community Total Services, Inc.	60,231,026	6	0.26	32,682,140	5	0.26
EPC Guardian, LLC	59,631,563	7	0.26	-		-
Windsor Properties	53,293,290	8	0.23	37,828,560	3	0.30
Florida East Coast Railway	48,589,028	9	0.21	-		-
GFVT LLC	48,531,910	10	0.21	-		-
Bellsouth Telecommunications	-		-	35,742,953	4	0.28
Sebastian Hospital, Inc.	-		-	29,105,664	7	0.23
Indian River Mall Associates	-		-	27,891,780	8	0.22
Health Care Reit, Inc.	-		-	23,713,180	9	0.19
The New Piper Aircraft	-		-	23,373,485	10	0.18
Total Principal Property Taxpayers Real Property Assessed Valuation	<u>\$ 1,516,052,839</u>		<u>6.50%</u>	<u>\$ 413,567,121</u>		<u>3.26%</u>
Total County Taxable Valuation (from Schedule 6)	<u>\$ 23,365,397,883</u>			<u>\$ 12,701,251,975</u>		

Sources: 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
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
2021	119,796,353	115,517,250	96.43	67,544	115,584,794	96.48
2022	126,027,404	121,551,348	96.45	82,076	121,633,424	96.51

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 \$9,234.

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

Year	Governmental Activities			Business-type Activities	Total Primary Government
	General Obligation Bonds (A)	Leases	Spring Training Facility Bonds 2001 Series	Water & Sewer Bonds (B)	
2013	\$ 29,987,489	\$ -	\$ 8,145,000	\$ 43,020,793	\$ 81,153,282
2014	26,639,265	-	7,700,000	39,433,889	73,773,154
2015	23,594,000	-	7,230,000	28,252,234	59,076,234
2016	19,706,000	-	6,735,000	25,198,884	51,639,884
2017	15,653,000	-	6,215,000	22,031,534	43,899,534
2018	11,495,000	-	5,665,000	18,749,183	35,909,183
2019	7,268,000	15,447	4,155,000	3,174,000 (E)	14,612,447
2020	-	12,133	3,865,000	2,132,000	6,009,133
2021	-	8,752	3,560,000	1,074,000	4,642,752
2022	-	997,325 (F)	3,255,000	-	4,252,325

(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) Water & Sewer Bonds include Series 1993, Refunding Series 2005. The Series 2005 bonds were refinanced in fiscal year 2015 and reached final maturity in 2022.

(C) Information not available.

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

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

(F) The County implemented GASB 87, *Leases* in Fiscal Year 2022.

Further information may be found in Note 11.

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

Schedule 10

Percentage of Total Debt to Personal Income (D)	Debt Per Capita (D)
1.05%	\$ 581
0.81	523
0.59	412
0.50	353
0.39	295
0.30	237
0.11	94
.04	38
.03	29
(C)	26

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
2013	139,586	\$ 12,701,251,975	\$ 29,987,489	\$ 1,002,540	\$ 28,984,949	0.0023	\$ 208
2014	140,955	12,859,438,194	26,639,265	1,002,540	25,636,725	0.0020	182
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	-	-	-	-	-
2021	161,702	20,589,328,347	-	-	-	-	-
2022	165,559	23,365,397,883	-	-	-	-	-

(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, 2022

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, 2022

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	\$ 3,255,000	100%	\$ 3,255,000
Total direct debt of County			<u>3,255,000</u>
Other debt:			
Indian River County School District Certificates of Participation	\$ 72,518,112 (A)	100%	72,518,112
Total overlapping debt			<u>72,518,112</u>
Total direct and overlapping debt			<u>\$ 75,773,112</u>

(A) Indian River County School District, as of June 30, 2022

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

	2013	2014	2015	2016
<u>Uniform Charges</u>				
Water sales	\$ 13,667,115	\$ 14,059,231	\$ 14,345,074	\$ 14,829,381
Wastewater sales	12,546,429	12,879,006	13,116,393	13,498,090
Other	1,763,426	2,025,378	2,005,106	2,068,865
Total uniform charges	27,976,970	28,963,615	29,466,573	30,396,336
Septage/Sludge	426,634	478,555	483,828	531,432
Surcharges	246,363	242,073	98,163	-
Investment income (loss)	239,270	258,741	294,303	363,597
1996 Special assessments	69,757	22,091	30,872	31,915
Gross revenues	28,958,994	29,965,075	30,373,739	31,323,280
Less: Direct expenses	15,217,294	16,040,433	16,129,860	18,064,619
Net revenues available for debt service	<u>\$ 13,741,700</u>	<u>\$ 13,924,642</u>	<u>\$ 14,243,879</u>	<u>\$ 13,258,661</u>
<u>Annual debt service</u>				
Principal	\$ 3,205,000	\$ 3,350,000	\$ 3,485,000	\$ 2,878,000
Interest	2,080,951	1,937,450	1,827,867	1,095,886
Total debt service payment	<u>\$ 5,285,951</u>	<u>\$ 5,287,450</u>	<u>\$ 5,312,867</u>	<u>\$ 3,973,886</u>
Debt service coverage	2.60x	2.63x	2.68x	3.34x

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 Series 2005 Bonds were paid off on September 1, 2022.

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 11.

2017	2018	2019	2020	2021	2022
\$ 15,325,231	\$ 15,350,614	\$ 16,554,964	\$ 17,039,639	\$ 18,138,516	\$ 19,670,161
13,777,255	13,980,424	14,234,084	14,587,722	15,175,308	16,124,575
2,262,801	2,793,060	2,591,943	2,142,353	2,076,579	2,715,818
31,365,287	32,124,098	33,380,991	33,769,714	35,390,403	38,510,554
521,882	507,233	503,408	554,939	558,489	555,258
-	-	-	-	-	-
375,208	624,790	1,903,024	1,005,978	120,189	(777,041)
22,440	9,008	6,917	13,876	13,876	22,303
32,284,817	33,265,129	35,794,340	35,344,507	36,082,957	38,311,074
18,590,922	18,754,402	26,072,580	22,237,955	23,253,826	26,661,140
<u>\$ 13,693,895</u>	<u>\$ 14,510,727</u>	<u>\$ 9,721,760</u>	<u>\$ 13,106,552</u>	<u>\$ 12,829,131</u>	<u>\$ 11,649,934</u>
\$ 2,992,000	\$ 3,107,000	\$ 3,230,000	\$ 1,042,000	\$ 1,058,000	\$ 1,074,000
983,267	866,899	745,284	52,371	35,178	17,721
<u>\$ 3,975,267</u>	<u>\$ 3,973,899</u>	<u>\$ 3,975,284</u>	<u>\$ 1,094,371</u>	<u>\$ 1,093,178</u>	<u>\$ 1,091,721</u>
3.44x	3.65x	2.45x	11.98x	11.74x	10.67x

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)
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	13,750,177,000	84,607	5.9
2021	161,702	15,565,785,000	95,109	4.6
2022	165,559	(D)	(D)	3.1

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 2022 and Year 2013

Schedule 16

Employer	2022	
	Number of Employees	Percentage of Total County Employment
Cleveland Clinic Indian River Hospital **	2,112	3.21%
School District of Indian River County	2,039	3.10
Indian River County *	1,545	2.35
Publix Supermarkets	1,380	2.10
Piper Aircraft, Inc.	1,005	1.53
Wal-Mart	806	1.23
Sebastian River Medical Center	750	1.14
Visiting Nurse Association	500	0.76
John's Island	495	0.75
Indian River Estates	486	0.74
Total	11,118	16.90%
Total County Labor Force	65,774	
Employer	2013	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,123	3.58%
Indian River Medical Center	1,608	2.71
Indian River County *	1,354	2.28
Publix Supermarkets	1,092	1.84
Piper Aircraft Inc.	800	1.35
Sebastian River Medical Center	576	0.97
John's Island	550	0.93
City of Vero Beach	460	0.78
Visiting Nurse Association	401	0.68
Indian River Estates	350	0.59
Total	9,314	15.71%
Total County Labor Force	59,304	

Sources: Indian River County Chamber of Commerce and Indian River County annual budgets for number of employees for principal employers. U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program, in cooperation with the Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research for total county labor force 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
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
2021	1,673	516,828,967	13,061	176,293,637	477	190,436,915
2022	1,238	488,085,874	14,988	288,499,341	430	254,344,429

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
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
8,726	166,771,433	2,150	707,265,882	21,787	343,065,070
8,731	187,383,615	1,668	742,430,303	23,719	475,882,956

Indian River County, Florida
Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
General Government				
Purchasing				
Purchase orders issued	1,740	1,760	1,826	2,033
Public Safety				
Fire rescue				
Vehicle rescue response	39,340	41,540	45,485	45,874
Fire code inspections	1,992	1,753	1,993	2,200
Advanced life support calls	10,991	11,283	11,571	12,428
Basic life support calls (transport only)	3,544	3,851	4,180	4,524
Sheriff				
Arrests	3,885	4,262	3,832	3,660
Violent crimes	439	552	495	548
Non-violent crimes	5,683	5,853	5,804	5,682
Total calls for service	199,687	216,082	250,814	274,464
Building department				
Construction permits issued	562	611	666	827
Estimated value of construction (millions)	\$ 159.4	\$ 190.8	\$ 241.1	\$ 309.0
Physical Environment				
Solid waste				
Waste stream tonnage received	211,382	265,278	265,958	279,910
Total recycled material (tons)	50,792	101,444	86,564	98,009
Utilities - water & sewer				
Number of water customers	45,216	46,223	46,865	48,540
Number of wastewater customers	26,233	26,948	27,448	28,767
Water ERUs	65,477	66,261	66,829	72,488
Wastewater ERUs	46,576	47,027	47,596	53,428
Water consumption (Average Daily Demand)	7,558,000	8,620,000	9,200,000	9,200,000

Source: Internal reports prepared by the various departments of Indian River County

2017	2018	2019	2020	2021	2022
2,312	2,418	2,617	2,896	2,867	2,898
47,357	48,615	47,362	50,550	31,839	34,192
2,500	2,162	1,869	3,260	4,067	4,100
12,947	13,711	13,746	13,825	13,664	14,814
4,798	4,969	5,004	5,523	5,641	5,587
3,922	3,699	3,602	3,611	3,601	3,424
549	606	582	534	490	528
5,501	5,376	5,722	5,328	5,417	5,274
235,540	273,760	283,732	272,382	233,919	206,553
1,071	1,133	1,561	1,387	1,673	1,238
\$ 348.4	\$ 412.2	\$ 486.2	\$ 411.4	\$ 516.8	\$ 488.1
310,007	295,380	290,413	333,018	402,325	377,765
119,773	94,218	82,795	126,691	176,557	142,756
49,176	50,254	51,548	52,503	53,878	54,857
29,229	30,021	30,745	31,459	32,453	33,077
68,506	69,463	69,957	70,586	71,760	73,051
48,748	49,425	49,217	49,603	50,430	51,390
9,900,000	10,162,000	10,400,000	11,100,000	11,000,000	11,596,000

Continued

Indian River County, Florida
Operating Indicators by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Transportation				
Public works				
Projects under design	20	43	34	13
Projects awarded for construction	5	7	9	3
Construction projects completed	5	20	17	17
County engineering				
Roads designed	6	8	8	6
Miles of roads designed	6.00	8.35	10.00	8.50
Traffic engineering				
Site plans reviewed	357	387	554	412
Culture/Recreation				
Library				
Circulation (County-wide)	1,300,764	1,317,458	1,295,310	1,389,188
Recreation department				
Total beach park attendance	404,287	434,397	416,962	669,465
Athletic and event attendance	23,841	23,900	24,073	24,267
Aquatic centers attendance	97,183	105,459	110,186	116,997
Shooting range				
Safety/Registration cards issued	8,462	7,911	7,655	5,984
Golf course				
Rounds played	91,770	90,306	93,739	91,426

2017	2018	2019	2020	2021	2022
15	31	20	18	33	22
7	8	8	8	10	8
13	11	10	15	9	20
5	4	6	5	5	3
11.00	4.75	18.75	17.20	11.77	4.25
560	715	890	636	584	299
1,315,425	1,254,954	1,365,623	982,346	982,346	1,010,573
553,630	792,782	788,389	642,014	546,805	634,120
23,974	25,016	24,832	19,231	2,675	22,790
112,308	113,592	114,700	64,276	64,276	106,452
6,867	7,318	7,196	4,771	6,986	10,643
96,332	93,361	96,775	92,644	112,854	119,509

Indian River County, Florida
Full-Time Equivalent County Government Employees by Function/Program (Unaudited)
Last Ten Fiscal Years

	2013	2014	2015	2016
General Government				
Board of County Commissioners	9	9	9	9
County Attorney	6	6	6	6
Administration	2.35	2.35	2.35	2.35
Financial/Administrative Service	19.35	20.85	21.85	22.85
Comprehensive Planning	15	14.5	14.5	14.5
Other	33.9	33.4	33.4	33.4
Clerk of Circuit Court	98	93	93	97
Property Appraiser	35	36	36	39
Supervisor of Elections	8.5	9.5	9.5	9.5
Tax Collector	44	45	47	47
Public Safety				
Fire Department	243	243	244	265
Sheriff - Corrections	163	163	163	168
Sheriff - Court Service	27.5	27.5	27.5	34
Sheriff - Law Enforcement	303	303	303	278
Building Department	15	18.5	21.5	25
Other	4	4	4.5	5.5
Physical Environment				
Solid Waste	9	9	10	10
Utilities - water and sewer	113.5	116.5	118.5	120.5
Other	7	8	8	10
Transportation				
Road and Bridges	77.1	78.1	78.1	79.1
County Engineering	24	24	26	26
Traffic Engineering	19	19	20	21
Real Estate Acquisition	1	1	1	1
Economic Environment	2.5	2.5	2.5	2.5
Human Services	12	12	12	12
Culture/Recreation				
Libraries	41.5	41.5	42	42
Parks	28	28	28	28
Recreation Department	32.3	32.8	38.3	38.3
Coastal Engineering	2	2	2	2
Shooting Range	5	5	5	5.5
Golf Course	13.5	13.5	13.5	13
Court Related				
Law Library	1	1	1	1
Total	1,415.0	1,422.5	1,442.0	1,468.0

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.

2017	2018	2019	2020	2021	2022
9	9	9	9	9	9
6	6	6	6	6	6
2.35	2.35	3.35	3.35	3.35	3.35
21.85	22.35	24.35	28.35	30.35	31.85
15	16	16.5	16.5	16.5	19.5
35.4	36.4	37.9	39.9	39.9	42.9
90	87	85.5	81	77	76
38	39	39	39	39	39
10.5	11	9	12	12	12
49	51	59.5	61.5	65.5	69
276	295	295.5	309.5	312.5	315
171	171	174	171	171	171
29	29	32	29	29	29
289	305	310	317.5	317.5	326
29.5	30.5	33.5	34.5	35	37
6	6	6	6	6	7
11	11	10	11	11	12
122.5	127.5	131.5	140	141.5	148
9	11	13	12	13	14
79.1	79.1	82.1	82.1	79.1	75.1
28	30	32	33	34	36
22	22	22	23	23	23
1	1	1	1	1	1
2.5	2.5	2.5	2.5	2.5	2.5
12	12.5	14	23	13.5	15
42	42	40.5	45.5	45.5	45.5
30	30	30	32	32	33
42.3	43.3	43.3	44.3	45.3	45.3
2	3	3	3	3	3
9.5	9.5	9.5	10	10	10
13	13	13	13.5	13.5	14
1	1	1	1	1	1
1,504.5	1,555.0	1,589.5	1,641.0	1,638.5	1,672.0

Indian River County, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
General Government				
Facilities Management				
Total square footage maintained (A)	720,215	720,215	720,215	760,801
Number of facilities and sites maintained (A)	48	48	48	66
Vehicles	15	16	15	15
General government				
Vehicles	30	30	28	26
Planning				
Vehicles	5	6	6	6
Informaiton Technology				
Vehicles	2	2	2	2
Public Safety				
Fire department				
Vehicles	51	51	58	60
Fire stations	12	12	12	13
Advanced life support				
Vehicles	19	19	17	19
E911 Center				
Vehicles	1	1	1	1
Sheriff				
Vehicles	274	293	282	323
Building department				
Vehicles	9	10	16	25
Physical Environment				
Solid waste				
Vehicles	1	1	2	2
Ag Extension				
Vehicles	1	1	1	1
Utilities - Water and Sewer				
Vehicles	79	80	81	81
Water treatment plants	2	2	2	2
Wastewater treatment facilities	6	6	6	6
Water main - miles	847	852	857	859
Force main - miles	225	225	221	223
Gravity sewer lines - miles	273	269	268	267
Transportation				
Road and bridge				
Miles maintained (paved & unpaved)	650	650	650	653
Bridges maintained	71	72	72	72
Vehicles	64	64	67	63

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.

