

# **Indian River County Florida**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year**

**October 1, 2013 through September 30, 2014**

To accommodate the County's increasing population and to satisfy the need for more recreational services in the South County, the County completed the construction of four additional multi-purpose fields at the Richard N. "Dick" Bird / South County Regional Park located at 800 20<sup>th</sup> Avenue SW.

The newly-constructed, sodded fields will allow for multiple sports to be played including lacrosse, soccer and football, among others. A concession building, as well as additional parking and restroom facilities, was also built. A significant amount of utilities and earthwork were also a part of the construction, resulting in an overall improvement of drainage at the park.

# **INDIAN RIVER COUNTY, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
OCTOBER 1, 2013  
THROUGH  
SEPTEMBER 30, 2014**

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

Prepared By:  
Clerk of the Circuit Court Finance Department

Diane Bernardo, CPA  
Finance Director

**Indian River County, Florida**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Fiscal Year Ended September 30, 2014

**Board of County Commissioners as of September 30, 2014**

Peter D. O'Bryan  
*Chairman*  
Wesley S. Davis  
*Vice-Chairman*

Joseph E. Flescher  
Bob Solari  
Tim Zorc

**Current Board of County Commissioners (effective November 18, 2014)**

Wesley S. Davis  
*Chairman*  
Bob Solari  
*Vice-Chairman*

Joseph E. Flescher  
Peter D. O'Bryan  
Tim Zorc

**Constitutional Officers as of September 30, 2014**

Jeffrey R. Smith  
*Clerk of the Circuit Court and Comptroller*

David C. Nolte  
*Property Appraiser*

Leslie R. Swan  
*Supervisor of Elections*

Deryl Loar  
*Sheriff*

Carole Jean Jordan  
*Tax Collector*

**County Management**

Joseph A. Baird  
*County Administrator*

Dylan Reingold  
*County Attorney*

Michael Zito  
*Assistant County Administrator*

Jason Brown  
*Budget Director*

Chris Mora  
*Director of Public Works*

Stan Boling  
*Director of Community Development*

John W. King  
*Director of Emergency Services*

Vincent Burke  
*Director of Utilities*

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# **JEFFREY R. SMITH, CPA, CGFO, CGMA**

Clerk of Circuit Court & Comptroller

1801 27<sup>th</sup> Street

Vero Beach, FL 32960

Telephone: (772) 226-1945



March 6, 2015

To the Citizens of Indian River County:

The Comprehensive Annual Financial Report of Indian River County, Florida for the fiscal year ended September 30, 2014, 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 Finance Department 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 Finance Department 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 unqualified opinion of the auditors (Rehmann Robson, Certified Public Accountants) on the County's financial statements for the year ended September 30, 2014 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, the Federal Single Audit Act of 1984, the Federal Single Audit Act Amendments of 1996, and revised OMB Circular A-133.

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 fiscal control 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 funding for all Constitutional Offices is part of the County's General Fund, the Board does not have direct responsibility for their operations. Each office is run separately within each of its respective legal guidelines.

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

The Clerk of the Circuit Court and Comptroller (Clerk), Sheriff, and Supervisor of Elections submit proposed operating budgets to the Board prior to May 1. The Florida Department of Revenue receives budgets from the Property Appraiser prior to June 1 and from the Tax Collector prior to August 1. Once these budgets are approved, they are forwarded to the Board. The court-related function of the Clerk submits a budget to the Florida Clerks of Court Operations Corporation (CCOC) prior to 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 on or before July 15 of each year.

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

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

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

## **Local Economy**

Indian River County's population of 140,955 was a 1.0% increase over the previous year. While the population of the County has been steadily increasing, so has the median age of residents living here. 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. According to the University of Florida, Bureau of Economic and Business Research, persons aged 45-64 now make up the largest percentage of residents in the County, followed by persons aged 65+, 18-44, 0-17 respectively. The median age of Indian River County is 49.1 which is 20.6% above the State median age of 40.7 and 32.3% above the national median age of 37.1.

Historically, Indian River County's economy was made up of agriculture (citrus and cattle) and tourism. Those industries have been now been complimented with an increase in health care and information technology firms, light manufacturing, wholesale and retail trade and service sector jobs. The top three major employers in Indian River County, providing 9% of total County employees, are the School District, Indian River County Government and Indian River Medical Center. The unemployment rate decreased from 8.8% in 2013 to 7.9% in 2014.

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. INEOS New Planet BioEnergy opened a state of the art center in Indian River County. The facility converts low-cost organic materials such as household and vegetative waste into bioethanol for use as a renewable road transport fuel (ethanol) while generating renewable power for export to the local electricity grid. This new technology will reduce greenhouse gas emissions from cars and energy generation in addition to reducing the amount of waste going into our landfills. The Atlantic beaches and the Indian River, along with the comfortable climate, provide the basis for a year-round tourism industry. Residents can enjoy these resources at any of the County parks, the Sebastian Inlet State Park or the Pelican Island National Wildlife Refuge.

Indian River County is beginning to experience signs of improvement in the economy. Total property tax values increased slightly from \$12.7 billion in 2013 to \$12.8 billion in 2014. Construction activity saw a significant increase with 23% more building permits issued for additions and alterations in 2014 over 2013. Please see Statistical Schedules 6 and 17 for more information.

Although Indian River County is a major producer of citrus with approximately 32,820 acres dedicated to citrus production, production has decreased by 5.1% from 8.2 million boxes in 2013 to 7.8 million in 2014.

## **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 Program (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 six major capital projects included in the current CIP along with the source of funding and capital costs:

- **Fire/EMS Station 13** - Construction of an additional station is necessary to serve the expanding south county population. The Emergency Services District reserves will provide \$1.7 million with the remaining \$850,000 being funded by impact fees. The operating expense will be approximately \$2.1 million.
- **Osprey Marsh** - The County is constructing the second algal turf scrubber (ATS) system called the “Osprey Marsh” for the south relief canal. The ATS will remove dissolved nitrogen and phosphorous from the water and return the treated water back to the Indian River lagoon where it will enhance water quality and thereby support the resurgence of sea grasses in the lagoon. This project is a collaborative effort between the Utilities Department and the Stormwater Division. It is being funded through a combination of capacity charges, one cent sales tax and grants at an estimated cost of \$8.6 million.
- **South County Park – Phase III Improvements** - The expansion of this park is necessary to provide recreation facilities and programs to the growing population in the southern part of the County. A multi-purpose intergenerational facility will be constructed at a cost of \$6.9 million with impact fees and one cent sales tax providing the funding. Ad valorem tax proceeds and user fees as well as partnering agency contributions will fund increased operating costs which are estimated to be about \$118,000 per year.
- **66<sup>th</sup> Avenue Widening** – The widening of 66<sup>th</sup> Avenue from State Road 60 in Vero Beach to 49<sup>th</sup> Street is currently underway. This is one of the few main arterials connecting the north and south county areas and traffic has increased substantially on this road. Construction costs are over \$20 million. Funding is from traffic impact fees, gas taxes and grants. In the future, the County plans to expand 66<sup>th</sup> Avenue from 49<sup>th</sup> Street to the Sebastian City limits.
- **CR 510 - 70<sup>th</sup> Avenue to Indian River** – This roadway is scheduled for widening at an estimated cost of \$7.1 million for right of way and \$21 million for construction. Traffic impact fees, optional sales tax and gas taxes will provide the funding.
- **Segment II Landfill Closure** - Segment II of the landfill will reach capacity in FY 14-15. The County has been accruing the cash on an annual basis to cover the estimated \$4.5 million closure costs. State and Federal regulations required that the Solid Waste Disposal District (SWDD) provide funding for the closure and long-term maintenance costs of each segment of the landfill as capacity is used. The SWDD user fees provide the funding source. Operating costs for the new cell should remain about the same as for the current segment.



## **Relevant Financial Policies**

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

The secondary objective is to obtain competitive returns on the investment of County surplus funds. During fiscal year 2014, County investments had yields ranging from 0.05% to 0.70%. The overall annual yield of the portfolio as of September 30, 2014 was 0.30%.

On September 23, 2008, the County established the OPEB (Other Post-Employment Benefits) Trust. An OPEB investment policy was approved by the Board of County Commissioners on February 3, 2009 and revised on April 6, 2010. The objective was to establish an advisory committee and 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 change in net position for the OPEB Trust for the fiscal year was \$2.5 million. In addition, interest, dividend and mark-to-market adjustments resulted in net investment income of \$764,319. The OPEB Trust annual yield was 5.92%.

During FY 2014, the County approved a \$630,000 interfund loan from the general fund to the golf course fund for construction of a new irrigation system. This mechanism will provide funds at a relatively low interest rate for the golf course (1.0%) as well as provide increased interest earnings for the general fund.

The County's goal is to maintain an overall fund balance equal to 30% of the annual budget in all of its taxing funds, which provides a three month cushion for operating expenses. The three month reserve is necessary due to the timing of property tax levies in the State of Florida. Although the fiscal year begins in October, property tax monies are not typically received until mid to late December, which would require the County to operate in a deficit position for the first two months of the fiscal year without this reserve. Reserve funds are needed in order to allow the County to respond to events without facing serious financial burdens. County policy is to maintain fund balance levels and prohibit the use of fund balance to fund recurring expenses. Information on the County's fund balance policy can be found in County Note 19.

In September 2014, Fitch Rating Service affirmed three ratings on Indian River County:

- "AA+" on Spring Training Facility Revenue Bonds, Series 2001
- "A-" on Limited General Obligation Bonds, Series 2006
- "AAA" on implied unlimited tax general obligation

In summary, Indian River County completed the year financially strong and well positioned. In a time of a strained world-wide economy and low investment returns, the County stood committed to manage funds and services for its citizens.

## *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Indian River County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the 31<sup>st</sup> consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, Indian River County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2013-2014 fiscal year. This was the 23<sup>rd</sup> 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.

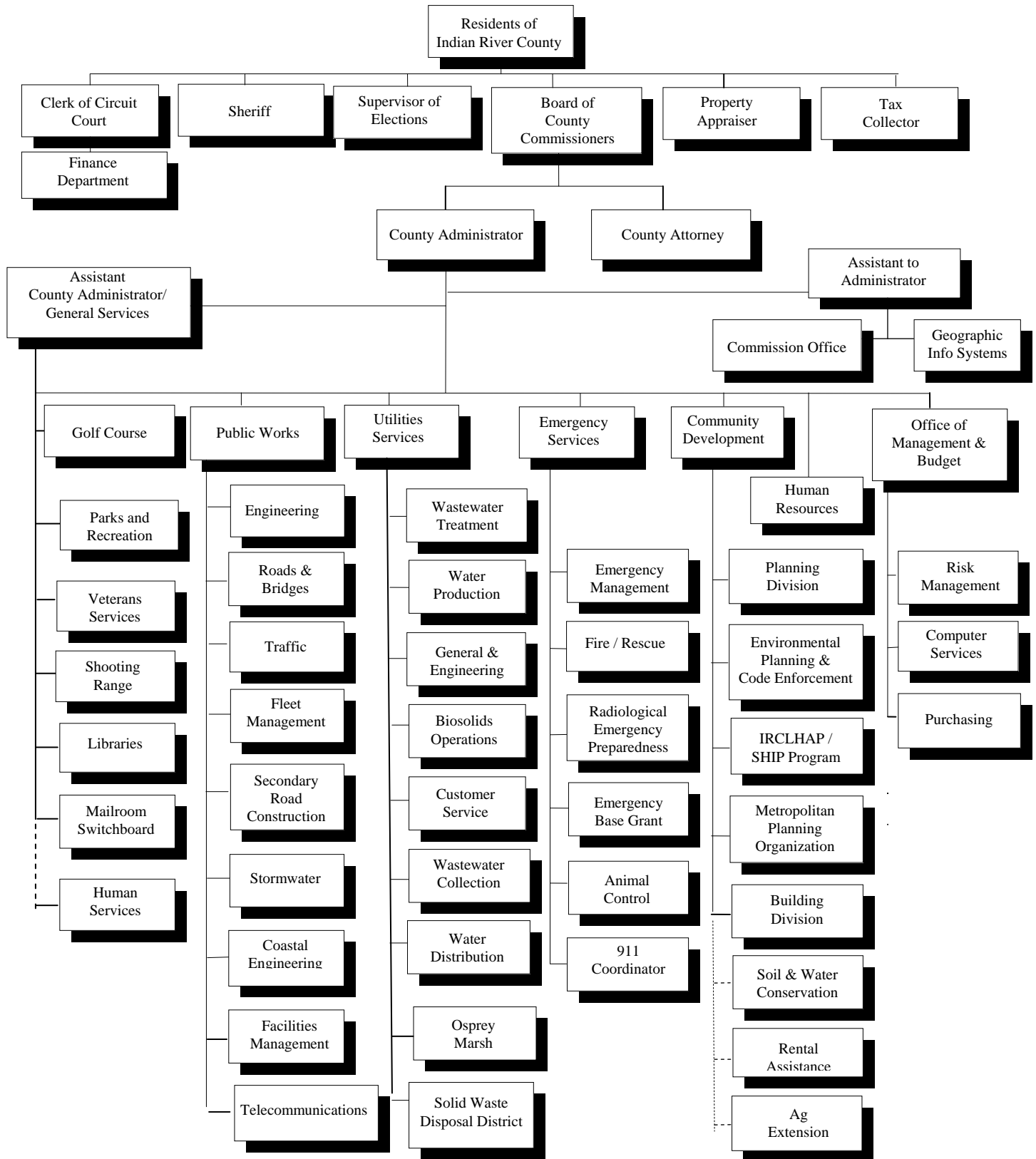
I would like to thank the entire staff of the Finance Department for their invaluable assistance in the preparation of this report. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and support in planning and 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 and the last name "Smith" following in a similar style.

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

## Indian River County BCC Departmental Organization





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Indian River County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of *Indian River County, Florida* (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of *Indian River County, Florida* as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Restatement of Beginning Net Position of Governmental Activities*

As described in Note 21B to the financial statements, the beginning net position of the governmental activities was restated (i.e., decreased) by \$15,488,462 to record accumulated depreciation not previously reported on capital assets. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of *Indian River County, Florida's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Rehmann Johnson LLC*





**Indian River County, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014**

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, 2014. 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-vi of this report.