2017	2018	2019	2020	2021	2022
881,874	909,559	903,452	903,452	903,452	903,452
55	56	54	54	54	54
14	14	17	18	20	16
28	28	26	27	27	28
6	6	6	6	6	6
2	3	3	3	2	1
57	58	58	58	62	74
13	14	14	14	15	15
18	18	18	18	19	20
1	1	1	1	1	1
321	311	311	315	329	320
19	19	19	19	19	19
2	2	2	2	2	3
2	2	3	2	2	2
83	83	85	95	99	94
2	2	2	2	2	2
6	6	6	6	6	6
860	866	879	885	888	894
222	222	223	223	235	227
271	273	282	287	289	293
653	660	660	660	656	655
72	72	72	72	72	72
56	56	77	76	83	72

Continued

Indian River County, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Transportation - continued:				
Senior Resource Association				
Vehicles	38	35	35	39
Engineering				
Vehicles	13	13	14	13
Traffic engineering				
Traffic signals operated	150	150	150	160
Beacons operated	45	45	43	47
Vehicles	1	1	1	1
Traffic operations				
Vehicles	19	21	20	22
 Human Services				
Health department				
Vehicles	17	17	17	9
Animal Control				
Vehicles	7	6	6	6
Rental Assistance				
Vehicles	2	2	2	3
 Culture/Recreation				
Libraries				
Locations	4	4	4	4
Vehicles	-	-	-	-
Parks				
Number of neighborhood parks	10	10	11	12
Number of County parks	40	37	37	37
Acreage	4,014	3,429	3,429	3,429
Picnic shelters maintained	69	69	69	69
Boat ramps maintained	8	8	8	8
Vehicles	22	23	20	20
Recreation				
Vehicles	5	5	5	6
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	1
Coastal Engineering				
Vehicles	-	-	-	-

Schedule 20

2017	2018	2019	2020	2021	2022
36	39	31	27	26	32
15	16	18	18	16	13
155	159	160	159	161	162
56	56	55	55	56	59
1	1	1	1	1	1
18	19	19	21	21	20
10	18	18	17	18	21
6	6	7	7	7	6
3	3	3	3	3	3
4	4	5	5	6	6
-	-	-	-	-	1
12	12	12	12	12	12
36	36	36	36	36	36
5,081	5,081	5,081	5,081	5,081	5,081
69	69	54	54	54	54
8	8	8	8	8	8
18	20	25	26	30	31
5	4	5	5	5	5
1	1	1	1	1	1
29	29	29	29	29	29
35	35	35	35	35	35
-	3	3	3	3	3
36	36	36	36	36	36
1	1	1	1	1	1
-	-	-	-	-	2

Indian River County, Florida
Department of Utility Services
Historical Rate Structure (Unaudited)
Last Ten Fiscal Years

	<u>2012 - February 2019 (A)</u>	<u>March 2019 - September 2020</u>
WATER RATES		
Billing charge per account	\$ 1.29	\$ n/a
Service availability charge (per ERU) (B)		
Single-family and commercial	7.76	8.75
Multi-family and manufactured home	6.60	7.44
Volumetric charge - per 1,000 gallons (per ERU)		
0-3,000 gallons	2.20	2.20
3,001-4,000 gallons	2.42	2.20
4,001-7,000 gallons	2.42	2.57
7,001-12,000 gallons	3.85	4.95
12,001-13,000 gallons	3.85	9.75
13,001 and over gallons per month (per ERU)	7.70	9.75
SEWER RATES		
Billing charge per account	\$ 1.29	\$ n/a
Service availability charge (per ERU) (B)		
Single-family and commercial	14.58	15.60
Multi-family and manufactured home	12.40	13.26
Volumetric charge - per 1,000 gallons (per ERU)		
Individually Metered Residential (capp of 12,000 gallons)	2.86	n/a
MultiFamily & Commercial		
0-13,000 gallons	2.86	n/a
13,001 and over gallons per month (per ERU)	4.29	n/a
Volumetric charge - Sewer		
0-12,000 gallons	n/a	2.86
12,001 and over gallons per month (per ERU)	n/a	4.29

(A) The County approved a rate study with new rates, effective March 1, 2019 that changed some of the rate structure and categories. Therefore, some rates are shown as n/a.

(B) Formerly known as base facility charge

Note: Prior to March 2019, a service availability charge where capacity is reserved but lines are not available (per ERU) was set for water at \$3.88 for single family and commercial and \$3.30 for multi-family and manufactured homes. For sewer, the rates were \$7.29 and \$6.20, respectively.

Source: Indian River County Resolutions 2009-012, 2018-126, 2020-087 and 2021-076.

Schedule 21

Fiscal Year 2021		Fiscal Year 2022	
\$	n/a	\$	n/a
	8.88		9.15
	7.55		7.78
	2.23		2.30
	2.23		2.30
	2.61		2.69
	5.03		5.18
	9.90		10.20
	9.90		10.20
\$	n/a	\$	n/a
	15.84		16.32
	13.46		13.86
	n/a		n/a
	n/a		n/a
	n/a		n/a
	2.90		2.99
	4.36		4.49

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 2013 through 2022 as set forth below:

<u>Fiscal Year</u>	<u>Water ERUs</u>	<u>Wastewater ERUs</u>
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
2021	71,760	50,430
2022	73,051	51,390

Source: Indian River County Utilities Department

Indian River County, Florida
Top 10 High Volume Customers of Utility Services (Unaudited)
Fiscal Year 2022

Schedule 23

Below is a table depicting the ten highest volume customers of the utility system for the fiscal year ended September 30, 2022:

Customer		Annual Water Volume (x 1,000 gals.)		Annual Wastewater Volume (x 1,000 gals.)
Vista Royale	1	36,791	1	36,791
MHC Village Green LLC	2	28,265	2	28,265
Acts, Inc.	3	27,339	3	27,182
IRC School Board	4	25,329	8	19,415
SREIT Lexington Club, LLC	5	23,142	5	23,142
Disney's Vero Beach Resort	6	20,322	6	20,322
Orchard Grove Venture, LLC	7	20,284	7	20,284
Steward Sebastian River Medical Center	8	19,314	9	19,314
Palms of Vero Beach LTD	9	18,769	10	18,769
Lakewood Village	10	17,423	-	-
City of Fellsmere	-	-	4	23,915

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
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
2021	1,911,431	2,732,251	4,643,682
2022	1,649,776	2,420,218	4,069,994

Source: Indian River County Utilities

Indian River County, Florida
Pledged Revenues for Spring Training Facility Revenue Bonds, Series 2001 (Unaudited)
Last Ten Fiscal Years **Schedule 25**

Year Ended September 30	Professional Sports State Subsidy	Total Tourist Tax Collected	One Cent Tourist Tax (A)	Half Cent Sales Tax
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
2021	500,004	3,623,215	905,804	12,009,112
2022	500,004	4,485,476	1,121,369	13,302,705

(A) A 4th cent was imposed effective February 1, 2001.

Note: For additional details, refer to Pledge of Revenues Section, in County Note 11.

Indian River County, Florida
Dependent Special District Specific Information per F.S. 218.39(3)(c) (Unaudited)
Fiscal Year Ended September 30, 2022

	<u>Emergency Services District</u>	<u>Solid Waste Disposal District</u>
Total number of district employees compensated in the last pay period	299	12
Total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year	-	-
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency	\$ 23,711,240	\$ 739,211
Construction contracts approved for at least \$65,000 that began as of October 1, 2021 and description of contract		
Fire Station 11 Remodel		
Contract amount	\$ 260,470	
Expenditures	-	
High Pressure Skid System		
Contract amount		\$ 1,081,570
Expenditures		478,607
Mixer Installation for Above Ground Storage Tank		
Contract amount		\$ 210,966
Expenditures		-

**Budget Variance Report
Solid Waste Disposal District**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 19,908,716	\$ 20,089,168	\$ 180,452
Investment income (loss)	55,000	(480,338)	(535,338)
Total revenues	<u>19,963,716</u>	<u>19,608,830</u>	<u>(354,886)</u>
Expenses			
Personal services	1,030,123	1,011,432	18,691
Operating	17,434,978	16,123,338	1,311,640
Depreciation	<u>1,498,615</u>	<u>1,492,842</u>	<u>5,773</u>
Total expenses	<u>19,963,716</u>	<u>18,627,612</u>	<u>1,336,104</u>
Change in net position	<u>\$ -</u>	981,218	<u>\$ 981,218</u>
Net position - beginning		<u>51,771,814</u>	
Net position - ending		<u>\$ 52,753,032</u>	

Note: The Emergency Services District Budget Variance report is shown on Page 35.



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 9, 2023

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, 2022, and the related notes to the financial statements, collectively comprise the County's basic financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 9, 2023

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, 2022, and have issued our report thereon dated March 9, 2023.

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 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 9, 2023, 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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Management has provided the specific information required by Section 218.39(3)(c) in the Statistical Section of the Annual Comprehensive Financial Report.

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.

The Honorable Board of County Commissioners
Indian River County, Florida
March 9, 2023
Page 3

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.

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

March 9, 2023

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 61.181 Florida Statutes, during the year ended September 30, 2022.

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, 2022.

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 Johnson LLC



**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 9, 2023

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 9, 2023, 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 Loborn LLC



Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2022

Federal/State Agency Pass-through Entity Federal Program/State Project	AL/CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Housing and Urban Development: Passed through Florida Dept. of Economic Opportunity: Community Development Block Grant Neighborhood Stabilization Program Community Development Block Grant	14.228	19DB-ON-10-40-01-H03	\$ 126,391	
Subtotal AL - 14.228			126,391	
Continuum of Care:				
Rental Assistance	14.267	FL0114L4H092114	14,562	\$ -
Homeless Management Information Systems	14.267	FL0116L4H092114	2,400	2,400
Rental Assistance	14.267	FL0119L4H092114	67,510	-
Rental Assistance	14.267	FL0360L4H092112	16,212	-
Rental Assistance	14.267	FL0440L4H092110	21,306	-
Rental Assistance	14.267	FL0113L4H092109	4,098	-
Rental Assistance	14.267	FL0338L4H092007	88,848	5,994
Rental Assistance	14.267	FL0380L4H092006	112,128	7,834
Rental Assistance	14.267	FL0380L4H092107	114	-
Homeless Management Information Systems	14.267	FL0418L4H091907	6,960	6,960
Homeless Management Information Systems	14.267	FL0418L4H092008	20,880	20,880
Rental Assistance	14.267	FL0114L4H092013	51,743	6,198
Homeless Management Information Systems	14.267	FL0116L4H092013	33,000	33,000
Rental Assistance	14.267	FL0119L4H092013	287,231	23,655
Rental Assistance	14.267	FL0360L4H092011	89,668	8,043
Rental Assistance	14.267	FL0440L4H092009	70,534	9,444
Rental Assistance	14.267	FL0113L4H092008	112,140	7,761
Subtotal AL - 14.267			999,334	132,169
Housing Voucher Cluster:				
COVID-19 - Section 8 Housing Choice Vouchers Admin	14.871	N/A	12,588	
Section 8 Housing Choice Vouchers	14.871	FL-132	3,093,737	
Section 8 Emergency Housing Vouchers	14.871	FL-132	19,976	
Subtotal AL - 14.871			3,126,301	
Total Department of Housing and Urban Development			4,252,026	132,169

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2022

Federal/State Agency Pass-through Entity Federal Program/State Project	AL/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	VOCA-2021-Indian River County Sheriff - 00778	\$ 111,110	
State Criminal Alien Assistance Program	16.606	15PBJA-20-RR00306-SCAA	28,257	
Passed through Department of the Treasury:				
DEA Equitable Sharing Program	16.922	N/A	63,539	
Total Department of Justice			<u>202,906</u>	
Department of Transportation:				
Passed through Florida Department of Transportation:				
Local Agency Program-43rd Ave. Sidewalk-Airport Dr. to 41st St.	20.205	G2933	64,279	
Metropolitan Planning Organization	20.205	G1056	<u>344,377</u>	
Total Highway Planning and Construction Cluster			<u>408,656</u>	
Passed through Florida Department of Transportation:				
Federal Transit Metropolitan Planning Grant	20.505	G1480	<u>64,698</u>	
Subtotal AL - 20.505			<u>64,698</u>	
COVID-19 - Section 5311 - Non-Urbanized Public Transit	20.509	G1L75	84,000	\$ 84,000
Section 5311 Non-Urbanized Public Transit	20.509	G1V00	<u>57,973</u>	<u>57,973</u>
Subtotal AL - 20.509			<u>141,973</u>	<u>141,973</u>
COVID-19 - Federal Transit Formula Section 5307 Grant	20.507	FL-2020-075-00	2,125,318	2,125,318
Federal Transit Formula Section 5307 Grant	20.507	FL-2018-103-00	120,048	120,048
Federal Transit Formula Section 5307 Grant	20.507	FL-2019-061-00	6,959	6,959
Federal Transit Formula Section 5307 Grant	20.507	FL-2021-014-00	88,324	88,324
Federal Transit Formula Section 5307 Grant	20.507	FL-2022-006-00	496,720 *	496,720
Federal Transit Formula Section 5307 Grant	20.507	FL-2022-055-00	1,911,084	1,911,084
Total Federal Transit Cluster			<u>4,748,453</u>	<u>4,748,453</u>
Total Department of Transportation			<u>5,363,780</u>	<u>4,890,426</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, 2022

Federal/State Agency Pass-through Entity Federal Program/State Project	AL/CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Treasury:				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	\$ 6,577,542	\$ 45,964
Total Department of Treasury			<u>6,577,542</u>	<u>45,964</u>
Department of Health and Human Services				
Health Resources and Services Administration:				
Administration for Children and Families				
Office of Child Support Enforcement:				
Passed through Florida Department of Revenue:				
Sheriff Service of Notices	93.563	CSS31	7,984	
Child Support Enforcement-Title IV D	93.563	COC31	365,808	
Subtotal AL - 93.563			<u>373,792</u>	
Total Department of Health and Human Services			<u>373,792</u>	
Department of Homeland Security:				
Passed through Division of Emergency Management:				
Disaster Relief Funding - Hurricane Matthew	97.036	FEMA4283	3,731,304 *	
Disaster Relief Funding - Hurricane Irma	97.036	FEMA4337	1,103,379 *	
Disaster Relief Funding - Hurricane Dorian	97.036	FEMA4468	207,576 *	
Disaster Relief Funding - Hurricane Isaias	97.036	FEMA3533	13,453 *	
Subtotal AL - 97.036			<u>5,055,712</u>	
Emergency Management Performance Grant	97.042	G0301	74,318	
Emergency Management Performance Grant - ARPA	97.042	G0310-ARPA	13,118	
Subtotal AL - 97.042			<u>87,436</u>	
Operation Stonegarden	97.067	21-R0355	79,941	
Subtotal AL - 97.067			<u>79,941</u>	
Total Department of Homeland Security			<u>5,223,089</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS:			\$ <u>21,993,135</u>	\$ <u>5,068,559</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, 2022

Federal/State Agency Pass-through Entity Federal Program/State Project	AL/CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
STATE OF FLORIDA				
Division of Emergency Management:				
Emergency Management Preparedness and Assistance	31.063	A0237	\$ 28,002	
Emergency Management Preparedness and Assistance	31.063	A0209	79,790	
Subtotal CSFA - 31.063			<u>107,792</u>	
Hazardous Materials Analysis Grant	31.067	T0149	<u>1,859</u>	
Total Division of Emergency Management			<u>109,651</u>	
Department of Environmental Protection:				
Wabasso Beach Restoration Post Construction Monitoring	37.003	17IR2	252,247 *	
Hurricane Irma Recovery Project	37.003	19IR2	290,925 *	
Sector 5 Construction & Monitoring	37.003	21IR1	206,393 *	
Subtotal CSFA - 37.003			<u>749,565</u>	
Moorhen Marsh Low Energy Aquatic Plant System	37.039	LPA0018	650,000	
North Sebastian Water and Sewer Phase 2	37.039	LPQ0019	1,912,782	
Subtotal CSFA - 37.039			<u>2,562,782</u>	
Total Department of Environmental Protection			<u>3,312,347</u>	
Florida Housing Finance Corporation:				
State Housing Initiatives Partnership	40.901	N/A	<u>613,879</u>	
Total Florida Housing Finance Corporation			<u>613,879</u>	
Department of State:				
State Aid to Libraries	45.030	22-ST-21/1L134	<u>78,679</u>	
Total Department of State			<u>78,679</u>	
Department of Transportation:				
Transportation Disadvantaged Grant	55.002	G1Y40	19,774	
Transportation Disadvantaged Grant	55.002	G2949	4,423	
Subtotal CSFA - 55.002			<u>24,197</u>	
Small County Outreach Program - 6th Ave. from US1 to 21st St.	55.009	G1W57	637,865	
County Incentive Grant Program - SR 60 and 43rd Ave. Intersection	55.009	G0K60	1,321,526	
Subtotal CSFA - 55.009			<u>1,959,391</u>	
Public Transit Block Grant	55.010	G1F69	131,474 \$	131,474
Public Transit Block Grant	55.010	G1U60	35,285	35,285
Subtotal CSFA - 55.010			<u>166,759</u>	<u>166,759</u>
Service Development Grant	55.012	G1M90	202,800	202,800
Transit Corridor Grant	55.013	G1650	114,000	114,000
Transportation Regional Incentive Program - 66th Ave. from 49th to 69th	55.026	G1952	4,902,999	-
Total Department of Transportation			<u>7,370,146</u>	<u>483,559</u>

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2022

Federal/State Agency Pass-through Entity Federal Program/State Project	AL/CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA - Continued</u>				
Department of Management Services:				
E911 Grant	72.003	S13-19-06-04	\$ 29,944	
Total Department of Management Services			29,944	
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	21255	29,600	
Total Florida Fish and Wildlife Conservation Commission			29,600	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:			\$ 12,044,250	\$ 483,559

* 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, 2022

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 9, 2023

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the compliance of Indian River County, Florida (the "County") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rehmann Rohan LLC". The signature is written in a cursive, flowing style.

INDIAN RIVER COUNTY, FLORIDA

Schedule of Findings and Questioned Costs - Federal Programs and State Projects For the Year Ended September 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards and State Projects

Internal control over major programs and projects:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> 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 and projects:

Assistance Listing Number

14.267
14.871
20.507
21.027

Name of Federal Program or Cluster

Continuum of Care Program
Housing Voucher Cluster
Federal Transit Cluster
Coronavirus State and Local Fiscal Recovery Funds

CSFA Number

37.039
40.901
55.026

Name of State Project

Statewide Water Quality Restoration Projects
State Housing Initiatives Partnership Program
Transportation Regional Incentive Program

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 - Federal Programs and State Projects
For the Year Ended September 30, 2022

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 - Federal Programs and State Projects

For the Year Ended September 30, 2022

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.

 CPA
(Chief Financial Officer of the Entity)

STATE OF FLORIDA, COUNTY OF INDIAN RIVER

SWORN TO AND SUBSCRIBED before me this 28 day of February, 2023.


NOTARY PUBLIC

Print Name Terri Collins-Lister

Personally known ✓ or produced identification _____

Type of identification produced: NA

My Commission Expires: 10-30-2026





BOARD OF COUNTY COMMISSIONERS

INDEPENDENT AUDITORS' REPORT

March 9, 2023

The Honorable Board of County Commissioners
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons 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.

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, 2022, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Board's internal control over financial reporting and compliance.

Rehmann Lobson LLC



Indian River County, Florida
Board of County Commissioners
Balance Sheet
Governmental Funds
September 30, 2022

	General	Impact Fees	Emergency Services District
ASSETS			
Cash and investments	\$ 74,738,643	\$ 39,418,940	\$ 24,181,671
Accounts and leases receivable	2,474,663	-	3,527,252
Special assessments receivable	-	-	-
Due from other funds	6,014,461	-	-
Due from other governments	5,862,983	639,995	689,022
Interest receivable	88,985	39,157	27,381
Inventories	26,475	-	81,483
Prepays and other assets	81,703	-	133,263
Advances to other funds	20,938	-	-
Total assets	<u>\$ 89,308,851</u>	<u>\$ 40,098,092</u>	<u>\$ 28,640,072</u>
LIABILITIES			
Accounts payable	\$ 4,917,884	\$ 2,788,682	\$ 982,377
Retainage payable	5,865	321,619	-
Due to other funds	-	-	-
Due to other governments	44,621	90,390	-
Unearned revenues	390,634	-	1,133
Other deposits	369,304	-	-
Total liabilities	<u>5,728,308</u>	<u>3,200,691</u>	<u>983,510</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	2,984,117
Unavailable revenue - state and federal grants	1,299,415	414,794	357,718
Unavailable revenue - investment interest	43,337	20,076	14,039
Deferred inflows related to leases	1,349,900	-	-
Total deferred inflows of resources	<u>2,692,652</u>	<u>434,870</u>	<u>3,355,874</u>
FUND BALANCES			
Nonspendable:			
Inventories	26,475	-	81,483
Prepaid items	81,703	-	133,263
Advances to other funds	20,938	-	-
Restricted for:			
Transportation/road improvements	-	24,324,242	-
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	804,281	-
Fire/emergency services	-	2,093,848	24,085,942
Tourism-related activities	-	-	-
Boating related projects	-	-	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Coronavirus assistance	-	-	-
Debt service	-	-	-
Capital projects	-	2,459,276	-
Dodgertown repairs/improvements	-	-	-
Parks/recreational projects	792,120	6,780,884	-
Committed to:			
Economic incentives	1,325,907	-	-
Environmental conservation/preservation	-	-	-
Library services	33,784	-	-
Parks/recreational projects	96,467	-	-
Assigned to:			
Coronavirus assistance	-	-	-
Transportation/road improvements	-	-	-
Unassigned (deficit)	78,510,497	-	-
Total fund balances	<u>80,887,891</u>	<u>36,462,531</u>	<u>24,300,688</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 89,308,851</u>	<u>\$ 40,098,092</u>	<u>\$ 28,640,072</u>

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

Beach Restoration	American Rescue Plan	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 18,960	\$ 24,371,777	\$ 88,186,822	\$ 46,458,401	\$ 297,375,214
-	-	486,147	82,375	6,570,437
-	-	-	134,355	134,355
-	-	-	-	6,014,461
10,952,696	-	4,718,272	2,105,691	24,968,659
-	-	97,841	190,715	444,079
-	-	-	-	107,958
-	16,568	-	117,985	349,519
-	-	-	-	20,938
<u>\$ 10,971,656</u>	<u>\$ 24,388,345</u>	<u>\$ 93,489,082</u>	<u>\$ 49,089,522</u>	<u>\$ 335,985,620</u>
\$ 209,178	\$ 1,494,521	\$ 5,383,550	\$ 1,042,677	\$ 16,818,869
-	-	1,588,447	49,755	1,965,686
5,750,000	-	-	147,000	5,897,000
-	-	-	-	135,011
-	22,818,211	-	1,425,192	24,635,170
-	-	-	3,254,053	3,623,357
<u>5,959,178</u>	<u>24,312,732</u>	<u>6,971,997</u>	<u>5,918,677</u>	<u>53,075,093</u>
-	-	-	256,294	256,294
-	-	-	-	2,984,117
10,853,672	-	2,245,511	917,576	16,088,686
-	-	50,164	35,231	162,847
-	-	-	74,628	1,424,528
<u>10,853,672</u>	<u>-</u>	<u>2,295,675</u>	<u>1,283,729</u>	<u>20,916,472</u>
-	-	-	-	107,958
-	16,568	-	117,985	349,519
-	-	-	-	20,938
-	-	-	8,916,104	33,240,346
-	-	-	430,765	430,765
-	-	-	2,062,135	2,062,135
-	-	-	2,326,903	3,131,184
-	-	-	-	26,179,790
-	-	-	1,863,981	1,863,981
-	-	-	1,416,854	1,416,854
-	-	-	1,018,115	1,018,115
-	-	-	2,117,653	2,117,653
-	59,045	-	-	59,045
-	-	-	615,755	615,755
-	-	84,221,410	-	86,680,686
-	-	-	6,599,673	6,599,673
-	-	-	-	7,573,004
-	-	-	-	1,325,907
-	-	-	1,935,447	1,935,447
-	-	-	-	33,784
-	-	-	-	96,467
-	-	-	203,681	203,681
-	-	-	12,321,453	12,321,453
(5,841,194)	-	-	(59,388)	72,609,915
(5,841,194)	75,613	84,221,410	41,887,116	261,994,055
<u>\$ 10,971,656</u>	<u>\$ 24,388,345</u>	<u>\$ 93,489,082</u>	<u>\$ 49,089,522</u>	<u>\$ 335,985,620</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, 2022

	General	Impact Fees	Emergency Services District
REVENUES			
Taxes	\$ 84,430,049	\$ -	\$ 38,501,170
Permits, fees and special assessments	11,193,899	10,968,314	-
Intergovernmental	25,915,238	2,787,219	66,500
Charges for services	3,276,253	-	8,116,809
Judgments, fines and forfeits	404,352	-	2,400
Investment income (loss)	(2,060,494)	(714,829)	(751,834)
Miscellaneous	8,996,531	6,000	175,810
Total revenues	<u>132,155,828</u>	<u>13,046,704</u>	<u>46,110,855</u>
EXPENDITURES			
Current:			
General government	12,211,673	596,365	-
Public safety	4,166,310	-	44,097,167
Physical environment	355,688	-	-
Transportation	5,704,441	6,542,831	-
Economic environment	504,874	-	-
Human services	6,187,095	-	-
Culture/recreation	11,404,119	172,696	-
Court related	406,871	-	-
Debt service:			
Principal	10,529	-	17,298
Interest and other fiscal charges	1,088	-	11,288
Capital projects	-	-	-
Total expenditures	<u>40,952,688</u>	<u>7,311,892</u>	<u>44,125,753</u>
Excess of revenues over (under) expenditures	91,203,140	5,734,812	1,985,102
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(13,668,938)	-	-
Transfers to constitutional officers	(66,521,291)	(752,960)	(991,281)
Lease financings	-	-	604,295
Total other financing sources (uses)	<u>(80,190,229)</u>	<u>(752,960)</u>	<u>(386,986)</u>
Net change in fund balances	11,012,911	4,981,852	1,598,116
Fund balances at beginning of year	<u>69,874,980</u>	<u>31,480,679</u>	<u>22,702,572</u>
Fund balances at end of year	<u>\$ 80,887,891</u>	<u>\$ 36,462,531</u>	<u>\$ 24,300,688</u>

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

Beach Restoration	American Rescue Plan	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 1,682,053	\$ -	\$ 26,014,111	\$ 6,589,888	\$ 157,217,271
-	-	-	1,054,901	23,217,114
2,616,520	6,577,542	8,171,895	10,200,551	56,335,465
-	-	-	1,482,940	12,876,002
-	-	-	582,824	989,576
(2,343)	69,497	(1,910,124)	(1,192,735)	(6,562,862)
110,694	-	301,435	741,559	10,332,029
4,406,924	6,647,039	32,577,317	19,459,928	254,404,595
-	602,415	-	3,161,026	16,571,479
-	2,506,696	-	628,762	51,398,935
-	-	-	940,362	1,296,050
-	2,941,328	-	17,388,571	32,577,171
-	388,552	-	126,391	1,019,817
-	138,551	-	5,285,205	11,610,851
10,885,227	-	-	3,306,991	25,769,033
-	-	-	602,857	1,009,728
245	-	-	306,718	334,790
86	-	-	170,971	183,433
-	-	39,739,177	-	39,739,177
10,885,558	6,577,542	39,739,177	31,917,854	181,510,464
(6,478,634)	69,497	(7,161,860)	(12,457,926)	72,894,131
178,899	-	-	18,782,628	18,961,527
-	-	(4,745,116)	(686,343)	(19,100,397)
-	-	(1,405,796)	(301,474)	(69,972,802)
-	-	-	-	604,295
178,899	-	(6,150,912)	17,794,811	(69,507,377)
(6,299,735)	69,497	(13,312,772)	5,336,885	3,386,754
458,541	6,116	97,534,182	36,550,231	258,607,301
\$ (5,841,194)	\$ 75,613	\$ 84,221,410	\$ 41,887,116	\$ 261,994,055

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 83,028,021	\$ 83,028,021	\$ 84,430,049	\$ 1,402,028
Permits, fees and special assessments	8,931,900	8,951,900	11,193,899	2,241,999
Intergovernmental	15,507,714	32,819,020	25,915,238	(6,903,782)
Charges for services	3,274,781	3,290,566	3,276,253	(14,313)
Judgments, fines and forfeits	266,902	304,902	404,352	99,450
Investment income (loss)	182,875	182,875	(2,060,494)	(2,243,369)
Miscellaneous	4,235,476	4,504,106	8,996,531	4,492,425
Total revenues	<u>115,427,669</u>	<u>133,081,390</u>	<u>132,155,828</u>	<u>(925,562)</u>
EXPENDITURES				
Current:				
General government	13,591,093	13,977,601	12,211,673	1,765,928
Public safety	4,131,824	4,441,333	4,166,310	275,023
Physical environment	400,586	493,999	355,688	138,311
Transportation	500,000	17,567,761	5,704,441	11,863,320
Economic environment	508,327	530,545	504,874	25,671
Human services	6,322,892	6,343,709	6,187,095	156,614
Culture/recreation	12,293,974	14,098,798	11,404,119	2,694,679
Court related	464,590	467,786	406,871	60,915
Debt Service				
Principal	-	10,531	10,529	2
Interest and other fiscal charges	-	1,089	1,088	1
Total expenditures	<u>38,213,286</u>	<u>57,933,152</u>	<u>40,952,688</u>	<u>16,980,464</u>
Excess of revenues over (under) expenditures	77,214,383	75,148,238	91,203,140	16,054,902
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,668,938)	(13,668,938)	(13,668,938)	-
Transfers to constitutional officers	(66,212,461)	(67,652,268)	(66,521,291)	1,130,977
Total other financing sources (uses)	<u>(79,881,399)</u>	<u>(81,321,206)</u>	<u>(80,190,229)</u>	<u>1,130,977</u>
Net change in fund balances	(2,667,016)	(6,172,968)	11,012,911	<u>\$ 17,185,879</u>
Fund balances at beginning of year	<u>2,667,016</u>	<u>6,172,968</u>	<u>69,874,980</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,887,891</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Permits, fees and special assessments	\$ 6,863,750	\$ 6,863,750	\$ 10,968,314	\$ 4,104,564
Intergovernmental	-	2,787,219	2,787,219	-
Investment income (loss)	20,900	20,900	(714,829)	(735,729)
Miscellaneous	-	-	6,000	6,000
Total revenues	<u>6,884,650</u>	<u>9,671,869</u>	<u>13,046,704</u>	<u>3,374,835</u>
EXPENDITURES				
General government	1,063,490	1,116,184	596,365	519,819
Public safety	375,000	375,000	-	375,000
Transportation	13,998,012	24,278,220	6,542,831	17,735,389
Culture/recreation	1,225,000	3,056,822	172,696	2,884,126
Total expenditures	<u>16,661,502</u>	<u>28,826,226</u>	<u>7,311,892</u>	<u>21,514,334</u>
Excess of revenues over (under) expenditures	(9,776,852)	(19,154,357)	5,734,812	24,889,169
OTHER FINANCING SOURCES (USES)				
Transfers to constitutional officers	(1,225,000)	(1,200,000)	(752,960)	447,040
Total other financing sources (uses)	<u>(1,225,000)</u>	<u>(1,200,000)</u>	<u>(752,960)</u>	<u>447,040</u>
Net change in fund balances	(11,001,852)	(20,354,357)	4,981,852	<u><u>\$ 25,336,209</u></u>
Fund balances at beginning of year	<u>11,001,852</u>	<u>20,354,357</u>	<u>31,480,679</u>	
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,462,531</u></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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 37,908,916	\$ 37,908,916	\$ 38,501,170	\$ 592,254
Intergovernmental	52,250	52,250	66,500	14,250
Charges for services	6,315,720	6,649,158	8,116,809	1,467,651
Judgments, fines and forfeits	7,600	7,600	2,400	(5,200)
Investment income (loss)	52,250	52,250	(751,834)	(804,084)
Miscellaneous	190	190	175,810	175,620
Total revenues	<u>44,336,926</u>	<u>44,670,364</u>	<u>46,110,855</u>	<u>1,440,491</u>
EXPENDITURES				
Current:				
Public safety	43,735,941	49,834,886	44,097,167	5,737,719
Debt Service:				
Principal	-	17,298	17,298	-
Interest and other fiscal charges	-	11,289	11,288	1
Total expenditures	<u>43,735,941</u>	<u>49,863,473</u>	<u>44,125,753</u>	<u>5,737,720</u>
Excess of revenues over (under) expenditures	600,985	(5,193,109)	1,985,102	7,178,211
OTHER FINANCING SOURCES (USES)				
Transfers to constitutional officers	(720,757)	(1,017,399)	(991,281)	26,118
Lease financings	-	604,296	604,295	(1)
Total other financing sources (uses)	<u>(720,757)</u>	<u>(413,103)</u>	<u>(386,986)</u>	<u>26,117</u>
Net change in fund balances	(119,772)	(5,606,212)	1,598,116	<u>\$ 7,204,328</u>
Fund balances at beginning of year	<u>119,772</u>	<u>5,606,212</u>	<u>22,702,572</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,300,688</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 1,197,397	\$ 1,197,397	\$ 1,682,053	\$ 484,656
Intergovernmental	13,398,321	17,001,739	2,616,520	(14,385,219)
Investment income (loss)	4,037	4,037	(2,343)	(6,380)
Miscellaneous	-	-	110,694	110,694
Total revenues	14,599,755	18,203,173	4,406,924	(13,796,249)
EXPENDITURES				
Current:				
Culture/recreation	16,359,570	20,325,273	10,885,227	9,440,046
Debt Service:				
Principal	-	246	245	1
Interest and other fiscal charges	-	87	86	1
Total expenditures	16,359,570	20,325,606	10,885,558	9,440,048
Excess of revenues over (under) expenditures	(1,759,815)	(2,122,433)	(6,478,634)	(4,356,201)
OTHER FINANCING SOURCES (USES)				
Transfers in	178,899	178,899	178,899	-
Total other financing sources (uses)	178,899	178,899	178,899	-
Net change in fund balances	(1,580,916)	(1,943,534)	(6,299,735)	<u><u>\$ (4,356,201)</u></u>
Fund balances at beginning of year	1,580,916	1,943,534	458,541	
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,841,194)</u></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
American Rescue Plan Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 15,759,178	\$ 6,577,542	\$ (9,181,636)
Investment income (loss)	-	-	69,497	69,497
Total revenues	-	15,759,178	6,647,039	(9,112,139)
EXPENDITURES				
General government	-	5,454,148	602,415	4,851,733
Public safety	-	4,838,309	2,506,696	2,331,613
Physical environment	-	5,750,000	-	5,750,000
Transportation	-	3,414,034	2,941,328	472,706
Economic environment	-	2,813,714	388,552	2,425,162
Human services	-	4,875,548	138,551	4,736,997
Total expenditures	-	27,145,753	6,577,542	20,568,211
Excess of revenues over (under) expenditures	-	(11,386,575)	69,497	11,456,072
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,250,000)	-	2,250,000
Total other financing sources (uses)	-	(2,250,000)	-	2,250,000
Net change in fund balances	-	(13,636,575)	69,497	<u>\$ 13,706,072</u>
Fund balances at beginning of year	-	13,636,575	6,116	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,613</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, 2022