**FINANCIAL HIGHLIGHTS**

- The County's overall financial position improved over 2013.
- The assets and deferred outflows of resources of the County exceeded its liabilities by \$1,003.9 million (net position). Of this amount, \$161.3 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$11.7 million. Governmental activities accounted for \$11.9 million of this increase while business-type activities accounted for a \$0.2 million decrease. Further information can found on page 8.
- Governmental activities expenses reflected a 2.6% decrease (\$151.6 million in 2013 to \$147.6 million in 2014) and business-type activities expenses reflected a 5.6% increase (\$48.3 million in 2013 to \$51.0 million in 2014). Further information can found on page 10.
- Unassigned fund balance for the general fund was \$48.3 million, or an 8.8% increase from the prior year general fund unassigned balance of \$44.4 million. Contributing to this increase was that in fiscal year 2014, the County no longer appropriated existing fund balance to balance the budget. In addition, there was a reclassification of committed fund balance for economic incentives to unassigned for local jobs grant funds that expired.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-wide financial statements**

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

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

**Indian River County, Florida**  
**Management's Discussion and Analysis**  
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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 21 and 23 of this report.

### **Fund financial statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 35 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, four special revenue funds, and one capital project fund. All are considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation.

**Indian River County, Florida**  
**Management's Discussion and Analysis**  
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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 103-153 of this report.

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

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, solid waste disposal district, golf course, and building department, which are considered to be major funds of the County. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements behind the notes to the financial statements on pages 155-159 of this report. The basic proprietary fund financial statements can be found on pages 37-43 of this report.

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

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-100 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. Required supplementary information can be found on page 101 of this report.

**Indian River County, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014**

**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 by \$1,003.9 million at the close of the fiscal year.

**Indian River County Net Position (In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 221.0	\$ 223.8	\$ 107.5	\$ 111.1	\$ 328.5	\$ 334.9
Capital assets	549.1	540.9	248.9	251.3	798.0	792.2
Total assets	<u>770.1</u>	<u>764.7</u>	<u>356.4</u>	<u>362.4</u>	<u>1,126.5</u>	<u>1,127.1</u>
Deferred outflows of resources	-	-	2.2	2.5	2.2	2.5
Total deferred outflows	<u>-</u>	<u>-</u>	<u>2.2</u>	<u>2.5</u>	<u>2.2</u>	<u>2.5</u>
Long-term liabilities	56.3	60.7	51.8	54.9	108.1	115.6
Other liabilities	10.0	12.1	6.7	9.7	16.7	21.8
Total liabilities	<u>66.3</u>	<u>72.8</u>	<u>58.5</u>	<u>64.6</u>	<u>124.8</u>	<u>137.4</u>
Net position:						
Net investment in capital assets	514.7	502.8	211.7	210.7	726.4	713.5
Restricted	116.2	117.3	-	20.9	116.2	138.2
Unrestricted	72.9	71.8	88.4	68.7	161.3	140.5
Total net position	<u>\$ 703.8</u>	<u>\$ 691.9</u>	<u>\$ 300.1</u>	<u>\$ 300.3</u>	<u>\$ 1,003.9</u>	<u>\$ 992.2</u>

The capital assets and net investment in capital assets for governmental activities for 2013 have been reduced by \$15.5 million to reflect the adjustment to beginning net position for accumulated depreciation not previously reported on some County assets. See Note 21B for further information on this restatement.

Overall, the County's net position increased \$11.7 million or 1%. Governmental activities net position increased by \$11.9 million and business-type activities decreased by \$0.2 million.

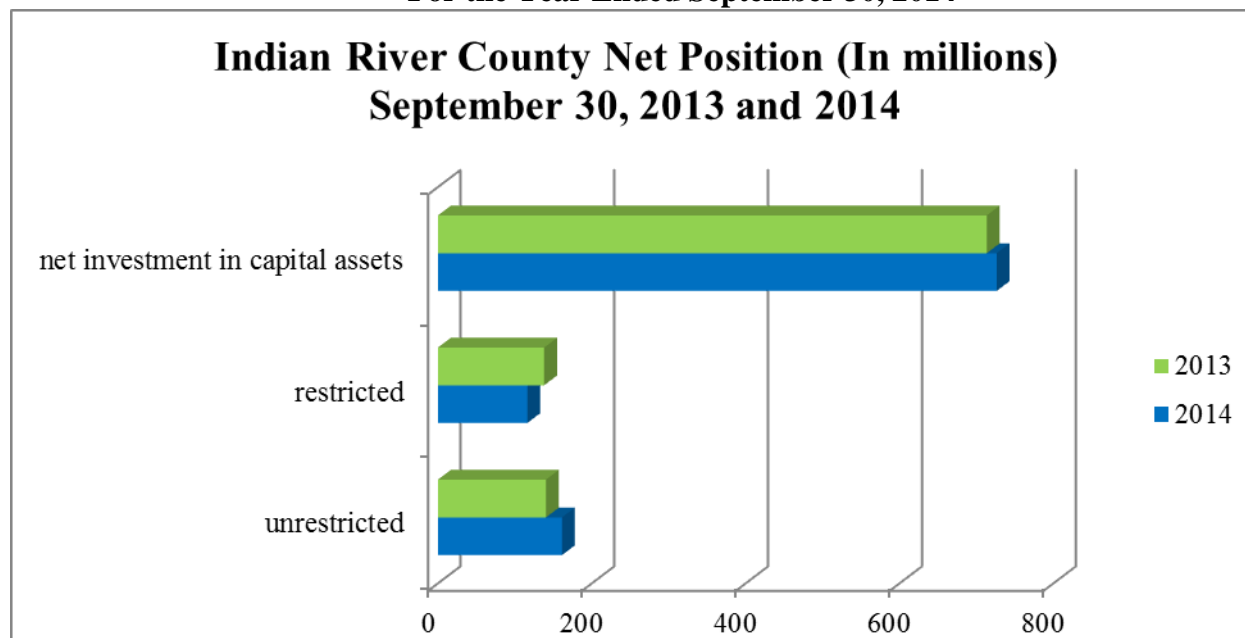
**Governmental Activities**

In governmental activities, the increase in unrestricted net position was due to the reduction of economic incentives and appropriation of fund balance from the prior year. The increase in net investment in capital assets and decrease in restricted net position was a result of road construction, recreational, and public safety projects.

**Business-type Activities**

In business-type activities, the increase in unrestricted net position and decrease in restricted net position was due to the reclassification of water and sewer capital projects funds previously reported as restricted. The decrease in net investment in capital assets was due to depreciation expense.

**Indian River County, Florida  
Management's Discussion and Analysis  
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By far, the largest portion of the County's net position (72% or \$726.4 million) reflects its investment in capital assets (e.g., land, buildings, infrastructure, intangibles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

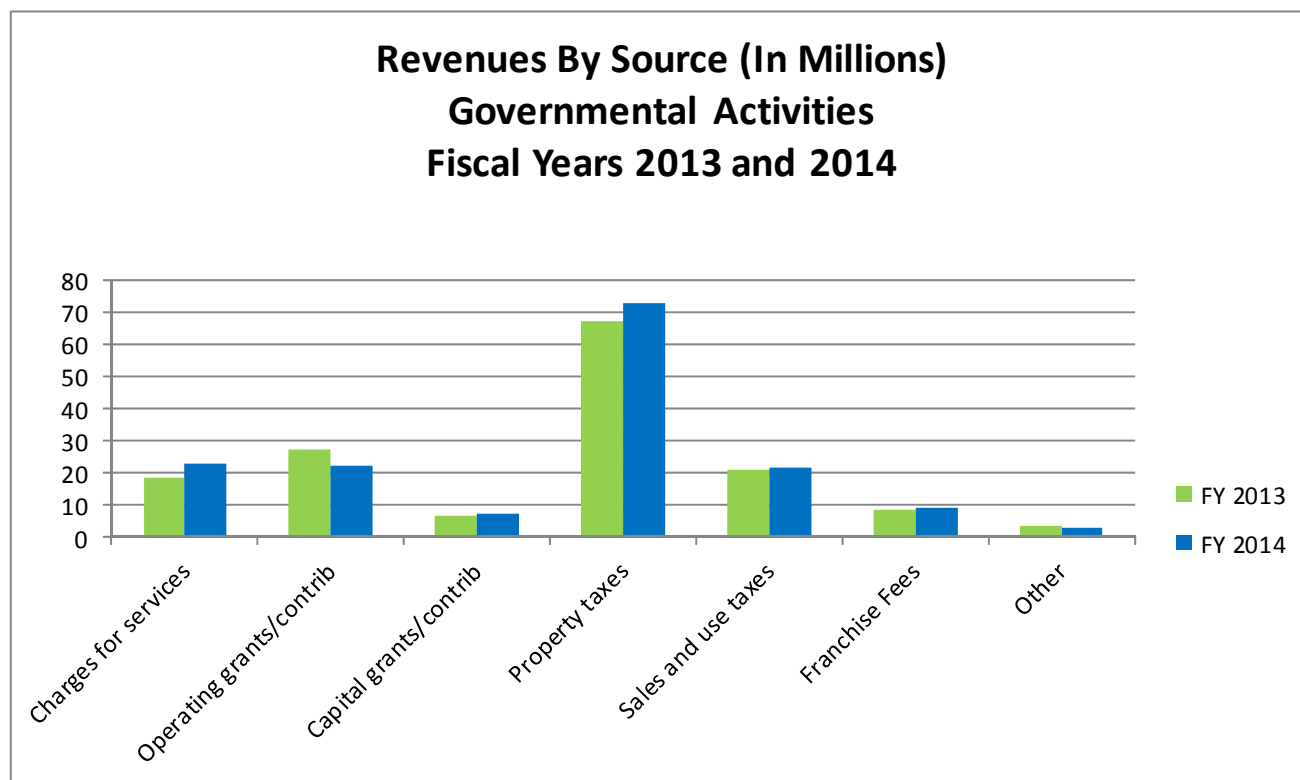
A portion of the County's net position (12% or \$116.2 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position (\$161.3 million) may be used to meet the government's ongoing obligations to citizens and creditors.

**Indian River County, Florida**  
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**Indian River County Changes in Net Position (In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 23.0	\$ 18.2	\$ 45.3	\$ 43.6	\$ 68.3	\$ 61.8
Operating grants/contributions	22.2	26.9	-	-	22.2	26.9
Capital grants/contributions	7.5	6.7	5.0	4.7	12.5	11.4
General revenues:						
Property taxes	72.7	67.0	-	-	72.7	67.0
Sales taxes	21.9	21.0	-	-	21.9	21.0
Franchise fees	9.3	8.8	-	-	9.3	8.8
Other	3.0	3.5	0.4	0.5	3.4	4.0
Total revenues	<u>159.6</u>	<u>152.1</u>	<u>50.7</u>	<u>48.8</u>	<u>210.3</u>	<u>200.9</u>
Expenses:						
General government	23.0	20.6	-	-	23.0	20.6
Public safety	66.9	66.2	-	-	66.9	66.2
Physical environment	1.0	1.9	-	-	1.0	1.9
Transportation	23.6	26.3	-	-	23.6	26.3
Economic environment	1.1	2.5	-	-	1.1	2.5
Human services	7.1	6.8	-	-	7.1	6.8
Culture/recreation	16.6	19.4	-	-	16.6	19.4
Court related	6.4	5.8	-	-	6.4	5.8
Interest and fiscal charges	1.9	2.1	-	-	1.9	2.1
Water and sewer	-	-	35.8	33.8	35.8	33.8
Solid waste	-	-	10.8	10.4	10.8	10.4
Golf course	-	-	2.6	2.5	2.6	2.5
Building	-	-	1.8	1.6	1.8	1.6
Total expenses	<u>147.6</u>	<u>151.6</u>	<u>51.0</u>	<u>48.3</u>	<u>198.6</u>	<u>199.9</u>
Increase (decrease) in net position before transfers	12.0	0.5	(0.3)	0.5	11.7	1.0
Transfers	<u>(0.04)</u>	<u>-</u>	<u>0.04</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	11.9	0.5	(0.2)	0.5	11.7	1.0
Net position – October 1, 2013	691.9	706.9	300.3	299.8	992.2	1,006.7
Adjustments to net position	<u>-</u>	<u>(15.5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15.5)</u>
Net position - September 30, 2014	<u>\$ 703.8</u>	<u>\$ 691.9</u>	<u>\$ 300.1</u>	<u>\$ 300.3</u>	<u>\$ 1,003.9</u>	<u>\$ 992.2</u>

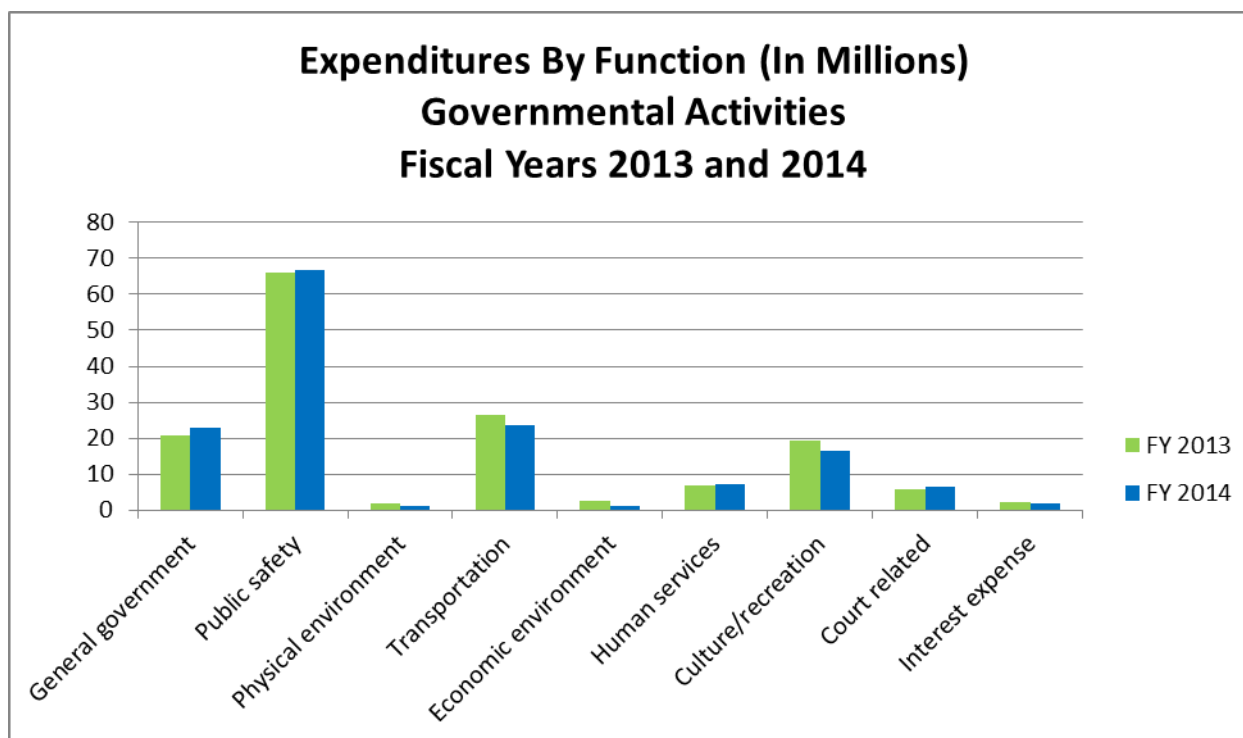
**Indian River County, Florida  
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**Governmental Activities**

- Overall program revenues increased \$0.9 million.
  - 1) Charges for services increase of \$4.8 million or 26% was offset by a \$4.7 million or 17% decrease in operating grants and contributions. In fiscal year 2014, \$2.3 million in court revenues distributed to the Clerk were reported as charges for services but had been reported as operating grants and contributions in prior fiscal years.
  - 2) The remaining \$2.5 million increase in charges for services was mainly the result of: a) ambulance services revenues recorded as a receivable based on generally accepted accounting principles guidance (\$1.0 million) and b) an increase in impact fee collections (\$1.1 million).
  - 3) Capital grants and contributions increased \$0.8 million due to the reimbursement from FEMA for a hurricane-related beach project.
- Overall general revenues increased by \$6.6 million mainly due to increased property tax values and tax rates (increase of \$5.7 million or 9%) and an increase in sales taxes (\$0.9 million or 4%).