	Enterprise Funds					Internal Service Funds
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	
ASSETS						
Current assets:						
Cash and investments	\$ 21,767,276	\$ 2,257,928	\$ 39,443,186	\$ 6,978,418	\$ 70,446,808	\$ 37,613,938
Accounts receivable - net	218,135	2,579	4,023,174	225	4,244,113	862,019
Due from other governments	176,104	2,302	2,213,762	1,205	2,393,373	62,186
Leases receivable	-	-	1,260,576	-	1,260,576	-
Interest receivable	24,673	2,396	171,308	7,334	205,711	37,132
Inventories	-	152,889	2,040,353	-	2,193,242	329,925
Prepays and other assets	-	15,000	11,635	2,694	29,329	2,053,384
Current restricted assets:						
Cash and investments	9,405,784	-	41,367,388	-	50,773,172	-
Total current assets	31,591,972	2,433,094	90,531,382	6,989,876	131,546,324	40,958,584
Non-current assets:						
Capital assets - non-depreciable	12,183,478	7,092,599	44,243,573	-	63,519,650	5,482
Capital assets - depreciable	40,041,309	5,507,834	472,679,905	1,621,839	519,850,887	5,336,754
Capital assets - accumulated depreciation	(19,971,418)	(2,654,510)	(333,257,976)	(512,401)	(356,396,305)	(3,671,046)
Non-current restricted assets:						
Special assessments receivable	-	-	1,058,868	-	1,058,868	-
Impact fees receivable	-	-	78,058	-	78,058	-
Liens receivable	-	-	2,047,038	-	2,047,038	-
Total non-current assets	32,253,369	9,945,923	186,849,466	1,109,438	230,158,196	1,671,190
Total assets	63,845,341	12,379,017	277,380,848	8,099,314	361,704,520	42,629,774
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	158,827	132,669	1,903,833	383,623	2,578,952	327,597
Deferred outflows related to other postemployment benefits	37,922	10,000	471,910	115,997	635,829	96,221
Total deferred outflows of resources	196,749	142,669	2,375,743	499,620	3,214,781	423,818
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	1,608,080	166,734	4,148,174	201,976	6,124,964	2,216,345
Retainage payable	-	-	666,299	-	666,299	-
Due to other funds	-	82,461	-	-	82,461	35,000
Claims payable	-	-	-	-	-	3,292,000
Due to other governments	-	11,061	33,633	43,804	88,498	-
Other deposits	12,500	1,000	129,167	-	142,667	2,719
Unearned revenues	-	118,070	3,875	1,989,066	2,111,011	-
Pollution remediation costs payable	-	-	73,000	-	73,000	-
Accrued compensated absences	64,129	28,604	737,631	133,964	964,328	125,164
Total current liabilities (payable from current assets)	1,684,709	407,930	5,791,779	2,368,810	10,253,228	5,671,228
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	283,550	-	283,550	-
Closure and maintenance costs payable	1,000,000	-	-	-	1,000,000	-
Customer deposits	185,243	-	3,523,987	-	3,709,230	-
Total current liabilities (payable from restricted assets)	1,185,243	-	3,807,537	-	4,992,780	-
Total current liabilities	2,869,952	407,930	9,599,316	2,368,810	15,246,008	5,671,228
Non-current liabilities:						
Accrued compensated absences	40,444	47,861	176,473	24,722	289,500	105,676
Advance from other funds	-	20,938	-	-	20,938	-
Claims payable	-	-	-	-	-	7,069,233
Closure and maintenance costs payable	7,720,541	-	-	-	7,720,541	-
Net pension liability	589,851	496,769	7,488,079	1,669,452	10,244,151	1,307,244
Net other postemployment benefits liability	28,774	6,828	346,920	85,784	468,306	68,308
Total non-current liabilities	8,379,610	572,396	8,011,472	1,779,958	18,743,436	8,550,461
Total liabilities	11,249,562	980,326	17,610,788	4,148,768	33,989,444	14,221,689
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	2,031	17,878	200,208	1,905	222,022	89,837
Deferred inflows related to other postemployment benefits	37,465	11,932	466,643	107,851	623,891	76,502
Deferred inflows related to leases	-	-	1,245,998	-	1,245,998	-
Total deferred inflows of resources	39,496	29,810	1,912,849	109,756	2,091,911	166,339
NET POSITION						
Net investment in capital assets	32,126,759	9,820,239	181,176,737	1,109,438	224,233,173	1,671,190
Unrestricted (deficit)	20,626,273	1,691,311	79,056,217	3,230,972	104,604,773	26,994,374
Total net position	\$ 52,753,032	\$ 11,511,550	\$ 260,232,954	\$ 4,340,410	\$ 328,837,946	\$ 28,665,564

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, 2022

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 19,877,884	\$ 4,408,287
Total operating revenues	<u>19,877,884</u>	<u>4,408,287</u>
OPERATING EXPENSES		
Personal services	1,011,432	711,022
Material, supplies, services and other operating	16,123,338	2,265,267
Depreciation	1,492,842	277,377
Total operating expenses	<u>18,627,612</u>	<u>3,253,666</u>
Operating income (loss)	1,250,272	1,154,621
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	-	-
Investment income (loss)	(480,338)	(45,741)
Gain on disposal of assets	211,284	224
Interest expense	-	(4,197)
Loss on disposal of assets	-	(2,151)
Total nonoperating revenues (expenses)	<u>(269,054)</u>	<u>(51,865)</u>
Income (loss) before transfers and capital contributions	981,218	1,102,756
Capital grants and contributions	-	-
Transfers	-	-
Change in net position	<u>981,218</u>	<u>1,102,756</u>
Total net position - beginning	51,771,814	10,408,794
Total net position - ending	<u>\$ 52,753,032</u>	<u>\$ 11,511,550</u>

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

Enterprise Funds

County Utilities	County Building	Total	Internal Service Funds
\$ 39,324,704	\$ 5,396,602	\$ 69,007,477	\$ 41,620,752
39,324,704	5,396,602	69,007,477	41,620,752
11,537,982	3,162,194	16,422,630	4,537,152
21,760,342	2,170,733	42,319,680	31,878,764
13,296,878	33,173	15,100,270	476,185
46,595,202	5,366,100	73,842,580	36,892,101
(7,270,498)	30,502	(4,835,103)	4,728,651
-	-	-	89
(1,490,663)	(131,228)	(2,147,970)	(696,076)
57,914	4,829	274,251	767,538
(95,569)	-	(99,766)	-
(10,313)	-	(12,464)	(1,805)
(1,538,631)	(126,399)	(1,985,949)	69,746
(8,809,129)	(95,897)	(6,821,052)	4,798,397
10,785,633	-	10,785,633	331,201
86,997	-	86,997	51,873
2,063,501	(95,897)	4,051,578	5,181,471
258,169,453	4,436,307	324,786,368	23,484,093
\$ 260,232,954	\$ 4,340,410	\$ 328,837,946	\$ 28,665,564

Indian River County, Florida
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 19,916,876	\$ 4,429,745
Cash paid to suppliers for goods and services	(14,917,398)	(2,348,808)
Cash paid to employees for services	(982,576)	(695,670)
Net cash provided by (used in) operating activities	4,016,902	1,385,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	-	-
Operating grants	-	-
Net cash provided by (used in) noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(4,197)
Proceeds from advances from other funds	-	-
Payments on advances from other funds	-	(79,975)
Proceeds from sales of capital assets	497,800	224
Purchase of capital assets	(509,180)	(646,054)
Bond paying agent and arbitrage fees	-	-
Capital grants and contributions	-	-
Net cash provided by (used in) capital and related financing activities	(11,380)	(730,002)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	(492,626)	(47,047)
Net cash used in investing activities	(492,626)	(47,047)
Net increase (decrease) in cash and investments	3,512,896	608,218
Cash and investments at beginning of year	27,660,164	1,649,710
Cash and investments at end of year	\$ 31,173,060	\$ 2,257,928
Classified as:		
Current assets	\$ 21,767,276	\$ 2,257,928
Restricted assets	9,405,784	-
Totals	\$ 31,173,060	\$ 2,257,928

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

Enterprise Funds

County Utilities	County Building	Total	Internal Service Funds
\$ 38,968,556	\$ 5,750,791	\$ 69,065,968	\$ 41,392,969
(21,518,185)	(2,334,888)	(41,119,279)	(31,139,220)
(11,428,294)	(3,129,834)	(16,236,374)	(4,488,737)
<u>6,022,077</u>	<u>286,069</u>	<u>11,710,315</u>	<u>5,765,012</u>
86,997	-	86,997	51,873
-	-	-	176
<u>86,997</u>	<u>-</u>	<u>86,997</u>	<u>52,049</u>
(1,074,000)	-	(1,074,000)	-
(17,721)	-	(21,918)	-
-	-	-	35,000
-	-	(79,975)	-
57,914	4,829	560,767	767,538
(10,714,723)	(4,700)	(11,874,657)	(142,999)
(2,850)	-	(2,850)	-
4,238,733	-	4,238,733	-
<u>(7,512,647)</u>	<u>129</u>	<u>(8,253,900)</u>	<u>659,539</u>
(1,287,016)	(134,599)	(1,961,288)	(717,190)
<u>(1,287,016)</u>	<u>(134,599)</u>	<u>(1,961,288)</u>	<u>(717,190)</u>
(2,690,589)	151,599	1,582,124	5,759,410
83,501,163	6,826,819	119,637,856	31,854,528
<u>\$ 80,810,574</u>	<u>\$ 6,978,418</u>	<u>\$ 121,219,980</u>	<u>\$ 37,613,938</u>
\$ 39,443,186	\$ 6,978,418	\$ 70,446,808	\$ 37,613,938
41,367,388	-	50,773,172	-
<u>\$ 80,810,574</u>	<u>\$ 6,978,418</u>	<u>\$ 121,219,980</u>	<u>\$ 37,613,938</u>

Continued

Indian River County
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	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)	\$ 1,250,272	\$ 1,154,621
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,492,842	277,377
Capitalized self-incurred expenses	-	-
(Increase) decrease in assets:		
Accounts receivable	(58,676)	(152)
Due from other governments	93,168	-
Inventories	-	(31,299)
Liens receivable	-	-
Impact fees receivable	-	-
Special assessments receivable	-	-
Leases receivable	-	-
Prepaid items	-	(2,000)
Decrease (increase) in liabilities:		
Accounts payable	(8,576)	(49,685)
Due to other governments	-	(557)
Retainage payable	-	-
Customer deposits	4,500	-
Closure and maintenance costs payable	1,214,516	-
Pollution remediation costs payable	-	-
Net pension liability	416,913	300,832
Deferred inflows of resources related to the net pension liability	(371,477)	(268,047)
Deferred outflows of resources related to the net pension liability	(27,271)	(19,679)
Net OPEB liability	31,694	7,371
Deferred inflows of resources related to the net OPEB liability	(16,648)	(3,872)
Deferred outflows of resources related to the net OPEB liability	(17,030)	(3,960)
Deferred inflows of resources related to leases	-	-
Unearned revenues	-	21,610
Claims payable	-	-
Accrued compensated absences	12,675	2,707
Total adjustments	2,766,630	230,646
Net cash provided by (used in) operating activities	\$ 4,016,902	\$ 1,385,267
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants and contributions	\$ -	\$ -
Capital assets purchased through accounts payable	\$ 126,610	\$ 125,684

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

Enterprise Funds			
County Utilities	County Building	Total	Internal Service Funds
\$ (7,270,498)	\$ 30,502	\$ (4,835,103)	\$ 4,728,651
13,296,878	33,173	15,100,270	476,185
(6,860)	-	(6,860)	-
(786,463)	2,311	(842,980)	(218,918)
-	-	93,168	(8,865)
(297,386)	-	(328,685)	9,046
74,681	-	74,681	-
53,888	-	53,888	-
365,136	-	365,136	-
(1,260,576)	-	(1,260,576)	-
(2,015)	(1,650)	(5,665)	(262,772)
(51,569)	(170,359)	(280,189)	41,642
33,628	7,854	40,925	-
434,518	-	434,518	-
30,333	-	34,833	-
-	-	1,214,516	-
50,300	-	50,300	-
5,230,215	1,450,204	7,398,164	1,109,820
(4,660,223)	(1,292,160)	(6,591,907)	(988,007)
(342,120)	(94,861)	(483,931)	(73,116)
390,641	98,029	527,735	85,498
(205,189)	(51,490)	(277,199)	(44,908)
(209,909)	(52,676)	(283,575)	(45,943)
1,245,998	-	1,245,998	-
(4,464)	351,878	369,024	-
-	-	-	951,628
(86,867)	(24,686)	(96,171)	5,071
13,292,575	255,567	16,545,418	1,036,361
\$ 6,022,077	\$ 286,069	\$ 11,710,315	\$ 5,765,012
\$ 4,394,155	\$ -	\$ 4,394,155	\$ 331,201
\$ 2,361,956	\$ -	\$ 2,614,250	\$ -

Indian River County, Florida
Board of County Commissioners
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	<u>Custodial Fund</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash	\$ 783,451	\$ 73,791
Investments, at fair value:		
Index funds	-	14,356,796
U.S. government securities funds	-	11,604,097
Money market fund	-	2,902,758
Due from hospitals	3,165,975	-
Total assets	<u>3,949,426</u>	<u>28,937,442</u>
LIABILITIES		
Due to other governments	3,949,426	-
Total liabilities	<u>3,949,426</u>	<u>-</u>
NET POSITION		
Net position restricted for OPEB	-	28,937,442
Total net position	<u>\$ -</u>	<u>\$ 28,937,442</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
Fiduciary Funds
For the Year Ended September 30, 2022

	<u>Custodial Fund</u>	<u>Other Postemployment Benefits Trust</u>
ADDITIONS		
Contributions:		
Hospital contributions	\$ 3,165,975	\$ -
Employer contributions	-	1,111,473
Investment income (loss):		
Net depreciation in fair value of investments	-	(4,389,890)
Less investment expense	-	(2,205)
Net investment income (loss)	-	(4,392,095)
Total additions (net of investment loss)	<u>3,165,975</u>	<u>(3,280,622)</u>
DEDUCTIONS		
Benefit payments	-	3,058,315
Hospital payments due to state	<u>3,165,975</u>	-
Total deductions	<u>3,165,975</u>	<u>3,058,315</u>
Change in net position	-	(6,338,937)
Net position - beginning	-	35,276,379
Net position - ending	<u>\$ -</u>	<u>\$ 28,937,442</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, 2022

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, 2022

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.

Fiduciary Component Unit

The *Indian River County Other Postemployment Benefits Trust (OPEB Trust)* is a single-employer defined benefit postemployment healthcare trust established and administered by Indian River County to provide healthcare benefits for eligible retirees. The OPEB Trust is included as a fiduciary component unit of the Board because (1) the OPEB Trust is a legally separate entity; (2) the Board of County Commissioners acts as the OPEB Board of Trustees; and (3) the Board makes contributions to the OPEB Trust on behalf of its participants.

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, 2022

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, 2022

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Fund Financial Statements - Continued

Fiduciary Funds

The fiduciary financial statements include financial information for the Custodial Fund and the Other Postemployment Benefits Trust Fund. The Custodial 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 Custodial and OPEB 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.

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.

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.

American Rescue Plan Fund - The American Rescue Plan Fund accounts for expenditures incurred for recovery from the health and economic impacts from COVID-19. Funding is provided from the American Rescue Plan stimulus package.

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, 2022

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.

Internal Service Funds

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.

Fiduciary Funds

Custodial Fund - The Custodial Fund is used to account for assets that the Board holds for others in a custodial capacity, specifically the local provider participation fund AHCA payments due to the state.

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, 2022

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, the Florida Cooperative Liquid Assets Securities System (FLCLASS) investment pool, the Florida Trust Day to Day Fund (FLTRUST), and the FL Short Term Asset Reserve (FLSTAR). Investments are reported at market value based upon the custodian bank's valuation. The FLCLASS, FLTRUST 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 uncollectible. At September 30, 2022, the allowance for water and sewer was \$424,493 and for ambulance services was \$261,307. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2022.

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, 2022.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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 land, buildings and improvements, 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 right-to-use), 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.

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, 2022

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.

Land, buildings and improvements, 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
Buildings 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. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

Deferred inflows of resources, reported on the Balance Sheet for Governmental Funds, are unavailable revenues. The sources of the unavailable revenues are special assessments on road paving, ambulance service billings, investment interest earnings, and state and federal grant revenues.

Both deferred inflows and outflows 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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Deferred Outflows/Inflows of Resources - Continued

The 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. There are also deferred outflows and inflows of items related to Other Postemployment Benefits (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 respectively.

Also reported are deferred inflows related to leases. The amounts are recognized at the inception of leases in which the Board is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. Refer to Note 15 for additional details regarding leases.

J. 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.

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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. 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.

L. 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.

M. Unearned Revenues

In governmental and proprietary fund financial statements, unearned revenues represent revenues which are available but not earned.

N. 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.

O. 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, 2022.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P. Leases

The Board is a lessee for noncancellable leases of equipment. A lease liability and an intangible right-to-use asset are recognized in the County's government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is measured as the initial amount of lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life.

The Board is a lessor for noncancellable leases of cellular towers and office space. A lease receivable and a deferred inflow of resources are recognized in the County's government-wide financial statements, and Proprietary Fund financial statements. The lease receivable is initially measured at the present value of payments expected to be received during the lease term. The lease receivable is then reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized over the life of the lease term.

Key estimates and judgments related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments. The Board monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 15.

Q. New Accounting Pronouncement

The Board implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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.
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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

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, 2022, the carrying value of the Board's deposits was \$62,682,449 and the bank balance was \$64,549,584. 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".

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, 2022, accrued interest for the Board's portfolio totaled \$483,088 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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - CASH AND INVESTMENTS - Continued

C. Investments

As of September 30, 2022, 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	\$ 116,300,450	1.11	29.49 %	N/A
U.S. Agencies:**				
Federal Farm Credit Bureau	55,177,620	0.95	13.99	AA+
Federal Home Loan Bank	70,925,250	1.53	17.99	AA+
Federal Home Loan Mortgage	50,559,280	1.31	12.82	AA+
Federal National Mortgage Assoc.	17,389,770	0.91	4.41	AA+
<u>Other Market Rate Investments:</u>				
FLCLASS	38,587,672	0.19	9.79	AAAm
Florida Trust Day to Day Fund	25,200,176	0.08	6.39	AAAm
FLSTAR	20,169,916	0.04	5.12	AAAm
Total Fair Value	<u>\$ 394,310,134</u>		<u>100.00</u> %	
Weighted Average Maturity of Investments		<u>0.95</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, 2022

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 prices 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), Florida Trust Day to Day Fund (FLTRUST) 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, FLTRUST and FLSTAR are to generate investment income while maintaining safety and liquidity. There were no unfunded commitments as of September 30, 2022. Investments may be redeemed weekly/daily based on similar investments of other clients.

Interest Rate Risk

The Board's investment policy (last amended on December 15, 2020) 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, 2022

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 Interlock Cooperation Act as provided in Florida Statute 163.01;
3. Florida Local Government Investment Trust Funds;
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, 2022

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, 2022, 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 Fifth Third Bank, the FLTRUST which was held by UMB Bank, 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 (OPEB Trust), an irrevocable trust, by a third party custodian, The Bank of New York/Mellon. The contribution for the year ended September 30, 2022 was \$1,111,473. The cash balance in the OPEB Trust at September 30, 2022 was \$73,791. 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.27%). 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, 2022

NOTE 3 - CASH AND INVESTMENTS - Continued

D. OPEB Trust - Continued

As of September 30, 2022, the OPEB Trust had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Portfolio Percentage
Vanguard 500 Index	\$ 6,409,140	N/A	22.20 %
Vanguard All World Ex-US	5,777,220	N/A	20.02
Vanguard Mid Cap Index	1,442,498	N/A	5.00
Vanguard Small Cap Index	727,938	N/A	2.52
Vanguard Short Term Treasury	8,707,616	2.20	30.17
Vanguard Intermediate Treasury	2,896,481	5.30	10.03
Vanguard Cash Resrv Money Mkt	2,902,758	0.14	10.06
Total Fair Value	<u>\$ 28,863,651</u>		<u>100.00 %</u>

The Board has the following recurring fair value measurements for investments in the OPEB Trust as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Index Funds	\$ 14,356,796	\$ -	\$ -	\$ 14,356,796
U.S. Government Securities Funds	11,604,097	-	-	11,604,097
Money Market Fund	2,902,758	-	-	2,902,758
Total investments	<u>\$ 28,863,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,863,651</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, 2022

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 2021-2022 fiscal year were levied in October 2021. 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 (which includes the capital assets of the Board of County Commissioners, Clerk of Circuit Court and Comptroller, Property Appraiser, Supervisor of Elections and Tax Collector) is as follows:

<u>Capital Assets</u>	Balance 10/01/2021	Additions	Deletions	Transfers	Balance 09/30/2022
Land	\$ 138,230,341	\$ 231,599	\$ -	\$ -	\$ 138,461,940
Buildings and Improvements	257,729,758	491,895	(3,025,218)	4,940,331	260,136,766
Equipment	58,514,235	5,001,659	(3,327,010)	8,353	60,197,237
Intangibles	4,724,594	171,776	(7,450)	-	4,888,920
Infrastructure	453,478,522	175,221	(328,610)	15,328,387	468,653,520
Construction in Progress	77,908,991	59,649,602	(113,603)	(20,277,071)	117,167,919
Total Capital Assets	990,586,441	65,721,752	(6,801,891)	-	1,049,506,302
 <u>Lease Assets*</u>					
Land	-	604,295	-	-	604,295
Buildings and Improvements	297,434	-	-	-	297,434
Equipment	40,759	59,231	-	-	99,990
Total Lease Assets	338,193	663,526	-	-	1,001,719
 Total	 \$ 990,924,634	 \$ 66,385,278	 \$ (6,801,891)	 \$ -	 \$ 1,050,508,021

*New categories for the Board's leased assets have been added due to the implementation of GASB Statement No. 87, *Leases*.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 5 - CAPITAL ASSETS - Continued

A. Governmental Fund Type Capital Assets - Continued

Depreciation/amortization expense for governmental fund type capital assets is not reported in the financial statements of the Board. Depreciation/amortization 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.

B. Proprietary Fund Type Capital Assets

Enterprise Funds

A summary of changes in the enterprise fund type capital assets is as follows:

	Balance 10/01/2021	Additions	Deletions	Transfers	Subtotal	Less: Accumulated Depreciation	Balance 09/30/2022
Land	\$ 26,816,547	\$ 187,599	\$ (286,517)	\$ -	\$ 26,717,629	\$ -	\$ 26,717,629
Buildings and Improvements	492,649,840	4,191,891	(24,372)	4,567,019	501,384,378	(337,202,757)	164,181,621
Equipment	22,670,045	1,113,583	(619,072)	54,376	23,218,932	(18,035,692)	5,183,240
Intangibles	3,442,340	390,907	-	-	3,833,247	(1,157,856)	2,675,391
Construction in Progress	19,938,961	12,898,785	-	(4,621,395)	28,216,351	-	28,216,351
Total	<u>\$ 565,517,733</u>	<u>\$ 18,782,765</u>	<u>\$ (929,961)</u>	<u>\$ -</u>	<u>\$ 583,370,537</u>	<u>\$ (356,396,305)</u>	<u>\$ 226,974,232</u>

Internal Service Funds

A summary of changes in the internal service fund type capital assets is as follows:

	Balance 10/01/2021	Additions	Deletions	Transfers	Subtotal	Less: Accumulated Depreciation	Balance 09/30/2022
Buildings and Improvements	\$ 59,706	\$ -	\$ -	\$ -	\$ 59,706	\$ (15,179)	\$ 44,527
Equipment	2,731,760	317,399	(335,967)	-	2,713,192	(1,665,976)	1,047,216
Intangibles	2,169,266	29,685	-	364,905	2,563,856	(1,989,891)	573,965
Construction in Progress	243,270	127,117	-	(364,905)	5,482	-	5,482
Total	<u>\$ 5,204,002</u>	<u>\$ 474,201</u>	<u>\$ (335,967)</u>	<u>\$ -</u>	<u>\$ 5,342,236</u>	<u>\$ (3,671,046)</u>	<u>\$ 1,671,190</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 6 - RESTRICTED CASH AND INVESTMENTS

	Solid Waste Disposal District	County Utilities	Total
Renewal and replacement	-	3,485,928	3,485,928
Customer deposits	185,243	3,653,153	3,838,396
Capital construction	500,000	34,228,307	34,728,307
Closure and maintenance cost	8,720,541	-	8,720,541
Total	<u>\$ 9,405,784</u>	<u>\$ 41,367,388</u>	<u>\$ 50,773,172</u>

NOTE 7 - INTERFUND BALANCES

Interfund balances at September 30, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Beach Restoration Fund	\$ 5,750,000
General Fund	Nonmajor Governmental Funds	147,000
General Fund	Golf Course Enterprise Fund	82,461
General Fund	Fleet Internal Service Fund	35,000
		<u>\$ 6,014,461</u>

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 2023. 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, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Golf Course Enterprise Fund	<u>\$ 20,938</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 7 - INTERFUND BALANCES - Continued

This amount is considered a long-term advance between major funds expected to be paid in fiscal year 2024. 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, 2022, consisted of the following:

Transfers In:					
	Beach Restoration Fund	Nonmajor Governmental Funds	Utilities Fund	Internal Service Funds	Total
Transfers Out:					
General Fund	\$ 178,899	\$ 13,438,166	\$ -	\$ 51,873	\$ 13,668,938
Optional Sales Tax Fund	-	4,743,438	1,678	-	4,745,116
Nonmajor Governmental Funds	-	601,024	85,319	-	686,343
Total	<u>\$ 178,899</u>	<u>\$ 18,782,628</u>	<u>\$ 86,997</u>	<u>\$ 51,873</u>	<u>\$ 19,100,397</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 stormwater revenues to offset Osprey Marsh employee costs accounted for in the utilities fund 5) use capital project fund revenues for improvements to the Jackie Robinson Training Complex and subsidize the North Sebastian Septic to Sewer incentive program.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 9 - ACCOUNTS PAYABLE

Accounts payable at September 30, 2022, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable
<u>Governmental Funds:</u>			
General	\$ 2,429,708	\$ 2,488,176	\$ 4,917,884
Impact Fees	2,786,788	1,894	2,788,682
Emergency Services	266,876	715,501	982,377
Beach Restoration	204,842	4,336	209,178
American Rescue Plan	1,493,552	969	1,494,521
Optional Sales Tax	5,383,550	-	5,383,550
Other Governmental	819,172	223,505	1,042,677
Total Governmental Funds	<u>\$ 13,384,488</u>	<u>\$ 3,434,381</u>	<u>\$ 16,818,869</u>
<u>Proprietary Funds:</u>			
Payable from current assets:			
Solid Waste	\$ 1,588,480	\$ 19,600	\$ 1,608,080
Golf Course	155,277	11,457	166,734
Utilities	3,890,313	257,861	4,148,174
Building	144,225	57,751	201,976
Internal Service	2,159,308	57,037	2,216,345
Payable from restricted assets:			
Utilities	283,550	-	283,550
Total Proprietary Funds	<u>\$ 8,221,153</u>	<u>\$ 403,706</u>	<u>\$ 8,624,859</u>

The Board has not engaged in any short-term debt activity during fiscal year 2022 other than that listed in Note 7.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 10 - LONG-TERM LIABILITIES

A. Governmental Funds Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Accrued Compensated Absences	\$ 5,272,514	\$ 3,120,075	\$ 3,542,062	\$ 4,850,527
<u>Bonds Payable:</u>				
Spring Training Facility				
Revenue Bonds - 2001 Series	3,560,000	-	305,000	3,255,000
Grand Total	<u>\$ 8,832,514</u>	<u>\$ 3,120,075</u>	<u>\$ 3,847,062</u>	<u>\$ 8,105,527</u>

Of the \$4,850,527 liability for accrued compensated absences, management estimates that \$3,004,105 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, 2022

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, 2022, are as follows:

Fiscal Year Ending September 30	Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest
2023	\$ 320,000	\$ 162,750
2024	340,000	146,750
2025	355,000	129,750
2026	375,000	112,000
2027	390,000	93,250
2028-2031	1,475,000	167,750
Total	3,255,000	<u>\$ 812,250</u>
Less:		
Current portion	320,000	
Total	<u>\$ 2,935,000</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 were 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 are 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. Pledged revenues were as follows:

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, 2022

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 are collectively referred to herein as the “pledged revenues”. 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 were 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, 2022 is \$65,499 and is reflected as a deferred outflow of resources on the government-wide Statement of Net Position.

The current principal and interest payments of \$475,375 represent 95% of the State subsidy pledged revenue. The total principal and interest remaining to be paid on the bonds is \$4,067,250.

Bonds Issued - At September 30, 2022, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2022
Spring Training Facility Revenue Bonds, 2001 Series	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 3,255,000</u>

Indian River County, Florida
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Notes To Financial Statements
Year Ended September 30, 2022

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, 2027

<u>Date</u>	<u>Principal Amount</u>
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

B. Proprietary Funds Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Accrued Compensated Absences	\$ 1,575,768	\$ 1,029,582	\$ 1,120,682	\$ 1,484,668
Notes From Direct Borrowings And Direct Placements:				
Water & Sewer Revenue				
Refunding Note Series 2015	1,074,000	-	1,074,000	-
Grand Total	<u>\$ 2,649,768</u>	<u>\$ 1,029,582</u>	<u>\$ 2,194,682</u>	<u>\$ 1,484,668</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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 \$11.4 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 II	16%	2030	\$ 5,027,752
Construction and Demolition	92%	2028	1,199,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,363,435
Construction and Demolition	N/A	N/A	129,488
Total account balance at 9/30/22			<u>\$ 8,720,541</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, 2022, \$8,705,429 was on deposit at the Florida Cooperative Liquid Assets Securities System (FLCLASS) and \$15,112 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, 2022

NOTE 11 - PROVISION FOR CLOSURE COSTS - Continued

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

	Balance 10/1/2021	Deposits	Withdrawals	Balance 9/30/2022
Closure and long-term care costs	\$ 7,506,025	\$ 2,022,338	\$ (807,822)	\$ 8,720,541

Of the \$8,720,541 liability for closure and long-term care costs, management estimates that \$1,000,000 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 two 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 \$1,683,000 at September 30, 2022 for both sites. Of the \$1,683,000 liability for pollution remediation, management estimates that \$136,533 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

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 \$1,610,000 and will be paid from the Optional Sales Tax Fund.