**Indian River County, Florida  
Management's Discussion and Analysis  
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- The governmental activities expenses were \$4.0 million lower in 2014 than in 2013. Major decreases included: \$2.7 million in transportation expenses mainly due to the completion of road projects such as 53rd Street and the 66<sup>th</sup> Avenue road construction project, \$2.8 million in culture and recreation due to the prior year write off of a portion of a beach restoration project due to its asset impairment caused by Hurricane Sandy, and \$1.4 million in economic environment expenses related to the Neighborhood Stabilization grant programs. These decreases were offset by a \$2.4 million increase in general government expenses mainly due to increased commissions to the Property Appraiser and Tax Collector related to the tax roll (\$1.1 million) and an increase in the overall allocated internal service funds loss (\$0.5 million). Budget reductions resulted in an overall net decrease of \$0.5 million in public safety, physical environment, human services, court related, and interest expenses.

### **Business-type Activities**

Business-type activities net position decreased by \$0.2 million. Key elements of this decrease are as follows:

- Overall expenses were \$2.7 million or 6% higher in 2014 than in 2013. The water and sewer utilities expenses were \$2.0 million or 3% higher in 2014 than in 2013 due an increase in renewal and replacement costs. The solid waste expenses were \$0.4 million or 4% higher in 2014 than in 2013 due to increased engineering and depreciation costs. The golf course had \$0.1 million or 4% higher expenses in 2014 than in 2013 due to maintenance projects completed during the fiscal year. The building department had \$0.2 million or 13% higher expenses in 2014 than in 2013 due to staffing increases.



**Indian River County, Florida  
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- Overall program revenues increased \$2.0 million.
  - 1) Charges for services increased by \$1.7 million or 4%. A gradual improvement in the local economy has attributed to the following increases over 2013 revenues: water and sewer charges increased by \$1.0 million or 3%, solid waste revenues increased \$0.3 million or 3%, and the building revenues increased by \$0.4 million or 20%.
  - 2) Capital grants and contributions were \$0.3 million higher in 2014 than in 2013, an overall increase of 6% due to water and sewer developer contributions.
- Interest earnings decreased by \$0.2 million or 28% from the preceding year due to lower interest rates.

**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. Approximately 28% of this total amount (\$48.1 million) constitutes unassigned fund balance, which is available for spending at the County's discretion.

The remainder of fund balance is presented in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The County had fund balance in 1) a nonspendable category for inventories, prepaid items, and advances to other funds (\$1.1 million), 2) a restricted category for resources that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (\$113.3 million), 3) a committed category for constraints imposed by approval of ordinances and contracts by Board of County Commissioners (\$2.7 million), and 4) an assigned category for constraints by the County's intent to use for specific purposes (\$8.2 million).

The two largest restricted amounts are in the Impact Fees Fund with a \$15.1 million restricted fund balance and the Optional Sales Tax Fund with a \$54.0 million restricted fund balance. Fifty-eight percent of the Impact Fees Fund (\$8.7 million) and thirty-eight percent (\$20.5 million) of the Optional Sales Tax Fund is slated for major road expansions throughout the County.

The County's governmental funds reported a combined fund balance of \$173.4 million, which is an increase of \$0.8 million over the prior year of \$172.6 million. Contributing factors to the \$0.8 million increase in fund balance are:

- Fund balance in the General Fund increased by \$1.8 million. This increase was mainly due to the increased property taxes and reduced transfers due to the payoff of a portion of the Spring Training Bonds in the prior year.

**Indian River County, Florida  
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- In the Impact Fees Fund, fund balance decreased \$1.9 million. This was largely due to the \$4.3 million in transportation spending for major road construction and right-of-way purchases.
- Fund balance in the Optional Sales Tax Fund increased by \$1.6 million due to capital transportation grant reimbursements.
- Near completion of the CDBG Neighborhood Stabilization Program (nonmajor fund) resulted in a \$1.0 million decrease in expenditures.

**Proprietary funds**

Unrestricted net position at the end of the year amounted to \$12.9 million in the Solid Waste Disposal District (SWDD) Fund, (\$1.8) million in the Golf Course Fund, \$5.2 million in the County Building Fund, and \$72.2 million in the County Utilities Fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$6.8 million increase in operating appropriations between the original and final amended budget. The main components of the increase are as follows:

- \$3.2 million grants appropriations and prior year rollovers for the Senior Resource Association (SRA) to provide County-wide public transportation.
- \$0.8 million public safety vehicles and \$0.3 million various operating accounts
- \$0.4 million in various legal and consulting fees
- \$0.2 million in local jobs grants and economic development studies
- \$0.6 million renovations and computers at the three libraries, various parks, the shooting range and the fairgrounds
- \$0.3 million cost of living increases

Actual revenues were \$4.5 million higher than the final budget for the following reasons:

- \$1.0 million refund of prior period expenses
- \$1.0 million increase in water sewer, electric, gas, and solid waste franchise fees
- \$1.7 million additional funds received for SRA public transportation
- \$0.5 million additional sales taxes and state revenue sharing

Actual expenditures were \$2.7 million lower than anticipated for the following reasons:

- \$0.5 million lower than expected Department of Juvenile Justice and Medicaid expenses

**Indian River County, Florida  
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- \$0.2 million lower than expected Sheriff expenses
- \$0.7 million in unspent legal and consulting services expenditures
- \$0.3 million in unspent libraries, parks, and shooting range renovations

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$798.0 million (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings and improvements, intangibles, equipment, infrastructure and construction in progress. The overall decrease in the County's investment in capital assets for the current fiscal year was less than 1%.

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

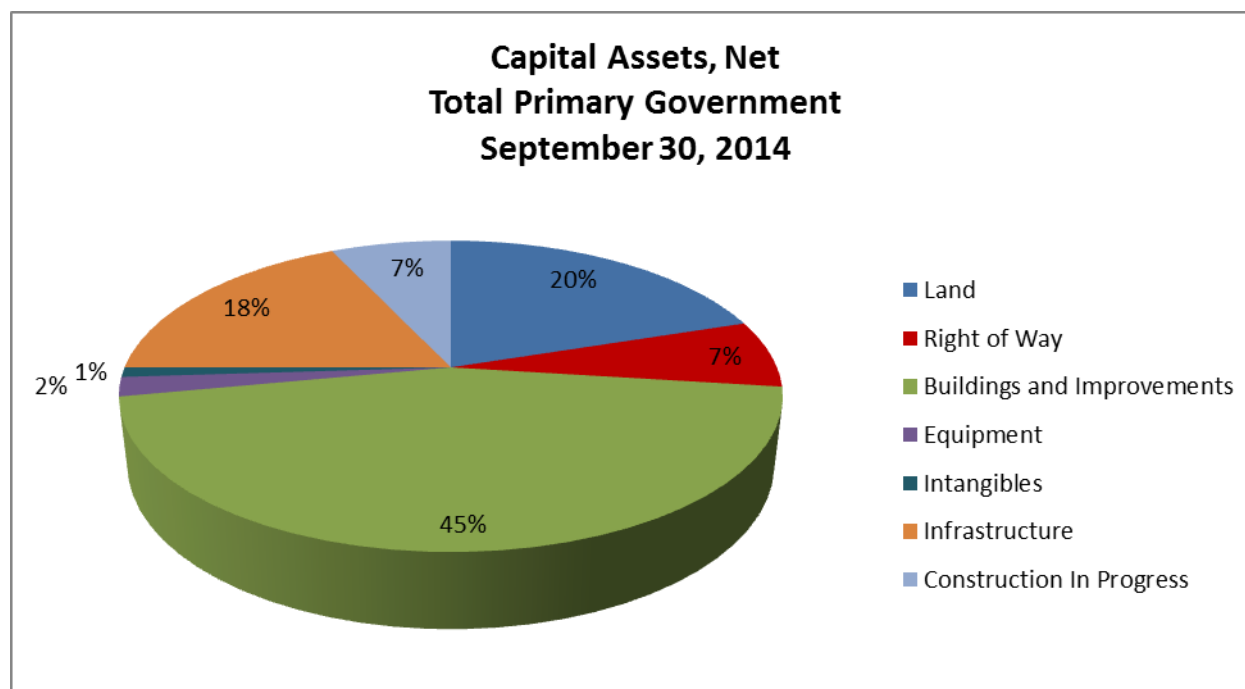
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 133.3	\$ 140.7	\$ 27.5	\$ 27.3	\$ 160.8	\$ 168.0
Right-of-way	56.8	55.7	-	-	56.8	55.7
Buildings and improvements	151.4	143.0	205.8	207.2	357.2	350.2
Equipment	12.7	12.1	2.4	1.6	15.1	13.7
Intangibles	2.4	1.4	1.9	1.8	4.3	3.2
Infrastructure	149.0	150.9	-	-	149.0	150.9
Construction in progress	43.5	36.9	11.3	13.4	54.8	50.3
Total	<u>\$ 549.1</u>	<u>\$ 540.7</u>	<u>\$ 248.9</u>	<u>\$ 251.3</u>	<u>\$ 798.0</u>	<u>\$ 792.0</u>

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

- An increase in construction in progress primarily due to the following continuing project costs: Osprey Marsh (\$2.3 million), the 66<sup>th</sup> Avenue road expansion project from SR60 to 49<sup>th</sup> Street (\$9.9 million), the 12<sup>th</sup> Street/ 27<sup>th</sup> Avenue intersection project (\$1.5 million), and the Oslo Road expansion project from 43rd Avenue to 58th Avenue (\$1.5 million).

The decrease in land was due to the transfer of assets previously reported in the land category to the buildings and improvements category.

**Indian River County, Florida  
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Additional information on the County's capital assets can be found in Note 6 on pages 70-72 of this report.

**Debt Administration – Long-term debt**

At the end of the current fiscal year, the County had total bonded debt outstanding of \$73.7 million. Of this amount, \$26.6 million is debt backed by the full faith and credit of the government. The revenue bonds represent bonds secured solely by specified revenue sources.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>General Obligation Debt:</u>						
Limited General Oblig., Series 2006	\$ 26.6	\$ 30.0	\$ -	\$ -	\$ 26.6	\$ 30.0
<u>Revenue Bonds:</u>						
Spring Training Facility, Series 2001	7.7	8.1	-	-	7.7	8.1
Water and Sewer Ref. Rev., Series 2005	-	-	16.3	18.0	16.3	18.0
Water and Sewer Ref. Rev., Series 2009	-	-	23.1	25.0	23.1	25.0
<b>Total</b>	<b>\$ 34.3</b>	<b>\$ 38.1</b>	<b>\$ 39.4</b>	<b>\$ 43.0</b>	<b>\$ 73.7</b>	<b>\$ 81.1</b>

Additional information on the County's long-term debt can be found in Note 13 on pages 77-85 of this report.

**Indian River County, Florida  
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For the Year Ended September 30, 2014**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County tax roll is increasing by approximately 4.5% from last year. This follows a slight increase last year, after several years of decline in the wake of the "Great Recession". During this time period, many County revenues declined such as: sales taxes, gas taxes, interest earnings, and user fees. Additionally, ad valorem revenues were cut by over \$33 million due to a 31% decline in the taxroll. Based upon Board direction, millage rates were essentially flat in an effort to reduce the tax burden on taxpayers already struggling through a difficult economy.

In order to achieve the necessary cuts in expenditures, all efforts were made to improve the efficiency of the organization. The County explored and enacted privatizations, re-negotiated existing contracts, paid down debt, and reduced staffing levels by about 27%. These measures resulted in a leaner, more efficient organization that is better prepared to provide services to the public at a reduced cost going forward.

In addition to the changes mentioned above, however, some temporary measures were needed to maintain the lower tax levies, such as the moderate use of fund balance and delayed replacement of capital items. As discussed in last year's budget message, the County began a two-year phase-out of fund balance usage. This plan will be completed in the proposed budget, which is fully balanced without the planned usage of fund balance in any taxing funds. The FY 2014/2015 budget also includes a substantial increase in funding for replacement capital items such as vehicles and heavy equipment. During the last few years, capital replacement was delayed wherever feasible. At this time, staff recommends that the County return to a sustainable replacement schedule for necessary capital equipment to provide essential services. These two proposals ensure that the County is adopting a structurally blended budget that will help maintain the long-term financial health of the County.

The increase in the tax roll for the next year provides approximately \$3.3 million in additional revenues. These funds have allowed for increased capital replacement funding and ending the use of fund balance as mentioned above. Staff recommends funding these changes prior to committing to additional operating expenditures.

The total proposed budget for FY 2014/2015 is \$260,379,973, a decrease of \$42,838,568 or 14.1% from the prior year. This represents a drop of 44.9% from the approved FY 2006/2007 amount of \$472,420,328.