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.

Total governmental funds liability: \$1,610,000

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 12 - POLLUTION REMEDIATION - Continued

Proprietary Funds

Premier Citrus Property - The nature of the pollution remediation obligation is above ground 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 \$73,000 and will be paid from the Utilities Operating Fund.

Total proprietary funds liability: \$73,000

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, 2022

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 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

Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk class members. Also, the final average compensation for all these members will be based on the 8 highest years of salary.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

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, 2022 were: Regular Class 11.91%, Special Risk 27.83%, Senior Management 31.57%, DROP 18.60%, and Elected Official Class 57.00%. 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, 2022, was \$8,602,257. Employee contributions for September 30, 2022 were \$1,319,823. 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, 2022

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, 2022, the Division of Retirement calculated the Board's liability of \$71,110,359 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Board's proportionate share 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, 2022, the Board's proportionate share was 0.191115% for the FRS Pension Plan. This was an increase of 0.000891% from its proportionate share measured as of June 30, 2021.

For the year ended September 30, 2022, the Board's calculated total increase of actuarially determined pension expense was \$4,339,113. Of this amount, the Board recognized \$589,035 in the enterprise funds and \$88,994 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	\$ 3,377,331	\$ -
Changes in assumptions	8,757,538	-
Net difference between projected and actual earnings on pension plan investments	4,695,408	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,300,241	530,739
Board contributions subsequent to the measurement date	2,287,059	-
Total	<u>\$ 20,417,577</u>	<u>\$ 530,739</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

The deferred outflows of resources related to pensions totaling \$2,287,059 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, 2023. 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
2023	\$ 4,256,231
2024	1,606,077
2025	(1,437,348)
2026	12,506,069
2027	668,750
Total	<u>\$ 17,599,779</u>

Actuarial Assumptions: The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2022
Measurement date:	June 30, 2022
Discount rate:	6.70%
Long-term expected rate of return:	6.70%, 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, 2022 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, 2022

NOTE 13 - RETIREMENT PLAN - Continued

Pension Plan - Continued

The following changes in actuarial assumptions occurred in 2022:

- The long-term expected rate of return decreased from 6.80% to 6.70%.

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%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100%</u>			
Assumed inflation-mean			2.4%	1.3%

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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
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Year Ended September 30, 2022

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 6.70%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Board's proportionate share of NPL	\$ 122,980,477	\$ 71,110,359	\$ 27,740,769

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 Annual Comprehensive 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
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Notes To Financial Statements
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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, 2022, 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, 2022, 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 \$958,085 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to HIS Program: At September 30, 2022, the Division of Retirement calculated the Board's liability of \$16,082,406 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. At June 30, 2022, the Board's proportionate share was 0.151841% for the HIS Program. This was an increase of 0.002450% from its proportionate share measured as of June 30, 2021.

Indian River County, Florida
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Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program) - Continued

For the year ended September 30, 2022, the Board's calculated total actuarially determined pension expense was \$567,389. Of this amount, the Board recognized \$77,023 in the enterprise funds and \$11,637 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	\$ 488,139	\$ 70,764
Changes in assumptions	921,854	2,487,938
Net difference between projected and actual earnings on pension plan investments	23,284	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,268,701	21,066
Board contributions subsequent to the measurement date	245,032	-
Total	<u>\$ 2,947,010</u>	<u>\$ 2,579,768</u>

The deferred outflows of resources related to the HIS Program totaling \$245,032 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, 2023. 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>
2023	\$ 29,267
2024	15,782
2025	7,216
2026	15,973
2027	37,075
Thereafter	16,897
Total	<u>\$ 122,210</u>

Indian River County, Florida
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Notes To Financial Statements
Year Ended September 30, 2022

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, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2022
Measurement date:	June 30, 2022
Discount rate:	3.54%
Long-term expected rate of return:	N/A
Municipal bond rate:	3.54%
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, 2022 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 2022:

- The municipal rate used to determine the total pension liability increased from 2.16% to 3.54%
- The demographic assumptions for the Special Risk Class were updated to reflect plan changes due to HB5007, HB689, and SB838.
- The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

Retiree Health Insurance Subsidy (HIS Program) - Continued

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.

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 3.54%. 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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Board's proportionate share of NPL	\$ 18,399,593	\$ 16,082,406	\$ 14,164,982

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 Annual Comprehensive 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 Annual Comprehensive 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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

FRS Investment Plan - Continued

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.

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, 2022, 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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 13 - RETIREMENT PLAN - Continued

FRS Investment Plan - Continued

Allocations to the investment member's accounts during the 2021-2022 fiscal year were as follows: Regular class 9.30%, Special Risk class 17.00%, Senior Management Service class 10.67%, and Elected Officers' class 14.34%. This includes the employee contribution of 3%. The Board's Investment Plan contributions and pension expense totaled \$1,382,905 for fiscal year ended September 30, 2022. Employee contributions totaled \$294,066 for the same period.

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 provides an explicit subsidy for 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 a 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. Monthly health insurance premiums, effective October 1, 2021, range from \$257 for single coverage Medicare participants to \$1,297.50 for family coverage. Life insurance is available to retirees at a flat rate of \$.75 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, 2022

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 1/31/2009**	Less than 15 years	No Subsidy	20% Subsidy*	No Subsidy
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)*	
On and 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	

*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, 2022

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 Annual Comprehensive Financial Report. Questions regarding the OPEB Plan may be directed to the Finance Director.

At October 1, 2021, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,565
Retired participants	543
	<u>2,108</u>

There are two classes of participants at October 1, 2021:

Regular and senior management	1,357
Special risk	751
	<u>2,108</u>

Financial statements for the OPEB Trust are included in this report and can be found on pages 266-267. 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, 2022, the Board contributed \$1.1 million to the qualifying OPEB Trust. The average employer's contribution was \$719 per employee, approximately 1.13% of current payroll. Plan members receiving benefits contributed \$3.1 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, 2022

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

C. Net OPEB Liability

The County's Net OPEB liability was measured as of October 1, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. Interim roll-forward reports were completed at the end of the fiscal year. The components of the net OPEB liability of the County at September 30, 2022, were as follows:

Total OPEB liability	\$ 34,934,061
Plan fiduciary net position	<u>(28,937,442)</u>
County's net OPEB liability	<u>\$ 5,996,619</u>

Plan fiduciary net position as a percentage of the total OPEB liability	82.83%
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D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2021, 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	2.25%
Discount Rate	6.00%
Salary Increases	3.4% 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, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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 6.0% and gradually decreasing to an ultimate trend rate of 3.75% (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 9/30/2021	<u>\$ 33,902,412</u>	<u>\$ 35,276,379</u>	<u>\$ (1,373,967)</u>
Changes for the year:			
Service cost	631,763	-	631,763
Interest	1,980,301	-	1,980,301
Contributions - employer	-	1,111,473	(1,111,473)
Net investment income	-	(4,392,095)	4,392,095
Experience	72,372	-	72,372
Assumptions	1,405,528	-	1,405,528
Benefit payments	(3,058,315)	(3,058,315)	-
Net changes	<u>1,031,649</u>	<u>(6,338,937)</u>	<u>7,370,586</u>
Balances at 9/30/2022	<u><u>\$ 34,934,061</u></u>	<u><u>\$ 28,937,442</u></u>	<u><u>\$ 5,996,619</u></u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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 4.40%; 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, 2022

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 1% 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%)
\$ 8,455,562	\$ 5,996,619	\$ 3,770,685

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 1% lower or 1% higher:

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

1% Decrease (5.0% down to 2.75%)	Current Healthcare Cost Trend Rate Assumption (6.0% down to 3.75%)	1% Increase (7.0% down to 4.75%)
\$ 3,341,331	\$ 5,996,619	\$ 9,044,354

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022, the Board recognized OPEB expense of \$650,020. At September 30, 2022, 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	\$ 3,215,950	\$ -
Changes in assumptions and other inputs	917,545	6,345,919
Net difference between projected and actual earnings on OPEB Plan investments	3,600,616	-
	<u>\$ 7,734,111</u>	<u>\$ 6,345,919</u>

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>
2023	\$ 46,648
2024	(97,836)
2025	41,995
2026	516,805
2027	247,126
Thereafter	633,454
Total	<u>\$ 1,388,192</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15 - LEASES

A. Lessee

The Board is involved in multiple agreements as a lessee that qualify as long-term leases agreements. Below is a summary of the nature of those agreements. These agreements qualify as intangible, right-to-use assets and not a financed purchase, as the Board will not own the assets at the end of the contract term and the noncancelable term of the agreements surpass one year.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Airport Land	29 years
Copiers	3 years

The assets acquired through the leases are summarized as follows:

Land	\$	604,295
Equipment		25,476
Less accumulated amortization		(35,096)
Net book value	<u>\$</u>	<u>594,675</u>

The net present value of future minimum payments as of September 30, 2022 were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 23,017	\$ 12,247
2024	18,152	11,454
2025	15,877	10,989
2026	16,093	10,671
2027	16,417	10,346
2028-2032	87,139	46,677
2033-2037	96,329	37,487
2038-2042	106,456	27,360
2043-2047	117,647	16,169
2048-2051	102,961	4,092
Totals	<u>\$ 600,088</u>	<u>\$ 187,492</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 15- LEASES - Continued

A. Lessee - Continued

Leases payable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Leases payable	\$ 25,476	\$ 604,295	\$ (29,683)	\$ 600,088	\$ 23,017

*The Board implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

B. Lessor

The Board is involved in multiple agreements as lessor that qualify as long-term lease agreements. Below is a summary of those agreements. These agreements qualify as long-term lease agreements as the Board will not surrender control of the asset at the end of the term and the noncancelable term of the agreements surpass one year. Total lease revenue for the year ended September 30, 2022 was \$698,482.

Asset Type	Remaining Term of Agreements
Land	24 years
Buildings	5 years

Leases receivable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Leases receivable	\$ 2,975,174	\$ 65,410	\$ (330,046)	\$ 2,710,538

The Board is involved in an agreement for leasing of the snack bar at the golf course. The monthly rent is calculated as a percentage of monthly sales. Total lease revenue, for this lease only, for the year ended September 30, 2022 was \$44,177. The current agreement will end on March 31, 2023 if not renewed before then.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022

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, 2022, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 8,250,000	\$ 8,250,000	\$ 16,500,000
Transportation Fund	1,000,000	1,000,000	2,000,000
Emergency Services District Fund	2,600,000	2,600,000	5,200,000
Total	<u>\$ 11,850,000</u>	<u>\$ 11,850,000</u>	<u>\$ 23,700,000</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, 2022

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

At September 30, 2022, the Beach Restoration Fund, a major Governmental Fund, had a deficit in fund balance of \$5,841,494. The CDBG Neighborhood Stabilization Program Fund and the Metropolitan Planning Organization Fund, both nonmajor Governmental Funds, had a deficit in fund balance of \$9,641 and \$49,747 respectively. These fund balance deficits should be eliminated by grant proceeds in fiscal year 2023.

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 up to the retention amounts listed below:

	10/01/2020 to 9/30/2022	10/01/2017 to 9/30/2020
Worker's Compensation	\$ 650,000	\$ 650,000
General Liability	200,000	200,000
Auto Liability	200,000	200,000
Property Damage	100,000	200,000
Error or Omissions	200,000	200,000
Cyber	100,000	-
Annual Aggregate	4,000,000	2,000,000

The annual aggregate reported is for general liability, auto liability, and errors or omissions.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

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 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.

The claims liability of \$10,361,233 reported at September 30, 2022, 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, \$3,292,000 will be liquidated over the next twelve months.

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
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
2020-2021	7,944,000	29,700,049	(28,234,444)	9,409,605
2021-2022	9,409,605	23,325,116	(22,373,488)	10,361,233

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined; and at September 30, 2022, unrestricted net position of \$25,187,256 has been designated for this purpose.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 18 - COMMITMENTS AND CONTINGENCIES

A. Litigation

Various 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, 2022. 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 include resurfacing from 53rd Street to the Merrill Barber Bridge, beach monitoring and profile surveys, 6th Avenue Pavement Reclamation & Resurfacing, 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, 66th Avenue roadway improvements from 49th Street to 69th Street, Moorhen Marsh Low Energy Aquatic Plant System, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for golf course maintenance, South County Water Treatment Plant improvements, Countywide meter replacement program, North County Water and Sewer Project Phase II, 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, 2022

NOTE 18 - COMMITMENTS AND CONTINGENCIES - Continued

B. Contracts and Other Commitments - Continued

A summary of these projects at September 30, 2022, is as follows:

	Total Contract Price	Total Paid as of September 30, 2022	Remaining Balance at September 30, 2022
General	\$ 1,912,359	\$ (607,200)	\$ 1,305,159
Special Revenue	24,334,287	(8,172,902)	16,161,385
Capital Projects	76,185,705	(45,677,368)	30,508,337
Enterprise	36,396,473	(18,350,064)	18,046,409
Internal Service	577,950	(157,000)	420,950
Total	<u>\$ 139,406,774</u>	<u>\$ (72,964,534)</u>	<u>\$ 66,442,240</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.

NOTE 19 - SUBSEQUENT EVENTS

On November 8, 2022, a referendum was approved by County voters to issue up to \$50,000,000 in general obligation bonds for the purchase and preservation of environmentally significant lands in the County. It is anticipated that debt issuance will occur in fiscal year 2023, with debt payments to begin in fiscal year 2024.

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 9, 2023

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 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, 2022, and the related notes to the financial statements, which collectively comprise the Board's fund financial statements and have issued our report thereon dated March 9, 2023.

Return on 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 or significant deficiencies may exist that have not been identified.



Return on 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.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The script is cursive and fluid, with the letters "L" and "L" at the beginning and end being particularly prominent.

MANAGEMENT LETTER

March 9, 2023

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, 2022, and have issued our report thereon dated March 9, 2023.

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 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 9, 2023, 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 Lobson LLC

INDEPENDENT ACCOUNTANTS' REPORT

March 9, 2023

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, 2022.

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, 2022.

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 Loborn LLC



CLERK OF THE CIRCUIT COURT AND COMPTROLLER

INDEPENDENT AUDITORS' REPORT

March 9, 2023

The Honorable Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying fund financial statements of the major fund and the aggregate remaining fund information of the ***Indian River County, Florida Clerk of the Circuit Court and Comptroller*** (the "Clerk"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's fund financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund, and the aggregate remaining fund information of the Clerk, as of September 30, 2022, and the respective changes in financial position, and the budgetary comparisons 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 the Circuit Court and Comptroller* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2022, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023, 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, 2022

	General	Nonmajor Fund Special Revenue	Total Governmental Funds
ASSETS			
Cash	\$ 1,143,240	\$ 1,066,760	\$ 2,210,000
Accounts receivable	2,899	719	3,618
Prepaid items	179,774	57,279	237,053
Due from other governments	130,215	18,257	148,472
Total assets	<u>\$ 1,456,128</u>	<u>\$ 1,143,015</u>	<u>\$ 2,599,143</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 262,559	\$ 17,360	\$ 279,919
Due to other governments	746,311	158	746,469
Other deposits	183,493	12,380	195,873
Unearned revenues	263,765	-	263,765
Total liabilities	<u>1,456,128</u>	<u>29,898</u>	<u>1,486,026</u>
Fund Balances:			
Nonspendable:			
Prepaid items	179,774	57,279	237,053
Restricted for:			
Court-related costs and improvements	-	1,055,838	1,055,838
Unassigned	(179,774)	-	(179,774)
Total fund balances	<u>-</u>	<u>1,113,117</u>	<u>1,113,117</u>
Total liabilities fund balances	<u>\$ 1,456,128</u>	<u>\$ 1,143,015</u>	<u>\$ 2,599,143</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, 2022

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 301,037	\$ -	\$ 301,037
Charges for services	3,657,319	582,963	4,240,282
Judgments, fines and forfeits	978,207	-	978,207
Interest	18,488	1,757	20,245
Miscellaneous	52,600	286,382	338,982
Total revenues	<u>5,007,651</u>	<u>871,102</u>	<u>5,878,753</u>
EXPENDITURES			
Current:			
General government	2,246,403	876,168	3,122,571
Court related	3,599,474	-	3,599,474
Debt Service:			
Principal	1,631	1,957	3,588
Interest and fiscal charges	170	410	580
Total expenditures	<u>5,847,678</u>	<u>878,535</u>	<u>6,726,213</u>
Excess of revenues over (under) expenditures	<u>(840,027)</u>	<u>(7,433)</u>	<u>(847,460)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	1,234,077	-	1,234,077
Transfer to Board of County Commissioners	(416,153)	-	(416,153)
Lease financings	22,103	30,702	52,805
Total other financing sources (uses)	<u>840,027</u>	<u>30,702</u>	<u>870,729</u>
Net change in fund balances	-	23,269	23,269
Fund balances at beginning of year	<u>-</u>	<u>1,089,848</u>	<u>1,089,848</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,113,117</u>	<u>\$ 1,113,117</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, 2022

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 230,222	\$ 230,222	\$ 301,037	\$ 70,815
Charges for services	3,585,981	3,585,981	3,657,319	71,338
Judgments, fines and forfeits	1,000,000	1,000,000	978,207	(21,793)
Interest	6,591	6,591	18,488	11,897
Miscellaneous	127,528	127,528	52,600	(74,928)
Total revenues	4,950,322	4,950,322	5,007,651	57,329
EXPENDITURES				
Current:				
General government	2,499,598	2,512,729	2,246,403	266,326
Court related	3,684,801	3,692,790	3,599,474	93,316
Debt Service:				
Principal	-	1,680	1,631	49
Interest and fiscal charges	-	200	170	30
Total expenditures	6,184,399	6,207,399	5,847,678	359,721
Excess of revenues over (under) expenditures	(1,234,077)	(1,257,077)	(840,027)	417,050
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	1,234,077	1,234,077	1,234,077	-
Transfers to Board of County Commissioners	-	-	(416,153)	(416,153)
Lease financings	-	23,000	22,103	(897)
Total other financing sources (uses)	1,234,077	1,257,077	840,027	(417,050)
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
Custodial Fund
September 30, 2022

ASSETS

Cash	\$ 12,616,978
Total assets	<u>\$ 12,616,978</u>

LIABILITIES

Accounts payable	\$ 994,996
Due to other governments	<u>671,031</u>
Total liabilities	<u>1,666,027</u>

NET POSITION

Restricted for individuals, organizations, and other governments	<u>10,950,951</u>
Total net position	<u>\$ 10,950,951</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 Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended September 30, 2022

ADDITIONS

Tax deed collections	\$ 2,016,529
Court ordered collections	26,681,163
Court fines for other governments	48,043,395
Total additions	<u>76,741,087</u>

DEDUCTIONS

Tax deed sale payments	1,689,226
Court ordered payments	21,250,301
Beneficiary payments	48,045,111
Total deductions	<u>70,984,638</u>

Change in net position	5,756,449
Net position, beginning of year	<u>5,194,502</u>
Net position, end of year	<u><u>\$ 10,950,951</u></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, 2022

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Description of Funds - 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

Custodial Fund - The Custodial 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.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgetary Requirements - Continued

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.

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. Leases

The Clerk is a lessee for noncancellable leases of equipment. A lease liability and an intangible right-to-use lease asset are recognized in the County's government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Leases - Continued

The Clerk monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 7.

H. 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.

I. Transfer In

The non-court operations (finance function and board meeting recordings) were funded by the Board of County Commissioners in the amount of \$1,234,077.

J. 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 \$416,153 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

K. 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.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. New Accounting Pronouncement

The Clerk implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

NOTE 2 - CASH

A. Deposits

At September 30, 2022, the carrying value of the Clerk's deposits was \$14,826,978 and the bank balance was \$17,592,294. 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 December 3, 2020.

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.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - CASH - Continued

B. Deposit and Investment Policies - Continued

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 and Comptroller.

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, 2022

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, 2022 were: regular class 11.91%, senior management class 31.57%, DROP class 18.60%, and elected official class 57.00%. 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, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

For the year ended September 30, 2022, the Clerk's actuarial contribution to FRS under the Pension Plan was \$434,364 and the Health Insurance Subsidy (HIS Program) was \$64,214. Employee contributions for both plans were \$95,636. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2022, the Division of Retirement calculated the Clerk's liability of \$3,947,104 for the FRS plan and \$1,179,745 for the HIS Program, for a total of \$5,126,849 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Clerk's proportionate share 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, 2022, the Clerk's proportion was .010608% for the FRS Pension Plan and .011138% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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 6.70%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Clerk's proportionate share of NPL	\$ 6,826,245	\$ 3,947,104	\$ 1,539,800

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

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 3.54%. 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 (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Clerk's proportionate share of NPL	\$ 1,349,725	\$ 1,179,745	\$ 1,039,090

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 2022 annual contribution of \$28,916 was funded by: the Board of County Commissioners in the amount of \$5,373; non-court operations in the amount of \$4,050; court operations in the amount of \$18,290 and special revenue funds in the amount of \$1,203. 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, 2022

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 \$714,073. 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, 2022:

	Beginning Balance 10/01/21	Additions	Deletions	Ending Balance 9/30/22
Accrued Compensated Absences	<u>\$ 315,566</u>	<u>\$ 352,950</u>	<u>\$ 368,631</u>	<u>\$ 299,885</u>

Of the \$299,885 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.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 7 - LEASES

The Clerk is involved in agreements as a lessee that qualify as long-term lease agreements. These agreements qualify as intangible, right-to-use assets and not a financed purchase, as the Clerk will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. Below is a summary of the agreements.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Copiers	5 years
Mail machine	5 years

The assets acquired through the lease are summarized as follows:

Equipment	\$ 52,805
Less: accumulated amortization	<u>(3,225)</u>
Net book value	<u>\$ 49,580</u>

The net present value of future minimum payments as of September 30, 2022, were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 8,575	\$ 3,330
2024	9,859	2,639
2025	10,626	1,874
2026	11,456	1,044
2027	9,231	198
Total	<u>\$ 49,747</u>	<u>\$ 9,085</u>

Leases payable activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases payable	\$ -	\$ 52,805	\$ (3,058)	\$ 49,747	\$ 8,575

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 9, 2023

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 the Circuit Court and Comptroller** (the "Clerk"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 9, 2023

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 the Circuit Court and Comptroller** (the “Clerk”), as of and for the year ended September 30, 2022, which collectively comprise the Clerk’s fund financial statements and have issued our report thereon dated March 9, 2023.

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 9, 2023, 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.



The Honorable Jeffrey R. Smith
Clerk of the Circuit Court and Comptroller
March 9, 2023
Page 2

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 the Circuit Court and Comptroller 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 9, 2023

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 the Circuit Court and Comptroller* ("the Clerk") with Sections 218.415, 28.35, 28.36, and 61.181 Florida Statutes, during the year ended September 30, 2022.

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, 2022.

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





PROPERTY APPRAISER

INDEPENDENT AUDITORS' REPORT

March 9, 2023

The Honorable Wesley Davis
Property Appraiser
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying 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, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund, of the Property Appraiser, as of September 30, 2022, and the respective changes in financial position, and the budgetary comparisons 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, 2022, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Property Appraiser's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Property Appraiser's internal control over financial reporting and compliance.

Rehmann Lohman LLC

**Indian River County, Florida
Property Appraiser
Balance Sheet
General Fund
September 30, 2022**

ASSETS

Cash	\$ 246,520
Accounts receivable	675
Prepaid items	28,263
Total assets	<u>\$ 275,458</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 69,709
Due to other governments	205,749
Total liabilities	<u>275,458</u>

Fund Balances:

Nonspendable:

Prepaid items	28,263
Unassigned	<u>(28,263)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 275,458</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, 2022

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,339,007	\$ 4,341,695	\$ 4,341,801	\$ 106
Interest	-	-	420	420
Miscellaneous	-	-	7,012	7,012
Total revenues	<u>4,339,007</u>	<u>4,341,695</u>	<u>4,349,233</u>	<u>7,538</u>
EXPENDITURES				
Current:				
General government	4,339,007	4,341,695	4,157,954	183,741
Debt Service:				
Principal	-	-	3,453	(3,453)
Interest and fiscal charges	-	-	139	(139)
Total expenditures	<u>4,339,007</u>	<u>4,341,695</u>	<u>4,161,546</u>	<u>180,149</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>187,687</u>	<u>187,687</u>
OTHER FINANCING SOURCES (USES)				
Transfers to Board of County Commissioners	-	-	(187,687)	(187,687)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(187,687)</u>	<u>(187,687)</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, 2022

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, 2022

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. Leases

The Property Appraiser is a lessee for a noncancellable lease of equipment. A lease liability and an intangible right-to-use asset are recognized in the County's government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments. The Property Appraiser monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 7.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. 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 in the Property Appraiser's financial statements. Additional information on the liability is reflected in subsequent Note 6.

G. 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 \$205,749 at September 30, 2022, and are included as due to other governments on the balance sheet. Of this amount, \$187,687 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.

H. 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.

I. New Accounting Pronouncement

The Property Appraiser implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - CASH

Deposits

At September 30, 2022, the carrying amount of the Property Appraiser's deposits was \$246,520 and the bank balance was \$258,486. 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, 2022 were: regular class 11.91%, senior management class 31.57%, DROP class 18.60%, and elected official class 57.00%. 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.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

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, 2022, the Property Appraiser's actuarial contributions to FRS under the Pension Plan were \$337,616 and the Health Insurance Subsidy (HIS Program) were \$40,167. Employee contributions for both plans were \$63,481. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2022, the Division of Retirement calculated the Property Appraiser's liability of \$2,851,442 for the FRS plan and \$693,773 for the HIS Program, for a total of \$3,545,215 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Property Appraiser's proportionate share 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, 2022, the Property Appraiser's proportionate share was .007663% for the FRS Pension Plan and .006550% for the HIS Program.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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 6.70%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Property Appraiser 's proportionate share of NPL	\$ 4,931,373	\$ 2,851,442	\$ 1,112,372

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 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 3.54%. 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:

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

	1% Discount (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Property Appraiser's proportionate share of NPL	\$ 793,733	\$ 693,773	\$ 611,058

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 2022 annual contribution of \$15,639 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 2022 at an annual cost of \$381,661. 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, 2022

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	Beginning Balance 10/01/21	Additions	Deletions	Ending Balance 9/30/2022
Accrued Compensated Absences	<u>\$ 248,090</u>	<u>\$ 286,868</u>	<u>\$ 302,599</u>	<u>\$ 232,359</u>

Of the \$232,359 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 Property Appraiser since they are not payable from available spendable resources. They are reported in the financial statements of the County.

NOTE 7 - LEASES

The Property Appraiser is involved in an agreement as a lessee that qualifies as a long-term lease agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the Property Appraiser will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

<u>Asset Type</u>	<u>Remaining Term of Agreement</u>
Backup Computer System	18 months

The asset acquired through the lease is summarized as follows:

Equipment	\$ 8,481
Less accumulated amortization	<u>(3,514)</u>
Net book value	<u><u>\$ 4,967</u></u>

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 7 - LEASES - Continued

The net present value of future minimum payments as of September 30, 2022, were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,529	\$ 63
2024	1,492	5
Total	<u>\$ 5,021</u>	<u>\$ 68</u>

Leases payable activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases payable	\$ 8,481	\$ -	\$ (3,460)	\$ 5,021	\$ 3,529

*The Property Appraiser implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

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 9, 2023

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, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's fund financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 Lohman LLC

MANAGEMENT LETTER

March 9, 2023

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, 2022, which collectively comprise the Property Appraiser's fund financial statements and have issued our report thereon dated March 9, 2023.

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 9, 2023, 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 Property Appraiser 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 9, 2023

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, 2022.

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, 2022.

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 Lobach LLC



SHERIFF

INDEPENDENT AUDITORS' REPORT

March 9, 2023

The Honorable Eric Flowers
Sheriff
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying fund financial statements of the major fund and the remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's fund financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund, and the remaining fund information of the Sheriff, as of September 30, 2022, and the respective changes in financial position, and the budgetary comparisons 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, 2022, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Sheriff's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

The Honorable Eric Flowers
Sheriff
March 9, 2023
Page 3

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Sheriff's internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2022

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 2,586,174	\$ 2,362,846	\$ 4,949,020
Accounts receivable	134,394	888,382	1,022,776
Inventories	255,728	31,028	286,756
Prepaid items	187,595	-	187,595
Total assets	<u>\$ 3,163,891</u>	<u>\$ 3,282,256</u>	<u>\$ 6,446,147</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,611,591	\$ 218,526	\$ 2,830,117
Due to other governments	513,007	115,839	628,846
Other deposits	39,293	-	39,293
Total liabilities	<u>3,163,891</u>	<u>334,365</u>	<u>3,498,256</u>
Fund Balances:			
Nonspendable:			
Inventories	255,728	31,028	286,756
Prepaid items	187,595	-	187,595
Restricted for:			
Law enforcement/public safety	-	2,699,161	2,699,161
Committed to:			
Law enforcement/public safety	-	28,726	28,726
Assigned to:			
Law enforcement/public safety	-	188,976	188,976
Unassigned	<u>(443,323)</u>	<u>-</u>	<u>(443,323)</u>
Total fund balances	<u>-</u>	<u>2,947,891</u>	<u>2,947,891</u>
Total liabilities and fund balances	<u>\$ 3,163,891</u>	<u>\$ 3,282,256</u>	<u>\$ 6,446,147</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, 2022

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ -	\$ 191,051	\$ 191,051
Charges for services	-	392,545	392,545
Judgments, fines and forfeits	-	49,381	49,381
Miscellaneous	21,274	3,061,822	3,083,096
Total revenues	<u>21,274</u>	<u>3,694,799</u>	<u>3,716,073</u>
EXPENDITURES			
Current:			
Public safety	56,303,391	4,847,805	61,151,196
Court related	2,818,082	188	2,818,270
Debt Service:			
Principal	78,976	-	78,976
Interest and fiscal charges	4,518	-	4,518
Total expenditures	<u>59,204,967</u>	<u>4,847,993</u>	<u>64,052,960</u>
Excess of revenues over (under) expenditures	(59,183,693)	(1,153,194)	(60,336,887)
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	59,645,843	1,505,501	61,151,344
Transfers to Board of County Commissioners	(462,150)	(115,839)	(577,989)
Total other financing sources	<u>59,183,693</u>	<u>1,389,662</u>	<u>60,573,355</u>
Net change in fund balances	-	236,468	236,468
Fund balances at beginning of year	<u>-</u>	<u>2,711,423</u>	<u>2,711,423</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,947,891</u></u>	<u><u>\$ 2,947,891</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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous	\$ -	\$ 21,274	\$ 21,274	\$ -
Total revenues	-	21,274	21,274	-
EXPENDITURES				
Current:				
Public safety	56,318,653	57,123,654	56,303,391	820,263
Court related	2,610,593	2,612,465	2,818,082	(205,617)
Debt Service:				
Principal	-	-	78,976	(78,976)
Interest and fiscal charges	-	-	4,518	(4,518)
Total expenditures	58,929,246	59,736,119	59,204,967	531,152
Excess of revenues over (under) expenditures	(58,929,246)	(59,714,845)	(59,183,693)	531,152
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	58,929,246	59,714,845	59,645,843	(69,002)
Transfers to Board of County Commissioners	-	-	(462,150)	(462,150)
Total other financing sources	58,929,246	59,714,845	59,183,693	(531,152)
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
Notes To Financial Statements
Year Ended September 30, 2022

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 fund type: 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 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.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022 amount totaled \$577,989 and was reported as a transfer to the Board of County Commissioners at year end. This amount represents \$462,150 in general fund revenues and \$115,839 in special revenue fund revenues. 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, 2022

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.

G. New Accounting Pronouncement

The Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

NOTE 2 - CASH

Deposits

At September 30, 2022, the carrying amount of the Sheriff's deposits was \$4,949,020 and the bank balance was \$5,184,793. 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 has 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:

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - CAPITAL ASSETS - Continued

	Beginning Balance 10/01/21	Additions	Deletions	Ending Balance 09/30/22
<u>Capital Assets</u>				
Equipment	\$ 32,010,424	\$ 2,964,915	\$ (1,953,558)	\$ 33,021,781
Total Capital Assets	<u>32,010,424</u>	<u>2,964,915</u>	<u>(1,953,558)</u>	<u>33,021,781</u>
<u>Lease Assets*</u>				
Buildings and Improvements	152,279	-	-	152,279
Equipment	76,957	-	-	76,957
Total Lease Assets	<u>229,236</u>	<u>-</u>	<u>-</u>	<u>229,236</u>
 Total	 <u>\$ 32,239,660</u>	 <u>\$ 2,964,915</u>	 <u>\$ (1,953,558)</u>	 <u>\$ 33,251,017</u>

*New categories for the Sheriff's leased assets have been added due to the implementation of GASB Statement No. 87, *Leases*.