The General Fund millage rate is increasing slightly primarily due to a funding increase for the Sheriff and the phase-out of fund balance usage. The M.S.T.U Fund and Emergency Services District millage rates remain the same as the current year and the Land Acquisition Fund millage is decreasing slightly. After accounting for the ad valorem increases proposed, the County's total ad valorem taxes are still down about \$24 million since FY 2006/2007 (from \$103.3 million to \$79.5 million).

The single greatest individual expense in the budget is Personnel Services. In total, eight (8) additional full-time (FT) positions are proposed for FY 14/15. BCC departments are increasing by seven (7) full-time positions, while Constitutional Officers show a net increase of one (1) position. This results in an additional cost of \$369,130 (BCC only). Many of these positions are being added to keep pace with increasing development. Four (4) out of the seven (7) BCC positions are in non-taxing funds.

**Indian River County, Florida  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014**

**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: Finance Department  
1801 27<sup>th</sup> Street  
Vero Beach, FL 32960

## **BASIC FINANCIAL STATEMENTS**





**Indian River County, Florida**  
**Statement of Net Position**  
**September 30, 2014**

	<b>Primary Government</b>		
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 198,790,613	\$ 52,339,853	\$ 251,130,466
Investments	881,718	-	881,718
Accounts receivable - net	2,176,099	2,506,038	4,682,137
Internal balances	1,652,820	(1,652,820)	-
Due from other governments	9,165,403	10,800	9,176,203
Interest receivable	257,930	537,209	795,139
Inventories	312,690	954,570	1,267,260
Prepaid expenses	1,323,837	162,204	1,486,041
Current restricted assets:			
Cash and cash equivalents	5,438,408	46,938,672	52,377,080
Total current assets	219,999,518	101,796,526	321,796,044
Non-current assets:			
Net other post employment benefits asset	795,367	-	795,367
Capital assets - non-depreciable	238,147,481	40,309,436	278,456,917
Capital assets - depreciable	592,527,772	445,697,937	1,038,225,709
Capital assets - accumulated depreciation	(281,571,672)	(237,159,092)	(518,730,764)
Non-current restricted assets:			
Special assessments receivable	236,705	692,133	928,838
Impact fees receivable	-	1,098,237	1,098,237
Liens receivable	-	3,902,046	3,902,046
Total non-current assets	550,135,653	254,540,697	804,676,350
Total assets	770,135,171	356,337,223	1,126,472,394
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refundings	-	2,245,798	2,245,798
Total deferred outflows of resources	-	2,245,798	2,245,798
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	7,401,313	2,981,562	10,382,875
Retainage payable	-	505,733	505,733
Claims payable	3,181,891	-	3,181,891
Due to other governments	720,428	24,935	745,363
Other deposits held in escrow	69,509	1,000	70,509
Unearned revenues	341,400	32,771	374,171
Accrued compensated absences	5,682,955	586,624	6,269,579
Pollution remediation costs payable	114,480	5,500	119,980
Current liabilities (payable from current restricted assets):			
Accounts payable	-	23,398	23,398
Retainage payable	1,277,230	31,410	1,308,640
Accrued interest payable	301,178	150,288	451,466
Customer deposits	-	2,942,511	2,942,511
Bonds payable	3,860,000	3,485,000	7,345,000
Total current liabilities	22,950,384	10,770,732	33,721,116
Non-current liabilities			
Accrued compensated absences	4,945,665	266,933	5,212,598
Pollution remediation costs payable	2,557,320	6,000	2,563,320
Claims payable	5,044,654	-	5,044,654
Due to other governments	316,173	-	316,173
Closure and maintenance costs payable	-	11,509,736	11,509,736
Bonds payable, net of premium and discount	30,479,265	35,948,889	66,428,154
Total non-current liabilities	43,343,077	47,731,558	91,074,635
Total liabilities	66,293,461	58,502,290	124,795,751
<b>NET POSITION</b>			
Net investment in capital assets	514,764,316	211,660,190	726,424,506
Restricted for:			
Transportation/road projects	23,710,353	-	23,710,353
Public safety	15,903,712	-	15,903,712
Court related costs	3,119,193	-	3,119,193
Housing assistance	1,055,724	-	1,055,724
Capital projects	54,795,400	-	54,795,400
Beach renourishment	6,313,199	-	6,313,199
Culture/recreation	7,038,407	-	7,038,407
Debt service	2,255,094	-	2,255,094
Environmental conservation/preservation	160,855	-	160,855
Special assessment projects	1,851,890	-	1,851,890
Unrestricted	72,873,567	88,420,541	161,294,108
Total net position	\$ 703,841,710	\$ 300,080,731	\$ 1,003,922,441

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



**Indian River County, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 22,968,835	\$ 5,895,424	\$ 12,890,813	\$ 21,200	\$ (4,161,398)	\$ -	\$ (4,161,398)
Public safety	66,954,956	8,025,849	1,189,325	-	(57,739,782)	-	(57,739,782)
Physical environment	1,031,710	20,970	51,222	162,850	(796,668)	-	(796,668)
Transportation	23,577,720	3,365,961	3,378,131	6,346,547	(10,487,081)	-	(10,487,081)
Economic environment	1,084,204	-	656,727	-	(427,477)	-	(427,477)
Human services	7,136,042	211,294	3,387,462	-	(3,537,286)	-	(3,537,286)
Culture/recreation	16,610,269	1,883,347	406,798	990,941	(13,329,183)	-	(13,329,183)
Court related	6,360,814	3,592,298	268,776	-	(2,499,740)	-	(2,499,740)
Interest and fiscal charges	1,944,229	-	-	-	(1,944,229)	-	(1,944,229)
Total governmental activities	147,668,779	22,995,143	22,229,254	7,521,538	(94,922,844)	-	(94,922,844)
Business-type activities:							
Water and sewer	35,821,287	29,565,901	-	5,014,715	-	(1,240,671)	(1,240,671)
Solid waste	10,801,408	10,272,415	-	17,327	-	(511,666)	(511,666)
Golf course	2,588,424	3,080,960	-	-	-	492,536	492,536
Building	1,833,528	2,417,724	-	-	-	584,196	584,196
Total business-type activities	51,044,647	45,337,000	-	5,032,042	-	(675,605)	(675,605)
<b>Total Primary Government</b>	<b>\$ 198,713,426</b>	<b>\$ 68,332,143</b>	<b>\$ 22,229,254</b>	<b>\$ 12,553,580</b>	<b>(94,922,844)</b>	<b>(675,605)</b>	<b>(95,598,449)</b>
General revenues:							
Property taxes, levied for general purposes					67,985,321	-	67,985,321
Property taxes, levied for debt service					4,730,556	-	4,730,556
Sales and use taxes					21,860,958	-	21,860,958
Franchise fees, levied on gross receipts					9,310,711	-	9,310,711
Interest earnings					542,542	381,497	924,039
Miscellaneous					2,459,033	331	2,459,364
Transfers					(44,000)	44,000	-
Total general revenues and transfers					106,845,121	425,828	107,270,949
Change in net position					11,922,277	(249,777)	11,672,500
Net position - beginning, as restated (Note 21B)					691,919,433	300,330,508	992,249,941
Net position - ending					<u>\$ 703,841,710</u>	<u>\$ 300,080,731</u>	<u>\$ 1,003,922,441</u>

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

**Indian River County, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**

	General	Impact Fees	Secondary Roads Construction
<b>ASSETS</b>			
Cash and cash equivalents	\$ 50,083,681	\$ 16,667,610	\$ 13,876,764
Investments	881,718	-	-
Accounts receivable	801,924	-	-
Special assessments receivable	-	-	-
Due from other funds	1,146,551	-	-
Due from other governments	2,205,776	821,626	352,425
Interest receivable	16,046	4,400	3,577
Inventories	103,234	-	-
Prepaid items	154,375	-	-
Advances to other funds	877,237	-	-
Total assets	<u>\$ 56,270,542</u>	<u>\$ 17,493,636</u>	<u>\$ 14,232,766</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,069,147	\$ 1,327,925	\$ 543,293
Retainage payable	-	275,248	58,951
Due to other funds	384,660	-	-
Due to other governments	552,172	-	-
Unearned revenues	308,973	-	-
Other deposits	29,215	-	-
Total liabilities	<u>4,344,167</u>	<u>1,603,173</u>	<u>602,244</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	247,510	769,770	-
Total deferred inflows of resources	<u>247,510</u>	<u>769,770</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	103,234	-	-
Prepaid items	154,375	-	-
Advances to other funds	877,237	-	-
<b>Restricted for:</b>			
Transportation/road improvements	-	8,708,193	13,630,522
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	593,856	-
Fire/emergency services	-	925,074	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	880,856	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Capital projects	-	764,673	-
Dodgertown repairs/improvements	-	-	-
Solid waste projects	-	24,990	-
Parks/recreational projects	1,000,000	3,223,051	-
<b>Committed to:</b>			
Economic incentives	1,195,907	-	-
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	3,501	-	-
Parks/recreational projects	23,775	-	-
<b>Assigned to:</b>			
Law enforcement/public safety	-	-	-
Transportation/road improvements	-	-	-
<b>Unassigned</b>	<u>48,320,836</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>51,678,865</u>	<u>15,120,693</u>	<u>13,630,522</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 56,270,542</u>	<u>\$ 17,493,636</u>	<u>\$ 14,232,766</u>

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

Transportation	Emergency Services District	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 8,252,215	\$ 9,972,157	\$ 50,764,237	\$ 22,132,501	\$ 171,749,165
-	-	-	-	881,718
3,440	1,022,872	-	23,410	1,851,646
236,705	-	-	-	236,705
-	224,758	12,525	56,313	1,440,147
265,728	12,365	4,824,189	615,016	9,097,125
147,363	2,812	13,714	4,632	192,544
-	-	-	19,688	122,922
-	-	-	19,649	174,024
-	-	-	-	877,237
<u>\$ 8,905,451</u>	<u>\$ 11,234,964</u>	<u>\$ 55,614,665</u>	<u>\$ 22,871,209</u>	<u>\$ 186,623,233</u>
\$ 483,924	\$ 650,268	\$ 452,272	\$ 646,395	\$ 7,173,224
1,740	-	838,915	102,376	1,277,230
-	-	-	274,500	659,160
-	-	-	10,169	562,341
1,636	14,633	-	16,158	341,400
-	-	-	40,294	69,509
<u>487,300</u>	<u>664,901</u>	<u>1,291,187</u>	<u>1,089,892</u>	<u>10,082,864</u>
382,066	-	-	-	382,066
-	1,022,807	-	-	1,022,807
-	-	317,741	384,915	1,719,936
<u>382,066</u>	<u>1,022,807</u>	<u>317,741</u>	<u>384,915</u>	<u>3,124,809</u>
-	-	-	19,688	122,922
-	-	-	19,649	174,024
-	-	-	-	877,237
-	-	-	-	22,338,715
-	-	-	3,107,277	3,107,277
-	-	-	1,055,191	1,055,191
-	-	-	3,305,261	3,899,117
-	9,547,256	-	-	10,472,330
-	-	-	333,232	333,232
-	-	-	6,036,795	6,036,795
-	-	-	1,211,506	1,211,506
-	-	-	44,716	925,572
-	-	-	160,855	160,855
-	-	-	1,851,890	1,851,890
-	-	-	2,352	2,352
-	-	-	2,556,272	2,556,272
-	-	54,005,737	-	54,770,410
-	-	-	296,766	296,766
-	-	-	-	24,990
-	-	-	-	4,223,051
-	-	-	-	1,195,907
-	-	-	1,132,735	1,132,735
-	-	-	360,194	363,695
-	-	-	-	23,775
-	-	-	103,610	103,610
8,036,085	-	-	-	8,036,085
-	-	-	(201,587)	48,119,249
<u>8,036,085</u>	<u>9,547,256</u>	<u>54,005,737</u>	<u>21,396,402</u>	<u>173,415,560</u>
<u>\$ 8,905,451</u>	<u>\$ 11,234,964</u>	<u>\$ 55,614,665</u>	<u>\$ 22,871,209</u>	<u>\$ 186,623,233</u>

**Indian River County, Florida**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Position of Governmental Activities**  
**September 30, 2014**

Total governmental fund balances:	\$ 173,415,560
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 fund.	548,719,042
Long-term liabilities, including bonds payable (\$34,339,265), accrued compensated absences (\$10,523,367), medicaid settlement funds payable (\$474,260) and accrued pollution remediation costs (\$2,671,800) are not due and payable in the current period and, therefore, are not reported in the fund.	(48,008,692)
Accrued general long-term debt interest expenses are not financial uses and, therefore, are not reported in the fund.	(301,178)
Special assessment, 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.	3,124,809
Accrued interest is not recognized in the current period because the resources are not available and, therefore, not reported in the fund.	48,675
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.	26,048,127
The OPEB asset resulting from contributions in excess of the annual required contribution is not a financial resource and, therefore, is not reported in the funds.	<u>795,367</u>
Net position of governmental activities	<u>\$ 703,841,710</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, 2014**

	<b>General</b>	<b>Impact Fees</b>	<b>Secondary Roads Construction</b>
<b>REVENUES</b>			
Taxes	\$ 49,346,756	\$ -	\$ 3,294,709
Permits, fees and special assessments	9,528,916	4,218,105	100,964
Intergovernmental	16,514,498	13,422	1,122,393
Charges for services	10,940,954	-	-
Judgments, fines and forfeits	459,812	-	-
Interest	197,947	7,320	31,566
Miscellaneous	2,187,650	190,519	111,612
Total revenues	<u>89,176,533</u>	<u>4,429,366</u>	<u>4,661,244</u>
<b>EXPENDITURES</b>			
Current:			
General government	18,686,324	689,176	-
Public safety	40,455,836	534,699	-
Physical environment	261,593	-	-
Transportation	4,031,930	4,268,358	4,399,329
Economic environment	404,504	-	-
Human services	3,494,670	-	-
Culture/recreation	8,172,881	681,144	-
Court related	5,737,238	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital projects	-	-	-
Total expenditures	<u>81,244,976</u>	<u>6,173,377</u>	<u>4,399,329</u>
Excess of revenues over (under) expenditures	7,931,557	(1,744,011)	261,915
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,704,663	-	258,613
Transfers out	(7,837,943)	(151,416)	-
Total other financing sources (uses)	<u>(6,133,280)</u>	<u>(151,416)</u>	<u>258,613</u>
Net change in fund balances	1,798,277	(1,895,427)	520,528
Fund balances at beginning of year	<u>49,880,588</u>	<u>17,016,120</u>	<u>13,109,994</u>
Fund balances at end of year	<u><u>\$ 51,678,865</u></u>	<u><u>\$ 15,120,693</u></u>	<u><u>\$ 13,630,522</u></u>

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



<b>Transportation</b>	<b>Emergency Services District</b>	<b>Optional Sales Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 20,064,393	\$ 15,228,304	\$ 6,651,183	\$ 94,585,345
131,486	-	50,482	291,436	14,321,389
2,796,760	82,765	3,689,417	6,344,395	30,563,650
102,237	5,480,257	-	1,553,440	18,076,888
-	11,000	-	533,562	1,004,374
32,346	37,085	109,649	47,361	463,274
410,768	20,547	63,080	237,372	3,221,548
3,473,597	25,696,047	19,140,932	15,658,749	162,236,468
287,856	-	-	1,018,214	20,681,570
-	25,103,305	-	1,705,827	67,799,667
408,339	-	-	111,374	781,306
10,375,143	-	-	246,488	23,321,248
-	-	-	702,382	1,106,886
-	-	-	3,683,872	7,178,542
-	-	-	2,773,261	11,627,286
-	-	-	750,668	6,487,906
-	-	-	3,700,000	3,700,000
-	-	-	1,984,616	1,984,616
-	-	16,560,991	-	16,560,991
11,071,338	25,103,305	16,560,991	16,676,702	161,230,018
(7,597,741)	592,742	2,579,941	(1,017,953)	1,006,450
7,657,704	-	-	471,664	10,092,644
(383,613)	(428,081)	(1,018,067)	(425,860)	(10,244,980)
7,274,091	(428,081)	(1,018,067)	45,804	(152,336)
(323,650)	164,661	1,561,874	(972,149)	854,114
8,359,735	9,382,595	52,443,863	22,368,551	172,561,446
\$ 8,036,085	\$ 9,547,256	\$ 54,005,737	\$ 21,396,402	\$ 173,415,560

**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, 2014**

Net change in fund balances - total governmental funds	\$	854,114
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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	27,952,771	
Less current year loss on assets	(45,603)	
Less current year depreciation	<u>(19,715,820)</u>	8,191,348

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

Bond principal payment	3,700,000	
Bond premium payment	93,224	
Medicaid settlement	158,082	
Pollution remediation costs	<u>55,600</u>	4,006,906

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

727,555

Governmental funds report interest and OPEB 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.

Accrued bond interest expense	40,387	
Accrued OPEB expense	<u>494,761</u>	535,148

Some revenues reported in the governmental funds have been recognized as revenues in the prior fiscal year in the statement of activities.

(8,510)

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.

(1,964,753)

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.

(423,777)

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.

4,246

Change in net position of governmental activities	\$	<u><u>11,922,277</u></u>
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The accompanying notes are an integral part of the financial statements.

**Indian River County, Florida**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 48,473,970	\$ 48,473,970	\$ 49,346,756	\$ 872,786
Permits, fees and special assessments	8,468,300	8,468,300	9,528,916	1,060,616
Intergovernmental	10,969,824	14,359,497	16,514,498	2,155,001
Charges for services	11,940,585	11,605,506	10,940,954	(664,552)
Judgments, fines and forfeits	317,300	317,300	459,812	142,512
Interest	246,000	246,000	197,947	(48,053)
Miscellaneous	946,059	1,161,211	2,187,650	1,026,439
Total revenues	81,362,038	84,631,784	89,176,533	4,544,749
<b>EXPENDITURES</b>				
Current:				
General government	18,338,853	19,461,566	18,686,324	775,242
Public safety	39,770,445	41,086,202	40,455,836	630,366
Physical environment	242,182	278,441	261,593	16,848
Transportation	932,311	4,201,571	4,031,930	169,641
Economic environment	372,021	414,756	404,504	10,252
Human services	3,830,419	3,930,475	3,494,670	435,805
Culture/recreation	7,981,284	8,803,952	8,172,881	631,071
Court related	5,641,921	5,782,074	5,737,238	44,836
Total expenditures	77,109,436	83,959,037	81,244,976	2,714,061
Excess of revenues over (under) expenditures	4,252,602	672,747	7,931,557	7,258,810
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	198,004	1,730,420	1,704,663	(25,757)
Transfers out	(7,810,564)	(7,843,307)	(7,837,943)	5,364
Total other financing sources (uses)	(7,612,560)	(6,112,887)	(6,133,280)	(20,393)
Net change in fund balances	(3,359,958)	(5,440,140)	1,798,277	\$ 7,238,417
Fund balances at beginning of year	3,359,958	5,440,140	49,880,588	
Fund balances at end of year	\$ -	\$ -	\$ 51,678,865	

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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Permits, fees and special assessments	\$ 2,162,200	\$ 2,162,200	\$ 4,218,105	\$ 2,055,905
Intergovernmental	-	284,338	13,422	(270,916)
Interest	117,750	117,750	7,320	(110,430)
Miscellaneous	325	325	190,519	190,194
Total revenues	<u>2,280,275</u>	<u>2,564,613</u>	<u>4,429,366</u>	<u>1,864,753</u>
<b>EXPENDITURES</b>				
Current:				
General government	712,620	860,463	689,176	171,287
Public safety	190,000	1,754,979	534,699	1,220,280
Physical environment	26,000	26,000	-	26,000
Transportation	1,721,220	11,193,103	4,268,358	6,924,745
Culture/recreation	656,455	3,824,396	681,144	3,143,252
Total expenditures	<u>3,306,295</u>	<u>17,658,941</u>	<u>6,173,377</u>	<u>11,485,564</u>
Excess of revenues under expenditures	(1,026,020)	(15,094,328)	(1,744,011)	13,350,317
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(151,417)	(151,416)	1
Total other financing sources (uses)	<u>-</u>	<u>(151,417)</u>	<u>(151,416)</u>	<u>1</u>
Net change in fund balances	(1,026,020)	(15,245,745)	(1,895,427)	<u>\$ 13,350,318</u>
Fund balances at beginning of year	<u>1,026,020</u>	<u>15,245,745</u>	<u>17,016,120</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,120,693</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**  
**Secondary Roads Construction Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 3,151,048	\$ 3,151,048	\$ 3,294,709	\$ 143,661
Permits, fees and special assessments	-	-	100,964	100,964
Intergovernmental	-	2,263,975	1,122,393	(1,141,582)
Interest	38,000	38,000	31,566	(6,434)
Miscellaneous	976	53,854	111,612	57,758
Total revenues	<u>3,190,024</u>	<u>5,506,877</u>	<u>4,661,244</u>	<u>(845,633)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>7,994,150</u>	<u>14,464,023</u>	<u>4,399,329</u>	<u>10,064,694</u>
Total expenditures	<u>7,994,150</u>	<u>14,464,023</u>	<u>4,399,329</u>	<u>10,064,694</u>
Excess of revenues over (under) expenditures	(4,804,126)	(8,957,146)	261,915	9,219,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>275,000</u>	<u>258,613</u>	<u>(16,387)</u>
Total other financing sources (uses)	<u>-</u>	<u>275,000</u>	<u>258,613</u>	<u>(16,387)</u>
Net change in fund balances	(4,804,126)	(8,682,146)	520,528	<u>\$ 9,202,674</u>
Fund balances at beginning of year	<u>4,804,126</u>	<u>8,682,146</u>	<u>13,109,994</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,630,522</u>	

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

**Indian River County, Florida**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Transportation Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Permits, fees and special assessments	\$ 123,500	\$ 123,500	\$ 131,486	\$ 7,986
Intergovernmental	2,464,828	2,464,828	2,796,760	331,932
Charges for services	96,425	96,425	102,237	5,812
Interest	47,500	47,500	32,346	(15,154)
Miscellaneous	875,956	879,037	410,768	(468,269)
Total revenues	<u>3,608,209</u>	<u>3,611,290</u>	<u>3,473,597</u>	<u>(137,693)</u>
<b>EXPENDITURES</b>				
Current:				
General government	271,491	346,565	287,856	58,709
Physical environment	577,851	596,633	408,339	188,294
Transportation	11,539,797	12,825,514	10,375,143	2,450,371
Total expenditures	<u>12,389,139</u>	<u>13,768,712</u>	<u>11,071,338</u>	<u>2,697,374</u>
Excess of revenues under expenditures	(8,780,930)	(10,157,422)	(7,597,741)	2,559,681
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,657,704	7,657,704	7,657,704	-
Transfers out	-	(400,000)	(383,613)	16,387
Total other financing sources (uses)	<u>7,657,704</u>	<u>7,257,704</u>	<u>7,274,091</u>	<u>16,387</u>
Net change in fund balances	(1,123,226)	(2,899,718)	(323,650)	<u>\$ 2,576,068</u>
Fund balances at beginning of year	<u>1,123,226</u>	<u>2,899,718</u>	<u>8,359,735</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,036,085</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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 19,742,353	\$ 19,742,353	\$ 20,064,393	\$ 322,040
Intergovernmental	42,750	60,189	82,765	22,576
Charges for services	4,666,226	4,766,226	5,480,257	714,031
Judgments, fines and forfeits	2,850	2,850	11,000	8,150
Interest	73,625	73,625	37,085	(36,540)
Miscellaneous	122,371	122,371	20,547	(101,824)
Total revenues	<u>24,650,175</u>	<u>24,767,614</u>	<u>25,696,047</u>	<u>928,433</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>25,245,666</u>	<u>26,139,776</u>	<u>25,103,305</u>	<u>1,036,471</u>
Total expenditures	<u>25,245,666</u>	<u>26,139,776</u>	<u>25,103,305</u>	<u>1,036,471</u>
Excess of revenues over (under) expenditures	(595,491)	(1,372,162)	592,742	1,964,904
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(425,395)</u>	<u>(430,819)</u>	<u>(428,081)</u>	<u>2,738</u>
Total other financing sources (uses)	<u>(425,395)</u>	<u>(430,819)</u>	<u>(428,081)</u>	<u>2,738</u>
Net change in fund balances	(1,020,886)	(1,802,981)	164,661	<u>\$ 1,967,642</u>
Fund balances at beginning of year	<u>1,020,886</u>	<u>1,802,981</u>	<u>9,382,595</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,547,256</u>	

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





**Indian River County, Florida**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**September 30, 2014**

	Business-type Activities - Enterprise funds					Governmental Activities Internal Service Funds
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 10,470,647	\$ 8,528	\$ 36,525,585	\$ 5,335,093	\$ 52,339,853	\$ 32,479,856
Accounts receivable - net	122,963	-	2,383,075	-	2,506,038	324,453
Due from other funds	89,468	-	-	-	89,468	1,596
Due from other governments	-	10,800	-	-	10,800	68,278
Interest receivable	7,927	192	526,182	2,908	537,209	16,711
Inventories	-	57,791	896,779	-	954,570	189,768
Prepaid items	-	395	160,838	971	162,204	1,149,813
Current restricted assets:						
Cash and cash equivalents	14,796,093	-	32,142,579	-	46,938,672	-
Total current assets	25,487,098	77,706	72,635,038	5,338,972	103,538,814	34,230,475
Non-current assets:						
Capital assets - non-depreciable	13,359,177	7,774,283	19,175,976	-	40,309,436	-
Capital assets - depreciable	31,304,613	2,346,803	411,680,098	366,423	445,697,937	2,393,687
Capital assets - accumulated depreciation	(10,458,217)	(1,965,309)	(224,405,359)	(330,207)	(237,159,092)	(2,009,148)
Non-current restricted assets:						
Special assessments receivable	-	-	692,133	-	692,133	-
Impact fees receivable	-	-	1,098,237	-	1,098,237	-
Liens receivable	-	-	3,902,046	-	3,902,046	-
Total non-current assets	34,205,573	8,155,777	212,143,131	36,216	254,540,697	384,539
Total assets	59,692,671	8,233,483	284,778,169	5,375,188	358,079,511	34,615,014
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amounts on refundings	-	-	2,245,798	-	2,245,798	-
Total deferred outflows of resources	-	-	2,245,798	-	2,245,798	-
<b>LIABILITIES</b>						
Current liabilities (payable from current assets):						
Accounts payable	893,214	13,385	2,010,722	64,241	2,981,562	228,089
Retainage payable	-	58,400	447,333	-	505,733	-
Due to other funds	-	865,051	-	-	865,051	7,000
Claims payable	-	-	-	-	-	3,181,891
Due to other governments	-	6,145	-	18,790	24,935	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	32,771	-	-	32,771	-
Pollution remediation costs payable	-	-	5,500	-	5,500	-
Accrued compensated absences	40,365	20,536	467,967	57,756	586,624	54,327
Total current liabilities (payable from current assets)	933,579	997,288	2,931,522	140,787	5,003,176	3,471,307
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	23,398	-	23,398	-
Retainage payable	-	-	31,410	-	31,410	-
Accrued interest payable	-	-	150,288	-	150,288	-
Bonds payable	-	-	3,485,000	-	3,485,000	-
Customer deposits	133,626	-	2,808,885	-	2,942,511	-
Total current liabilities (payable from restricted assets)	133,626	-	6,498,981	-	6,632,607	-
Total current liabilities	1,067,205	997,288	9,430,503	140,787	11,635,783	3,471,307
Non-current liabilities:						
Accrued compensated absences	8,454	39,394	199,057	20,028	266,933	50,926
Advance from other funds	-	877,237	-	-	877,237	-
Claims payable	-	-	-	-	-	5,044,654
Pollution remediation costs payable	-	-	6,000	-	6,000	-
Closure and maintenance costs payable	11,509,736	-	-	-	11,509,736	-
Bonds payable - net of unamortized discount/premium	-	-	35,948,889	-	35,948,889	-
Total non-current liabilities	11,518,190	916,631	36,153,946	20,028	48,608,795	5,095,580
Total liabilities	12,585,395	1,913,919	45,584,449	160,815	60,244,578	8,566,887
<b>NET POSITION</b>						
Net investment in capital assets	34,205,573	8,155,777	169,262,624	36,216	211,660,190	384,539
Unrestricted	12,901,703	(1,836,213)	72,176,894	5,178,157	88,420,541	25,663,588
Total net position	\$ 47,107,276	\$ 6,319,564	\$ 241,439,518	\$ 5,214,373	\$ 300,080,731	\$ 26,048,127