Refer to the County-wide note on capital assets for capitalization threshold, depreciation and amortization methodology and useful lives.

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.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 5 - PENSION PLAN - Continued

Florida Retirement System - Continued

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, 2022 were: regular class 11.91%, special risk 27.83%, senior management class 31.57%, DROP class 18.60%, and elected official class 57.00%. 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 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, 2022, the Sheriff's actuarial contributions to FRS under the Pension Plan were \$6,093,573 and the HIS Program were \$541,829. Employee contributions were \$920,706. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Indian River County, Florida
 Sheriff
 Notes To Financial Statements
 Year Ended September 30, 2022

NOTE 5 - PENSION PLAN - Continued

Florida Retirement System - Continued

Pension Liabilities: At September 30, 2022, the Division of Retirement calculated the Sheriff's liability of \$52,716,832 for the FRS plan and \$9,578,415 for the HIS Program, for a total of \$62,295,247 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Sheriff's proportionate share 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, 2022, the Sheriff's proportionate share was .141681% for the FRS Pension Plan and .090434% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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.

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 6.70%. 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 (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Sheriff's proportionate share of NPL	\$ 91,170,137	\$ 52,716,832	\$ 20,565,294

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 5 - 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 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 3.54%. 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 (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Sheriff's proportionate share of NPL	\$ 10,958,493	\$ 9,578,415	\$ 8,436,429

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.

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

The Sheriff participated in the Indian River County Other Postemployment Benefits Trust (OPEB Trust). The Sheriff's 2022 annual contribution of \$475,656 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
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

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 2022 at an annual cost of \$4,863,772. 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, 2022:

	Beginning Balance 10/01/21	Additions	Deletions	Ending Balance 09/30/22
Accrued Compensated Absences	<u>\$ 9,022,400</u>	<u>\$ 5,423,020</u>	<u>\$ 4,125,643</u>	<u>\$ 10,319,777</u>

Of the \$10,319,777 liability for accrued compensated absences, management estimates that \$4,109,656 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.

NOTE 9 - LEASES

The Sheriff is a lessee for noncancellable leases of buildings and equipment. A lease liability and an intangible right-to-use lease asset are recognized in the County's government-wide financial statements. The lease liability is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments. The Sheriff monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 9 - LEASES - Continued

The Sheriff is involved in several lease agreements as lessee that qualify as long-term lease agreements. Below is a summary of the agreements. These agreements qualify as intangible, right-to-use assets and not a financed purchase, as the Sheriff will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Copiers	38 months
Mail Machine	2 years
Office Space	27 months

The assets acquired through the lease are summarized as follows:

Buildings	\$ 152,279
Equipment	76,957
Less accumulated amortization	<u>(85,800)</u>
Net book value	<u><u>\$ 143,436</u></u>

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 Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 83,322	\$ 2,446
2024	46,817	857
2025	17,864	165
2026	2,074	2
Total	<u><u>\$ 150,077</u></u>	<u><u>\$ 3,470</u></u>

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 9 - LEASES - Continued

Leases payable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Leases payable	\$ 229,236	\$ -	\$ (79,159)	\$ 150,077	\$ 83,322

*The Sheriff implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

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 9, 2023

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 remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 9, 2023

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 remaining fund information of the **Indian River County, Florida Sheriff** (the “Sheriff”), as of and for the year ended September 30, 2022, which collectively comprise the Sheriff’s fund financial statements and have issued our report thereon dated March 9, 2023.

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 15, 2022, 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.



The Honorable Eric Flowers
Sheriff
March 9, 2023
Page 2

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 9, 2023

The Honorable Leslie Swan
Supervisor of Elections
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying fund financial statements of the major fund of the **Indian River County, Florida Supervisor of Elections** (the "Supervisor of Elections"), as of and for the year ended September 30, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Supervisor of Elections, as of September 30, 2022, and the respective changes in financial position, and the budgetary comparisons 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, 2022, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Election's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Supervisor of Election's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Election's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, on our consideration of the Supervisor of Election's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Supervisor of Election's internal control over financial reporting and compliance.

Rehmann Lohman LLC

**Indian River County, Florida
Supervisor of Elections
Balance Sheet
General Fund
September 30, 2022**

ASSETS

Cash	\$ 4,091
Prepaid items	80,929
Total assets	<u>\$ 85,020</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 75,372
Due to other governments	9,648
Total liabilities	<u>85,020</u>

Fund Balances:

Nonspendable:	
Prepaid items	80,929
Restricted for:	
Unassigned	<u>(80,929)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 85,020</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, 2022

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 9,574	\$ 9,574
Miscellaneous	-	133,189	133,445	256
Total revenues	-	133,189	143,019	9,830
EXPENDITURES				
Current:				
General government	1,724,010	1,861,199	1,861,415	(216)
Debt Service:				
Principal	-	2,100	2,020	80
Interest and fiscal charges	-	400	372	28
Total expenditures	1,724,010	1,863,699	1,863,807	(108)
Excess of revenues over (under) expenditures	(1,724,010)	(1,730,510)	(1,720,788)	9,722
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	1,724,010	1,724,010	1,724,010	-
Transfers to Board of County Commissioners	-	-	(9,648)	(9,648)
Lease financings	-	6,500	6,426	(74)
Total other financing sources (uses)	1,724,010	1,730,510	1,720,788	(9,722)
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, 2022

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 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 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.

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, 2022

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. Leases

The Supervisor of Elections is a lessee for noncancellable leases of equipment. A lease liability and an intangible right-to-use lease asset are recognized in the County's government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Leases - Continued

The Supervisor of Elections monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 7.

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.

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 \$9,648 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.

J. New Accounting Pronouncement

The Supervisor of Elections implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - CASH

Deposits

At September 30, 2022, the carrying amount of the Supervisor of Elections' deposits was \$4,091 and the bank balance was \$141,653. 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.

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, 2022 were: regular class 11.91%, senior management class 31.57%, DROP class 18.60%, and elected official class 57.00%. 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.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

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.

For the year ended September 30, 2022, the Supervisor of Elections' actuarial contribution to FRS under the Pension Plan were \$122,351 and the HIS Program were \$11,968. Employee contributions were \$20,323. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2022, the Division of Retirement calculated the Supervisor of Elections' liability of \$1,023,608 for the FRS plan and \$205,046 for the HIS Program, for a total of \$1,228,654 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Supervisor of Elections' proportionate share 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, 2022, the Supervisor of Elections' proportionate share was .002751% for the FRS Pension Plan and .001936% for the HIS Program.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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 6.70%. 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Supervisor of Elections's proportionate share of NPL	\$ 1,770,259	\$ 1,023,608	\$ 399,318

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 3.54%. 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:

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 3 - PENSION PLAN - Continued

Florida Retirement System - Continued

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Supervisor of Election's proportionate share of NPL	\$ 234,589	\$ 205,046	\$ 180,599

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 2022 annual contribution of \$4,411 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 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 2022 at an annual cost of \$91,382.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022:

	Beginning Balance <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>9/30/2022</u>
Accrued Compensated Absences	<u>\$ 34,310</u>	<u>\$ 37,614</u>	<u>\$ 29,405</u>	<u>\$ 42,519</u>

Of the \$42,519 liability for accrued compensated absences, management estimates that \$12,366 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 - LEASES

The Supervisor of Elections is involved in an agreement as a lessee that qualifies as a long-term lease agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the Supervisor of Elections will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

<u>Asset Type</u>	<u>Remaining Term of Agreement</u>
Mail machine	16 months

The asset acquired through the lease is summarized as follows:

Equipment	\$ 6,426
Less accumulated amortization	<u>(1,924)</u>
Net book value	<u><u>\$ 4,502</u></u>

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 7 - LEASES - Continued

The net present value of future minimum payments as of September 30, 2022, were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,244	\$ 344
2024	1,170	27
Total	<u>\$ 4,414</u>	<u>\$ 371</u>

Leases payable activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases payable	<u>\$ -</u>	<u>\$ 6,426</u>	<u>\$ (2,012)</u>	<u>\$ 4,414</u>	<u>\$ 3,244</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 9, 2023

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 of the **Indian River County, Florida Supervisor of Elections** (the "Supervisor of Elections"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 Lobson LLC

MANAGEMENT LETTER

March 9, 2023

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, 2022, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated March 9, 2023.

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 9, 2023, 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.



The Honorable Leslie Swan
Supervisor of Elections
March 9, 2023
Page 2

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 9, 2023

The Honorable Carole Jean Jordan
Tax Collector
Indian River County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying fund financial statements of the major fund and the remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund, and the remaining fund information of the Tax Collector, as of September 30, 2022, and the respective changes in financial position, and the budgetary comparisons 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, 2022, 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.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Tax Collector's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the 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, 2022**

ASSETS

Cash and investments	\$ 4,059,171
Accounts receivable	332,190
Inventories	3,646
Prepaid items	91,942
Total assets	<u>\$ 4,486,949</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 334,191
Due to other governments	4,055,890
Unearned revenues	92,182
Other deposits	4,686
Total liabilities	<u>4,486,949</u>

Fund Balances:

Nonspendable:	
Inventories	3,646
Prepaid items	91,942
Unassigned	<u>(95,588)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 4,486,949</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, 2022

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 7,364,700	\$ 7,364,700	\$ 7,634,073	\$ 269,373
Interest	12,500	12,500	7,283	(5,217)
Total revenues	<u>7,377,200</u>	<u>7,377,200</u>	<u>7,641,356</u>	<u>264,156</u>
EXPENDITURES				
Current:				
General government	5,329,774	5,589,744	5,498,032	91,712
Debt Service:				
Principal	-	-	115,803	(115,803)
Interest and fiscal charges	-	-	7,354	(7,354)
Total expenditures	<u>5,329,774</u>	<u>5,589,744</u>	<u>5,621,189</u>	<u>(31,445)</u>
Excess of revenues over (under) expenditures	2,047,426	1,787,456	2,020,167	232,711
OTHER FINANCING USES				
Transfers to Board of County Commissioners	(2,047,426)	(1,787,456)	(2,020,167)	(232,711)
Total other financing uses	<u>(2,047,426)</u>	<u>(1,787,456)</u>	<u>(2,020,167)</u>	<u>(232,711)</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
Custodial Fund
September 30, 2022**

ASSETS

Cash and investments	\$ 3,147,727
Total assets	<u>\$ 3,147,727</u>

LIABILITIES

Due to other governments	\$ 3,147,727
Total liabilities	<u>\$ 3,147,727</u>

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

Indian River County, Florida
Tax Collector
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended September 30, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Property tax collections for other governments	\$ 188,338,216
License and tax collections due to state agencies	<u>32,427,796</u>
Total additions	<u>220,766,012</u>
 DEDUCTIONS	
Payments of property taxes to other governments	188,338,216
Payments of license and tax collections to state agencies	<u>32,427,796</u>
Total deductions	<u>220,766,012</u>
 Change in net position	 -
Net position, beginning of year	 <u>-</u>
Net position, end of year	 <u><u>\$ -</u></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, 2022

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 Custodial Fund, which is used to account for assets held by the Tax Collector as an fiduciary. The Custodial Fund 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, 2022

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 and Investments

Cash and investments 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Leases

The Tax Collector is a lessee for noncancellable leases of buildings and equipment. A lease liability and an intangible right-to-use asset are recognized in the County's government-wide financial statements. The lease liability is initially measured at the present value of the payments expected to be made during the lease term. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs, and is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include the determination of the (1) discount rate, (2) lease term, and (3) lease payments. The Tax Collector monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Additional information is provided in Note 8.

H. Unearned Revenues

Unearned revenues represent revenues which are available but not earned. The amount reported on the Tax Collector's balance sheet of \$92,182 represents prepaid vehicle registrations.

I. 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.

J. 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 \$2,221,710 at September 30, 2022, and are included as due to other governments on the balance sheet. Of this amount, \$2,020,167 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
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. 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.

L. New Accounting Pronouncement

The Tax Collector implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

NOTE 2 - CASH AND INVESTMENTS

A. Deposits

All bank 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. At September 30, 2022, the carrying amount of the Tax Collector's deposits was \$4,405,029 and the bank balance was \$4,764,143.

B. Investments

At September 30, 2022, the Tax Collector had investments with a balance of \$2,801,869. The Florida Prime had a balance of \$1,278,488 and weighted average maturity of 21 days. The Florida Cooperative Liquid Assets Securities System (FLCLASS) had a balance of \$1,523,381 and a weighted average maturity of 68 days.

Fair Value Measurement

The Tax Collector's investments in FLCLASS, an external local government investment pool organized under the laws of the State of Florida, are presented at Net Asset Value (NAV), which reflects fair value. The objectives of FLCLASS are to generate investment income while maintaining safety and liquidity.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - CASH AND INVESTMENTS - Continued

B. Investments - Continued

There were no unfunded commitments as of September 30, 2022. 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 December 2020. 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.

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.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 2 - CASH AND INVESTMENTS - Continued

C. Deposit and Investment Policy - Continued

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, 2022 the Florida PRIME 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 FLCLASS, which was held by Fifth Third Bank; and the Florida PRIME, which was held by BNY Mellon.

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, 2022 were: regular class 11.91%, senior management class 31.57%, DROP class 18.60%, and elected official class 57.00%. Included in these rates is a health insurance subsidy of 1.66%.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 4 - 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, 2022, the Tax Collector's actuarial contributions to FRS under the Pension Plan were \$357,500 and the Health Insurance Subsidy (HIS Program) were \$45,354. Employee contributions were \$72,846. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2022, the Division of Retirement calculated the Tax Collector's liability of \$2,964,511 for the FRS plan and \$793,732 for the HIS Program, for a total of \$3,758,243 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 4 - PENSION PLAN - Continued

Florida Retirement System - Continued

The Tax Collector's proportionate share 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, 2022, the Tax Collector's proportionate share was .007967% for the FRS Pension Plan and .007494% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 6.70%. 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.

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 6.70%. 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 (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Tax Collector's proportionate share of NPL	\$ 5,126,918	\$ 2,964,511	\$ 1,156,482

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
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

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 HIS Program: The following presents the Tax Collector's proportionate share of the NPL of the HIS Program calculated using the discount rate of 3.54%. 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 (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Tax Collector's proportionate share of NPL	\$ 908,095	\$ 793,732	\$ 699,099

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.

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 2022 annual contribution of \$23,659 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 2022 at an annual cost of \$639,086. Further details of this self-insurance program are discussed in the risk management note in the County-wide financial statements.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

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, 2022:

	Beginning Balance 10/1/2021	Additions	Deletions	Ending Balance 9/30/2022
Accrued Compensated Absences	<u>\$ 131,838</u>	<u>\$ 46,526</u>	<u>\$ 46,325</u>	<u>\$ 132,039</u>

Of the \$132,039 liability for accrued compensated absences, management estimates that \$21,360 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.

NOTE 8 - LEASES

The Tax Collector is involved in three agreements as a lessee that qualify as long-term lease agreements. These agreements qualify as intangible, right-to-use assets and not a financed purchase, as the Tax Collector will not own the assets at the end of the contract term and the noncancelable term of the agreement surpasses one year.

<u>Asset Type</u>	<u>Remaining Term of Agreements</u>
Mail Machine	15 months
Office Space	42 months

The assets acquired through the lease are summarized as follows:

Buildings	\$ 297,434
Equipment	6,802
Less accumulated amortization	<u>(118,761)</u>
Net book value	<u>\$ 185,475</u>

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2022

NOTE 8 - LEASES - Continued

The net present value of future minimum payments as of September 30, 2022, were as follows:

Year Ended	Principal	Interest
2023	\$ 67,286	\$ 3,143
2024	48,065	1,892
2025	48,176	933
2026	24,451	104
Total	<u>\$ 187,978</u>	<u>\$ 6,072</u>

Leases payable activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Leases payable	<u>\$ 304,236</u>	<u>\$ -</u>	<u>\$ (116,258)</u>	<u>\$ 187,978</u>	<u>\$ 67,286</u>

*The Tax Collector implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

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 9, 2023

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 remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 9, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.



Report on 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 9, 2023

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, 2022, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 9, 2023.

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 9, 2023, 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.



The Honorable Carole Jean Jordan
Tax Collector
March 9, 2023
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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 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 9, 2023

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, 2022.

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, 2022.

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