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, 2014**

	<b>Business-type Activities -</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 10,272,415	\$ 3,080,960
Charges for services pledged as security for revenue bonds	-	-
Total operating revenues	10,272,415	3,080,960
<b>OPERATING EXPENSES</b>		
Personal services	534,751	501,566
Material, supplies, services and other operating	9,337,279	1,833,079
Depreciation	929,378	208,949
Total operating expenses	10,801,408	2,543,594
Operating income (loss)	(528,993)	537,366
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	109,251	1,981
Interest income pledged as security for revenue bonds	-	-
Gain on disposal of equipment	-	330
Interest expense	-	(44,830)
Bond amortization expense	-	-
Loss on disposal of equipment	-	-
Total nonoperating revenues (expenses)	109,251	(42,519)
Income (loss) before transfers and capital grants and contributions	(419,742)	494,847
Capital grants	-	-
Capital contributions	61,327	-
Transfers	(75,414)	-
Change in net position	(433,829)	494,847
Total net position - beginning	47,541,105	5,824,717
Total net position - ending	\$ 47,107,276	\$ 6,319,564

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

<b>Enterprise Funds</b>			<b>Governmental</b>
<b>County</b>	<b>County</b>		<b>Activities -</b>
<b>Utilities</b>	<b>Building</b>	<b>Total</b>	<b>Internal</b>
			<b>Service Funds</b>
\$ -	\$ 2,417,724	\$ 15,771,099	\$ 22,543,318
29,565,901	-	29,565,901	-
29,565,901	2,417,724	45,337,000	22,543,318
7,609,569	1,183,025	9,828,911	3,940,425
11,776,672	636,517	23,583,547	20,618,835
14,432,329	13,986	15,584,642	176,169
33,818,570	1,833,528	48,997,100	24,735,429
(4,252,669)	584,196	(3,660,100)	(2,192,111)
-	11,525	122,757	75,022
258,740	-	258,740	-
-	1	331	-
(1,929,183)	-	(1,974,013)	-
(24,209)	-	(24,209)	-
(49,325)	-	(49,325)	-
(1,743,977)	11,526	(1,665,719)	75,022
(5,996,646)	595,722	(5,325,819)	(2,117,089)
310,239	-	310,239	-
4,704,476	-	4,765,803	158,653
75,414	-	-	152,336
(906,517)	595,722	(249,777)	(1,806,100)
242,346,035	4,618,651	300,330,508	27,854,227
\$ 241,439,518	\$ 5,214,373	\$ 300,080,731	\$ 26,048,127

**Indian River County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	<b>Business-type Activities -</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 10,320,178	\$ 3,083,187
Cash paid to suppliers for goods and services	(9,306,535)	(1,865,212)
Cash paid to employees for services	(524,959)	(493,774)
Net cash provided by (used in) operating activities	<u>488,684</u>	<u>724,201</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers	-	-
Payments on advances from other funds	-	(585,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(585,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments - bonds/notes	-	-
Payments on advances from other funds	-	(56,322)
Proceeds from advances from other funds	-	630,000
Interest paid on long-term debt	-	(43,527)
Proceeds from sales of capital assets	-	330
Purchase of capital assets	(216,891)	(1,120,928)
Bond paying agent fees	-	(973)
Capital contributed by others	-	-
Net cash flows provided by (used in) capital and related financing activities	<u>(216,891)</u>	<u>(591,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends on investments	<u>111,082</u>	<u>2,212</u>
Net cash provided by investing activities	<u>111,082</u>	<u>2,212</u>
Net increase (decrease) in cash and cash equivalents	382,875	(450,007)
Cash and cash equivalents at beginning of year	<u>24,883,865</u>	<u>458,535</u>
Cash and cash equivalents at end of year	<u>\$ 25,266,740</u>	<u>\$ 8,528</u>
Classified as:		
Current assets	\$ 10,470,647	\$ 8,528
Restricted assets	<u>14,796,093</u>	<u>-</u>
Total	<u>\$ 25,266,740</u>	<u>\$ 8,528</u>

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

Enterprise Funds			Governmental
County	County	Total	Activities -
Utilities	Building		Internal
			Service Funds
\$ 29,043,372	\$ 2,417,724	\$ 44,864,461	\$ 22,395,656
(14,244,858)	(612,392)	(26,028,997)	(20,294,226)
(7,574,925)	(1,196,328)	(9,789,986)	(3,888,999)
<u>7,223,589</u>	<u>609,004</u>	<u>9,045,478</u>	<u>(1,787,569)</u>
-	-	-	152,336
-	-	(585,000)	(310,000)
-	-	(585,000)	(157,664)
(3,350,000)	-	(3,350,000)	-
-	-	(56,322)	-
-	-	630,000	-
(1,937,449)	-	(1,980,976)	-
-	1	331	-
(10,031,448)	(19,714)	(11,388,981)	(188,656)
(2,900)	-	(3,873)	-
3,259,071	-	3,259,071	-
<u>(12,062,726)</u>	<u>(19,713)</u>	<u>(12,890,750)</u>	<u>(188,656)</u>
287,171	11,772	412,237	80,029
<u>287,171</u>	<u>11,772</u>	<u>412,237</u>	<u>80,029</u>
(4,551,966)	601,063	(4,018,035)	(2,053,860)
73,220,130	4,734,030	103,296,560	34,533,716
<u>\$ 68,668,164</u>	<u>\$ 5,335,093</u>	<u>\$ 99,278,525</u>	<u>\$ 32,479,856</u>
\$ 36,525,585	\$ 5,335,093	\$ 52,339,853	\$ 32,479,856
32,142,579	-	46,938,672	-
<u>\$ 68,668,164</u>	<u>\$ 5,335,093</u>	<u>\$ 99,278,525</u>	<u>\$ 32,479,856</u>

Continued

**Indian River County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	<b>Business-type Activities -</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (528,993)	\$ 537,366
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	929,378	208,949
WIP reclassified as expense	-	-
(Increase) Decrease in assets:		
Accounts receivable	33,694	-
Due from other funds	11,569	-
Due from other governments	-	200
Inventories	-	(2,708)
Impact fees receivable	-	-
Special assessments receivable	-	-
Liens receivable	-	-
Prepaid expenses	-	200
Increase (Decrease) in liabilities:		
Accounts payable	(467,256)	(28,483)
Due to other governments	-	(1,142)
Retainage payable	-	-
Customer deposits	2,500	-
Closure and maintenance costs payable	498,000	-
Pollution remediation costs payable	-	-
Unearned revenues	-	2,027
Claims payable	-	-
Accrued compensated absences	9,792	7,792
Total adjustments	1,017,677	186,835
Net cash provided by (used in) operating activities	\$ 488,684	\$ 724,201
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ 2,259	\$ 55
Contributed property, infrastructure, and equipment	\$ 61,327	\$ -
Capital assets purchased through accounts payable	\$ 18,207	\$ -

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

Enterprise Funds			Governmental
County	County	Total	Activities -
Utilities	Building		Internal
			Service Funds
\$ (4,252,669)	\$ 584,196	\$ (3,660,100)	\$ (2,192,111)
14,432,329	13,986	15,584,642	176,169
170,712	-	170,712	-
94,488	-	128,182	(190,221)
-	-	11,569	(1,595)
349,638	-	349,838	44,154
(47,874)	-	(50,582)	(12,808)
(322,413)	-	(322,413)	-
145,635	-	145,635	-
(746,494)	-	(746,494)	-
57,719	(971)	56,948	76,210
129,110	21,610	(345,019)	108,662
(2,827,524)	3,486	(2,825,180)	-
48,671	-	48,671	-
(43,383)	-	(40,883)	-
-	-	498,000	-
1,000	-	1,000	-
-	-	2,027	-
-	-	-	152,545
34,644	(13,303)	38,925	51,426
11,476,258	24,808	12,705,578	404,542
\$ 7,223,589	\$ 609,004	\$ 9,045,478	\$ (1,787,569)
\$ 9,482	\$ 829	\$ 12,625	\$ 4,764
\$ 1,755,644	\$ -	\$ 1,816,971	\$ 158,653
\$ 752,778	\$ -	\$ 770,985	\$ -

**Indian River County, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2014**

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,484,243	\$ -
Investments, at fair value:		
Index funds	-	6,983,499
U.S. government securities funds	-	5,860,758
Primary money market fund	-	1,194,575
Total assets	<u>\$ 13,484,243</u>	<u>\$ 14,038,832</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 419,713	\$ -
Due to other governments	4,644,941	-
Other deposits held in escrow	8,419,589	-
Total liabilities	<u>\$ 13,484,243</u>	<u>-</u>
<b>NET POSITION</b>		
Assets held in trust for other postemployment benefits		14,038,832
Total net position		<u>\$ 14,038,832</u>

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



**Indian River County, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Other Post Employment Benefits Trust Fund**  
**For the Year Ended September 30, 2014**

**ADDITIONS**

Employer contributions	\$ 3,426,879
Investment income	765,759
Investment expense	<u>(1,440)</u>
Total additions	<u>4,191,198</u>

**DEDUCTIONS**

Benefits payments	<u>1,724,334</u>
Total deductions	<u>1,724,334</u>

Change in net position	2,466,864
Net position - beginning	<u>11,571,968</u>
Net position - ending	<u><u>\$ 14,038,832</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, 2014

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**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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 140,955. 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 County applies all GASB Pronouncements in the preparation of the financial statements of the enterprise funds as well as all FASB and AICPA Pronouncements. 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. 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 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.

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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**A. Reporting Entity – Continued**

Blended Component Units

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

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

**B. Measurement Focus and Basis of Accounting**

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

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

**1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**B. Measurement Focus and Basis of Accounting - Continued**

**1. Government-wide Financial Statements - Continued**

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

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

**2. Fund Financial Statements**

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

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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**B. Measurement Focus and Basis of Accounting - Continued**

**2. Fund Financial Statements - Continued**

**Governmental Funds - Continued**

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

Non-current portions of special assessments due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Non-current portions of notes receivable and advances to other funds are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent 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 noncurrent) 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 fund operating revenues 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 result from non-exchange transactions or ancillary activities (for example, interest income). Operating expenses are costs incurred to provide services, whereas non-operating expenses are costs of debt financings, amortization of intangible assets and losses on the sale of assets.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**B. Measurement Focus and Basis of Accounting - Continued**

**Proprietary Funds - Continued**

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

**C. Basis of Presentation**

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

**1. Governmental Major Funds**

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

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

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



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**C. Basis of Presentation - Continued**

**1. Governmental Major Funds - Continued**

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

Optional Sales Tax Fund – The Optional Sales Tax 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. Monies are used for various capital projects.

**2. Proprietary Major Funds**

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

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

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

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

**3. Other Fund Types**

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

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

Other Postemployment Benefits Trust Fund – The Other Postemployment Benefits Trust Fund (Trust) accounts for activities of the 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**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**C. Basis of Presentation – Continued**

**4. Non-current Governmental Assets/Liabilities**

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

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

**1. Cash and Cash Equivalents**

Cash and cash equivalents include deposits and all highly liquid investments with maturities of ninety days or less when purchased. 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 cash equivalents 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 cash equivalents of the constitutional officers are maintained in separate accounts, but have been combined with the Board's cash and cash equivalents for financial statement purposes.

When restricted and unrestricted resources are available, expenses are paid first from restricted resources.

**2. Investments**

Investments consist of U.S. Treasury Securities, U.S. Government Agency Securities, money market funds, Florida PRIME Fund (formerly known as the Local Government Surplus Funds Trust Fund Investment (SBA) Fund A), and the Florida Local Government Investment Trust Fund (FLGIT). Investments are reported at fair value based upon the average price obtained from three brokers/dealers. The SBA and FLGIT values are based upon the fair market value per share of the underlying portfolio. Refer to Note 4-C, Investments, for further information on individual investments.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

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

**3. 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, 2014, the allowance for water and sewer services was \$424,493 and the allowance for ambulance services was \$644,383. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2014.

**4. 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. Receivables in excess of 120 days comprise the trade accounts receivable allowance for doubtful accounts.

**5. 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.

**6. Prepaid Items**

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.

**7. 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 21.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

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

**8. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, right-of-ways, water and sewer distribution systems, beach restoration, stormwater systems and similar items), and intangible assets (e.g. software, easements, and rights), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donations. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

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

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

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

**9. Capitalization of Interest**

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

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the deferred charge on refundings in the amount of \$2,245,798 in this category on the government-wide statement of net position. A deferred charge on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County only has one item, unavailable revenue, which arises under the modified accrual basis of accounting and is reported on the governmental funds balance sheet in the total amount of \$3,124,809. The sources of the unavailable revenue are a special assessment on road paving, ambulance service billings, and state and federal grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**11. Unearned Revenues**

Unearned revenues represent revenues, which are available but unearned. At September 30, 2014, the total amount of unearned revenues reported on the statement of net position for the governmental activities is \$341,400 and for the business-type activities is \$32,771.

**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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

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

**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, 2014.

**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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

“Total fund balances” of the County’s governmental funds, \$173,415,560 differs from “net position” of governmental activities, \$703,841,710, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment, intangibles) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 828,281,566
Accumulated depreciation	<u>( 279,562,524)</u>
Net Total	<u>\$ 548,719,042</u>

Long-term debt transactions

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position.

Balances at September 30, 2014 were:

Bonds payable:	
Limited General Obligation Bonds, Series 2006	(26,010,000)
Spring Training Facility Bonds, Series 2001	(7,700,000)
Bond premium payable:	
Limited General Obligation Bonds, Series 2006	(629,265)
Medicaid settlement payable	(474,260)
Pollution remediation payable	(2,671,800)
Compensated absences	(10,523,367)
Total	<u>\$ (48,008,692)</u>

Accrued interest

Accrued liabilities in the statement of net position differs from the amount reported in governmental funds due to accrued interest on the Limited General Obligation Bonds, Series 2006.

Accrued interest	<u>\$ (301,178)</u>
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**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - Continued**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position - Continued**

Deferred Inflow of Resources – Unavailable Revenue

Deferred inflows of resources reported on the statement of net position differ from the amount reported in governmental funds due to special assessments. Governmental fund financial statements report revenues, which are measurable but not available as unavailable revenue, a deferred inflow of resources. However, unavailable revenues in governmental funds are susceptible to full accrual on government-wide financial statements.

Unavailable revenues	\$ <u>3,124,809</u>
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Internal service funds

Internal service funds are used by management to charge the costs of fleet management, insurance activities, 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 because they primarily serve governmental activities of the County.

Internal service funds	\$ <u>26,048,127</u>
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Accrued interest revenues

Some interest revenues are not recognized in the current period because the resources are not available; therefore, these revenues are not reported in the fund.

Accrued interest revenues	\$ <u>48,675</u>
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Net OPEB Obligation

The net OPEB obligation asset resulting from contributions in excess of the annual required contribution is not a financial resource; therefore, it is not reported in the fund.

OPEB asset	\$ <u>795,367</u>
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Elimination of interfund receivables/payables

Interfund receivables and payables in the amount of \$666,160 between governmental funds must be eliminated for the statement of net position.



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for governmental funds, \$854,114, differs from the “change in net position” for governmental activities, \$11,922,277 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ 27,952,771
Depreciation expense	(19,715,820)
Loss on assets	(45,603)
Difference	<u>\$ 8,191,348</u>

Long-term debt transactions

Payments of bond principal, bond premium, and pollution remediation costs are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Bond principal payments made	\$ 3,700,000
Bond premium payments made	93,224
Medicaid settlement costs	158,082
Pollution remediation costs	55,600
Total	<u>\$ 4,006,906</u>

Governmental funds report interest and OPEB expenditures based on when they are paid. The statement of activities reports interest expense as it is incurred. This is the net number of the previous year accrual and the current year accrual.

Net accrued OPEB expense	\$ 494,761
Net accrued bond interest payable	40,387
Total	<u>\$ 535,148</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS - Continued**

**B. Explanation of Differences Between Governmental Fund Operating Statements and the  
Statement of Activities - Continued**

Long-term debt transactions – Continued

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>\$ 727,555</u>
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Internal service funds operating loss

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County. The net costs of the internal service funds are reported with governmental activities.

Internal service funds operating loss	<u>\$ (1,964,753)</u>
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Accrued revenues

Some revenues are not recognized in the current period because the resources are not available, or they have been reported in a prior period; therefore, these revenues are not reported in the fund. This number is a net number of prior year accrual and current year accrual.

Net accrued revenues	<u>\$ (432,287)</u>
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Accrued interest revenues

Some interest revenues are not recognized in the current period because the resources are not available; therefore, these revenues are not reported in the fund. This number is a net number of prior year accrual and current year accrual.

Net accrued interest revenues	<u>\$ 4,246</u>
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Reclassification and Eliminations

The governmental funds recognize revenues in the amount of \$2,063,220 for the general administrative charges to the general government, public safety, transportation, economic environment, culture/recreation, and court related functions. These revenues and expenditures must be eliminated to avoid double counting. Transfers in and transfers out in the amount of \$10,092,644 between governmental activities should be eliminated. Capital projects costs in the amount of \$16,560,991 must be distributed to the related expenditure functions.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

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

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS**

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.

**A. Deposits**

At September 30, 2014, the carrying amount of the primary government's deposits was \$33,509,195 and the bank balance was \$38,108,091. 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. Cash on hand at September 30, 2014 was \$26,395.

**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, 2014, accrued interest for the County's portfolio totaled \$153,990. The remaining accrued interest is reflected in utilities and road paving assessments.

**C. Investments**

On July 24, 2014, the Board updated its investment policy to reflect the following change in valuing its portfolio: the portfolio will be marked to market with an average of three brokers evaluations. The Tax Collector adopted a formal investment policy in February 2005, with the latest revision done in June 2014. The Clerk adopted a formal investment policy on April 25, 2013 and updated the policy on April 24, 2014.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments - Continued**

As of September 30, 2014, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Portfolio Percentage	Credit Risks*
<u>Fixed Rate Debt Instruments:</u>				
U.S. Treasuries	\$ 120,071,970	0.95	42.23 %	N/A
U.S. Agencies:***				
Federal Farm Credit Bureau	29,977,122	0.79	10.54	AA+
Federal Home Loan Bank	26,968,778	1.16	9.48	AA+
Federal Home Loan Mortgage	15,970,150	1.57	5.62	AA+
Federal National Mortgage Assoc.	6,999,102	0.27	2.46	AA+
<u>Other Fixed Rate Instruments:</u>				
Certificate of Deposit-CenterState	252,358	0.74	0.09	N/A
Certificate of Deposit-Harbor Community	255,857	1.30	0.09	N/A
Certificate of Deposit-Harbor Community	252,208	0.82	0.09	N/A
Certificate of Deposit-Harbor Community	3,016,949	1.35	1.06	N/A
<u>Other Market Rate Investments:</u>				
Florida PRIME (Formerly Fund A)	95,999	0.08	0.03	AAAm
Florida Local Government				AAAf and
Investment Trust Fund	11,448,484	0.08	4.03	S-1**
Florida Trust Day to Day Fund	25,296	0.08	0.01	AAAm
Regions Bank Money Market	13,091,698	0.08	4.60	N/A
TD Bank Money Market	20,027,524	0.08	7.04	N/A
Harbor Community Bank Money Market	1,652,263	0.08	0.58	N/A
Florida Community Bank Money Market	1,502,500	0.08	0.53	N/A
BankUnited Money Market	27,261,551	0.08	9.59	N/A
<u>W&amp;S Sinking Fund Reserve:</u>				
U.S. Treasuries	5,460,324	1.03	1.93	N/A
Fidelity Institutional Money Market	7,784	0.08	-	AAAm
Total Fair Value	\$ 284,337,917		100 %	
Weighted Average Maturity of Investments		0.75		

\* Ratings based upon Standard and Poor's

\*\* AAAf credit quality, S-1 Market Volatility

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

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments - Continued**

Florida PRIME (formerly known as the Local Government Surplus Funds Trust Investment (SBA) Fund A) is a money market fund classified as a “2a-7 like fund” using the SEC investment requirements for 2a-7 funds. The fund was established by Florida Statute 218.405 and is administered by the Florida State Board of Administration.

The Florida Local Government Investment Trust Fund is a pool of various securities with maturities of less than five years. The fund was established by Florida Statute 163.01, is administered by the Florida Association of Court Clerks, and is marked to market daily.

**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 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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments - Continued**

**Credit Risk**

Florida Statutes Section 218.415 and the County's investment policy limit investments to the following:

1. Direct obligations of the United States Treasury;
2. Florida PRIME (formerly known as Fund A);
3. Florida Local Government Investment Trust Funds;
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 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 Board'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 \$3 million of the portfolio may be placed in certificates of deposit with any one financial institution. No more than 10% of the 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, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS - 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	95%
Florida Trust Day to Day Fund	95%
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	50%
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 a qualified public depository with any one financial institution. The Clerk's cash and investment policy was updated in April 2014 to limit no more than 40% of the portfolio in any money market fund 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, 2014, the County'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 Florida Local Government Investment Trust (held by the Bank of New York/Mellon) and the Florida Trust Day to Day Fund (held by UMB Bank).

**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 investments are reported at fair value based upon market-close price on the last business day of each month.



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 - CASH AND CASH EQUIVALENTS - Continued**

**D. OPEB Trust Investments - Continued**

The County approved a separate investment policy for the OPEB Trust assets on February 3, 2009 (last amended on November 5, 2013). The County adopted a broadly diversified portfolio composition consisting of equity, debt, and cash and cash equivalents. Asset allocations are divided between short-term and long-term investments. Short-term asset allocations include cash and cash equivalents 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.

The contribution of \$3,426,879 for the year ended September 30, 2014 was invested in the various funds listed below. As of September 30, 2014, 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>	<u>Credit Risks*</u>
<u>Short-Term Portion:</u>				
Fidelity Treasury Money Market	\$ 7,263	0.11	0.05 %	AAAm
<u>Long-Term Portion:</u>				
Vanguard 500 Index	3,146,175	N/A	22.41	N/A
Vanguard All World Ex-US	2,773,589	N/A	19.76	N/A
Vanguard Mid Cap Index	717,849	N/A	5.11	N/A
Vanguard Small Cap Index	345,886	N/A	2.46	N/A
Vanguard Short-Term Treasury	4,238,737	2.60	30.19	AA+
Vanguard Intermediate Treasury	1,409,132	5.90	10.04	AA+
Vanguard Prime Money Market	1,194,575	0.16	8.51	A-1
Vanguard Federal Money Market	205,626	0.16	1.47	A-1
Total Fair Value	\$ <u>14,038,832</u>		<u>100.00 %</u>	

\* Ratings based upon Standard and Poor's

**NOTE 5 - 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 2013-2014 fiscal year were levied in October 2013. 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, 2014

**NOTE 6 - CAPITAL ASSETS**

**A. Governmental Activities**

<b>Primary Government Governmental activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 140,713,835	\$ 194,953	\$ (7,633,990)	\$ 133,274,798
Construction in progress	36,893,868	23,582,133	(17,013,947)	43,462,054
Right-of-way	55,679,074	1,281,241	(120,307)	56,840,008
Intangibles	818,627	176,927	-	995,554
Infrastructure	3,575,067	-	-	3,575,067
<b>Total capital assets, not being depreciated</b>	<u>237,680,471</u>	<u>25,235,254</u>	<u>(24,768,244)</u>	<u>238,147,481</u>
Capital assets, being depreciated:				
Buildings and improvements	197,350,794	13,891,957	(162,874)	211,079,877
Equipment	56,757,645	4,788,028	(2,680,898)	58,864,775
Intangibles	3,076,000	1,080,829	(84,128)	4,072,701
Infrastructure	310,442,937	8,067,482	-	318,510,419
<b>Total capital assets, being depreciated</b>	<u>567,627,376</u>	<u>27,828,296</u>	<u>(2,927,900)</u>	<u>592,527,772</u>
Less accumulated depreciation for:				
Buildings and improvements	(54,347,848)	(5,471,368)	118,851	(59,700,365)
Equipment	(44,594,320)	(4,264,431)	2,679,318	(46,179,433)
Intangibles	(2,470,483)	(243,566)	84,128	(2,629,921)
Infrastructure	(163,149,329)	(9,912,624)	-	(173,061,953)
<b>Total accumulated depreciation</b>	<u>(264,561,980)</u>	<u>(19,891,989)</u>	<u>2,882,297</u>	<u>(281,571,672)</u>
Total capital assets, being depreciated, net	<u>303,065,396</u>	<u>7,936,307</u>	<u>(45,603)</u>	<u>310,956,100</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 540,745,867</u>	<u>\$ 33,171,561</u>	<u>\$ (24,813,847)</u>	<u>\$ 549,103,581</u>

Beginning balance amounts for construction in progress have been reduced by \$0.2 million that is contributed to and reported by a grant sub-recipient. Beginning balance amounts for accumulated depreciation have been reduced to reflect adjustments to beginning net position. See Note 21B for further explanation.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 6 - CAPITAL ASSETS – Continued**

**A. Governmental Activities - Continued**

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

General government	\$ 2,566,360
Public safety	3,714,575
Physical environment	606,091
Transportation	6,144,714
Economic environment	453
Human service	136,300
Culture/recreation	6,459,471
Court related	87,856
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>176,169</u>
Total depreciation expense – governmental activities	<u><u>\$ 19,891,989</u></u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 6 - CAPITAL ASSETS – Continued**

**B. Business-type Activities**

<b>Primary Government</b>	<b>Beginning</b>			<b>Ending</b>
<b>Business-type activities:</b>	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
Capital assets, not being depreciated:				
Land, Improvements to Land	\$ 27,322,149	\$ 170,753	\$ -	27,492,902
Intangibles	1,460,907	35,873	-	1,496,780
Construction in progress	13,350,872	10,330,452	(12,361,570)	11,319,754
<b>Total capital assets, not being depreciated</b>	<b>42,133,928</b>	<b>10,537,078</b>	<b>(12,361,570)</b>	<b>40,309,436</b>
Capital assets, being depreciated:				
Buildings, distribution systems, & improvements	416,125,750	13,669,688	(147,988)	429,647,450
Intangibles	907,347	177,532	-	1,084,879
Equipment	14,322,144	1,172,778	(529,314)	14,965,608
<b>Total capital assets, being depreciated</b>	<b>431,355,241</b>	<b>15,019,998</b>	<b>(677,302)</b>	<b>445,697,937</b>
Less accumulated depreciation for:				
Buildings, distribution systems, & improvements	(208,946,932)	(15,077,362)	126,170	(223,898,124)
Intangibles	(563,115)	(85,138)	-	(648,253)
Equipment	(12,692,380)	(422,142)	501,807	(12,612,715)
<b>Total accumulated depreciation</b>	<b>(222,202,427)</b>	<b>(15,584,642)</b>	<b>627,977</b>	<b>(237,159,092)</b>
Total capital assets, being depreciated, net	209,152,814	(564,644)	(49,325)	208,538,845
<b>Business-type activities capital assets, net</b>	<b>\$ 251,286,742</b>	<b>\$ 9,972,434</b>	<b>\$ (12,410,895)</b>	<b>\$ 248,848,281</b>

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

Solid Waste Disposal District	\$ 929,378
Golf Course	208,949
County Utilities	14,432,329
County Building	<u>13,986</u>
Total depreciation expense – business-type activities	<u>\$ 15,584,642</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 7 - RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Various bond covenants, resolutions, and state regulations require that the County restrict cash and cash equivalents and investments within the business-type activities. Restricted cash and cash equivalents and investments are as follows:

	Primary Government		
	Solid Waste Disposal District	County Utilities	Total
Sinking funds	\$ -	\$ 6,212,648	\$ 6,212,648
Renewal and replacement	3,152,731	3,485,928	6,638,659
Customer deposits	133,626	2,808,885	2,942,511
Capital construction	-	19,635,118	19,635,118
Closure and maintenance costs	11,509,736	-	11,509,736
Total	<u>\$ 14,796,093</u>	<u>\$ 32,142,579</u>	<u>\$ 46,938,672</u>

Cash totaling \$5,438,408 is reported as restricted on the Statement of Net Position for governmental activities. These funds are restricted for current liabilities such as retainage payable, accrued interest payable, and the current year portion of bonds payable.

**NOTE 8 - PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from the County's business-type activities restricted assets are as follows:

	Primary Government		
	Solid Waste Disposal District	County Utilities	Total
Accounts payable	\$ -	\$ 23,398	\$ 23,398
Retainage payable	-	31,410	31,410
Accrued interest payable	-	150,288	150,288
Customer deposits	133,626	2,808,885	2,942,511
Bonds payable	-	3,485,000	3,485,000
Closure and maintenance costs payable	11,509,736	-	11,509,736
Total	<u>\$ 11,643,362</u>	<u>\$ 6,498,981</u>	<u>\$ 18,142,343</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 9 - INTERFUND BALANCES**

**Interfund balances at September 30, 2014, consisted of the following:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 274,500
General Fund	Golf Course Enterprise Fund	865,051
General Fund	Fleet Internal Service Fund	7,000
		<u>\$ 1,146,551</u>

In October 2010, the General Fund loaned \$333,050 to the Golf Course Fund to purchase new golf carts. In September 2013, the General Fund loaned \$1,565,000 to the Golf Course Fund to pay off the Series 2003 Recreational Revenue Refunding Bonds. In September 2014, the General Fund loaned \$630,000 to the Golf Course Fund for a new irrigation system. 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 2015. The remaining amount due from the Golf Course Fund is reported as an interfund advance. The amounts due from the Fleet Internal Service Fund and the Nonmajor Governmental Funds represent short-term cash loans that will be repaid within the next twelve months.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Governmental Funds:		
Emergency Services District Fund	General Fund	\$ 224,758
Optional Sales Tax Fund	General Fund	12,525
		<u>\$ 237,283</u>
Major Enterprise Fund:		
Solid Waste Disposal District Fund	General Fund	<u>\$ 89,468</u>
Internal Service Fund:		
Self Insurance Fund	General Fund	<u>\$ 1,596</u>
Nonmajor Governmental Funds:		
Land Acquisition Bonds Fund	General Fund	\$ 53,070
Street Lighting Districts Fund	General Fund	2,197
Vero Lake Estates Fund	General Fund	1,036
East Gifford Stormwater Fund	General Fund	10
Total Nonmajor Governmental Funds		<u>\$ 56,313</u>
	Total:	<u>\$ 384,660</u>

Amounts due from the General Fund represent excess fees and payments of the constitutional officers remitted to various funds subsequent to September 30, 2014.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 9 - INTERFUND BALANCES - Continued**

**Interfund advances at September 30, 2014, consisted of the following:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	\$ 877,237

This amount is considered a long-term advance between major funds expected to be paid over the course of several years. This amount has been presented as nonspendable on the General Fund balance sheet.

**NOTE 10 - INTERFUND TRANSFERS**

Interfund transfers for the year ended September 30, 2014, consisted of the following:

<b>Transfers Out:</b>	<b>Transfers In:</b>						<b>Total</b>
	<b>General Fund</b>	<b>Secondary Roads Construction Fund</b>	<b>Transportation Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Utilities Fund</b>	<b>Internal Service Funds</b>	
General Fund	\$ -	\$ -	\$ 7,657,704	\$ 144,391	\$ -	\$ 35,848	\$ 7,837,943
Impact Fees Fund	116,586	-	-	34,830	-	-	151,416
Transportation Fund	-	258,613	-	-	-	125,000	383,613
Emergency Services District Fund	428,081	-	-	-	-	-	428,081
Optional Sales Tax Fund	834,674	-	-	183,393	-	-	1,018,067
Nonmajor Governmental Funds	316,810	-	-	109,050	-	-	425,860
Solid Waste Disposal District	-	-	-	-	75,414	-	75,414
Internal Service Fund	8,512	-	-	-	-	-	8,512
<b>Total</b>	<u>\$ 1,704,663</u>	<u>\$ 258,613</u>	<u>\$ 7,657,704</u>	<u>\$ 471,664</u>	<u>\$ 75,414</u>	<u>\$ 160,848</u>	<u>\$ 10,328,906</u>

Transfers are used for the following purposes: 1) use unrestricted general fund revenues to finance transportation activities which must be 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) provide matching funds for grants, 4) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 5) use transportation fund revenues to offset vehicle maintenance costs accounted for in the fleet internal service fund, 6) to account for transfers of capital assets between two enterprise funds, 7) use unrestricted general fund revenues to offset a portion of salaries and benefits expenses for an employee accounted for in the health insurance fund, 8) to use general fund and capital project fund revenues for improvements to the Historic Dodgertown facility, and 9) to reimburse the general fund from the self-insurance fund for repairs at the shooting range, and 10) to account for reimbursement of street paving costs between the transportation and secondary roads construction funds.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 11 – DUE FROM OTHER GOVERNMENTS**

**Governmental Funds**

On November 18, 2008, the Board entered into a locally funded agreement with the Florida Department of Transportation (FDOT) to advance the six-laning of State Road 60 from 82nd Avenue to I-95 (Segment Two). The agreement obligated the Board to pay \$14,429,754 to the FDOT. Payment was made in November 2008 to the FDOT. Funding was from the Optional Sales Tax Fund.

Reimbursement by the FDOT for Segment Two will be in ten quarterly installments over a three-year period which began in July 2011. Repayments to the Board will include principal and any accumulated interest earnings that have not been used for supplemental costs of the project.

	Optional Sales Tax Fund
Segment Two Amount Advance Funded	\$ 14,429,754
Less: Reimbursements received as of 9/30/2014	(11,714,877)
Balance Due from FDOT SR60 Agreement	2,714,877
Additional Funds Due from other governments	2,109,312
Total Due from other governments	\$ 4,824,189

**NOTE 12 – ACCOUNTS PAYABLE**

**Payables**

Payables at September 30, 2014, were as follows:

	Vendors	Salaries and Benefits	Total Payables
Governmental Activities:			
General	\$ 1,319,558	\$ 1,749,589	\$ 3,069,147
Impact Fees	1,325,559	2,366	1,327,925
Secondary Roads Construction	536,329	6,964	543,293
Transportation	302,621	181,303	483,924
Emergency Services	129,983	520,285	650,268
Optional Sales Tax	452,272	-	452,272
Other governmental	818,686	55,798	874,484
Total Governmental Activities	\$ 4,885,008	\$ 2,516,305	\$ 7,401,313
Business-Type Activities:			
Payable from current assets:			
Solid Waste	\$ 879,039	\$ 14,175	\$ 893,214
Golf Course	2,756	10,629	13,385
Utilities	1,819,698	191,024	2,010,722
Building	31,805	32,436	64,241
Payable from restricted assets:			
Utilities	23,398	-	23,398
Total Business-Type Activities	\$ 2,756,696	\$ 248,264	\$ 3,004,960



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 12 – ACCOUNTS PAYABLE - Continued**

The County has not engaged in any short-term debt activity during fiscal year 2014 other than that listed in Note 9.

**Due To Other Governments – Governmental Activities**

On August 21, 2012, the County approved a 5-year payment plan agreement with the State of Florida to pay back \$790,434 in disputed Medicaid billings. Monthly payments began on October 5, 2012. The County recorded the repayment agreement as a liability, Due to Other Governments, in the government-wide Statement of Net Position; and at September 30, 2014, the amount due to the State of Florida is \$474,260.

**NOTE 13 - LONG-TERM LIABILITIES**

**A. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
Limited General Obligation Bonds - Series 2006	\$ 29,265,000	\$ -	\$ 3,255,000	\$ 26,010,000	\$ 3,390,000
Spring Training Facility Revenue Bonds - Series 2001	8,145,000	-	445,000	7,700,000	470,000
Subtotal	37,410,000	-	3,700,000	33,710,000	3,860,000
Add: Unamortized bonds premium	722,489	-	93,224	629,265	-
Total bonds payable	38,132,489	-	3,793,224	34,339,265	3,860,000
Other liabilities:					
Pollution remediation	2,727,400	-	55,600	2,671,800	114,480
Claims payable	8,074,000	16,860,869	16,708,324	8,226,545	3,181,891
Due to other governments-Medicaid	632,342	-	158,082	474,260	158,087
Compensated absences	11,304,749	5,746,903	6,423,032	10,628,620	5,682,955
Total other liabilities	22,738,491	22,607,772	23,345,038	22,001,225	9,137,413
Governmental activities long-term liabilities	\$ 60,870,980	\$ 22,607,772	\$ 27,138,262	\$ 56,340,490	\$ 12,997,413
<b>Business-type Activities:</b>					
Bonds payable:					
Water & Sewer Refunding Revenue Bonds - Series 2005	\$ 17,480,000	\$ -	\$ 1,605,000	\$ 15,875,000	\$ 1,670,000
Series 2009	23,085,000	-	1,745,000	21,340,000	1,815,000
Subtotal	40,565,000	-	3,350,000	37,215,000	3,485,000
Add: Unamortized bonds premium	2,455,793	-	236,904	2,218,889	-
Total bonds payable	43,020,793	-	3,586,904	39,433,889	3,485,000
Other liabilities:					
Landfill closure and maintenance costs	11,011,736	498,000	-	11,509,736	-
Pollution remediation	10,500	1,000	-	11,500	5,500
Compensated absences	814,632	659,389	620,464	853,557	586,624
Total other liabilities	11,836,868	1,158,389	620,464	12,374,793	592,124
Business-type activities long-term liabilities	\$ 54,857,661	\$ 1,158,389	\$ 4,207,368	\$ 51,808,682	\$ 4,077,124

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government**

**Governmental Activities**

Annual Debt Service Payments - Governmental Activities

The annual debt service payments for bonds outstanding at September 30, 2014, are as follows:

Fiscal Year Ending September 30	Limited General Obligation Bonds Series 2006		Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest	Principal	Interest
2015	\$ 3,390,000	\$ 1,204,712	\$ 470,000	\$ 394,713
2016	3,545,000	1,035,212	495,000	370,037
2017	3,705,000	893,413	520,000	344,050
2018	3,890,000	745,212	550,000	316,750
2019	4,085,000	550,712	585,000	287,875
2020-2024	7,395,000	478,426	2,230,000	1,007,787
2025-2029	-	-	1,960,000	525,750
2030-2031	-	-	890,000	66,250
Total	26,010,000	4,907,687	7,700,000	3,313,212
Less:				
Current portion	3,390,000	-	470,000	-
Add:				
Unamortized bond premium	629,265	-	-	-
Total	\$ 23,249,265	\$ 4,907,687	\$ 7,230,000	\$ 3,313,212

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Limited General Obligation Bonds

*Purpose* – On July 6, 2006, the County issued \$48,600,000 of Limited General Obligation Bonds, Series 2006. The issuance of the Series 2006 bonds was approved by a majority of votes cast in a bond referendum held on November 2, 2004, by the qualified electors of the County. The referendum authorized a total of \$50,000,000 aggregate principal amount of limited general obligation bonds. The proceeds of this issue will provide funds to acquire interest in lands to protect water resources and/or drinking water sources, environmentally sensitive lands, historic sites, and/or agricultural lands together with the necessary preservation, restoration, remediation and reclamation activities to preserve, protect, or enhance such property.

*Pledge of revenues* – The principal and interest on the bonds are payable from ad valorem taxes not exceeding ½ mil and having a maturity not exceeding fifteen years, which are levied by the County upon the taxable real and personal property of the County.

*Bonds Issued* - At September 30, 2014, Limited General Obligation Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Limited General Obligation Bonds, Series 2006	4.00%-5.00% 1/1 and 7/1	2021	\$ 48,600,000	\$ <u>26,010,000</u>

*Optional Redemption* – The Limited General Obligation Bonds, Series 2006, maturing on or after July 1, 2017, are subject to redemption prior to maturity, at the option of the County on and after July 1, 2016, in whole or in part, at any time, on any date at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the redemption date.

Spring Training Facility Revenue Bonds

*Purpose* - On August 15, 2001, the County issued \$16,810,000 of Spring Training Facility Revenue Bonds, Series 2001. The Series 2001 bonds are being issued by the County to provide funds, together with other available funds, to (1) finance a portion of the cost of acquisition and expansion of a spring training facility currently known as “Historic Dodgertown”; (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, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Spring Training Facility Revenue Bonds - Continued

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

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

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

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

The current principal and interest payments of \$863,075 represent nine percent of total pledged revenues. All three revenue sources totaled \$9,199,278 for the current fiscal year. The County applied 100% of the state subsidy, 76% of the Fourth-Cent Tourist Tax, and none of the Half-Cent Sales Tax to the debt service payments. The total principal and interest remaining to be paid on the bonds is \$11,013,212.

*Bonds Issued* - At September 30, 2014, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Spring Training Facility Revenue Bonds, Series 2001	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	\$ <u>7,700,000</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Spring Training Facility Revenue Bonds - Continued

*Optional Redemption* - The Series 2001 bonds maturing on or after April 1, 2012, were subject to redemption at the option of the County in whole or in part, on April 1, 2011, or on any date thereafter at par plus accrued interest and plus a premium ranging between 0% to 1% depending on the year of the redemption.

*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, 2015	
Date	Principal Amount
April 1, 2015	\$ 470,000
Term Bonds due April 1, 2017	
Date	Principal Amount
April 1, 2016	\$ 495,000
April 1, 2017	520,000
Term Bonds due April 1, 2021	
Date	Principal Amount
April 1, 2018	\$ 550,000
April 1, 2019	585,000
April 1, 2020	615,000
April 1, 2021	650,000
Term Bonds due April 1, 2027	
Date	Principal Amount
April 1, 2022	\$ 305,000
April 1, 2023	320,000
April 1, 2024	340,000
April 1, 2025	355,000
April 1, 2026	375,000
April 1, 2027	390,000
Term Bonds due April 1, 2031	
Date	Principal Amount
April 1, 2028	\$ 410,000
April 1, 2029	430,000
April 1, 2030	455,000
April 1, 2031	435,000

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

**Business-type Activities**

Annual Debt Service Payments – Business-type Activities

The annual debt service payments for bonds outstanding at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Bonds Series 2005		Water and Sewer Revenue Refunding Bonds Series 2009	
	Principal	Interest	Principal	Interest
2015	\$ 1,670,000	\$ 736,450	\$ 1,815,000	\$ 1,067,000
2016	1,750,000	652,950	1,905,000	976,250
2017	1,840,000	565,450	2,000,000	881,000
2018	1,930,000	473,450	2,100,000	781,000
2019	2,025,000	376,950	2,205,000	676,000
2020-2024	6,660,000	554,850	11,315,000	1,612,250
Total	15,875,000	3,360,100	21,340,000	5,993,500
Less:				
Current portion	1,670,000	-	1,815,000	-
Add:				
Unamortized bond premium	487,304	-	1,731,585	-
Total	<u>\$ 14,692,304</u>	<u>\$ 3,360,100</u>	<u>\$ 21,256,585</u>	<u>\$ 5,993,500</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Water and Sewer Revenue Refunding Bonds, Series 2005

*Purpose* - The Series 2005 bonds were issued to defease \$31,680,000 of the County's outstanding Water and Sewer Revenue Bonds, Series 1996. These bonds were issued by the County to provide funds, together with \$5,000,000, to retire 95 percent of the 1996 Series and to pay for all bond issuance costs. The September 1, 2005 and 2006 principal installments were not subject to early call and consequently paid at their respective maturity dates. The 1996 bonds were issued to acquire an existing water and sewer facility, as well as for capital improvements to the existing system.

The aggregate difference in debt service between the Series 1996 (\$40,585,193) and Series 2005 (\$39,619,193) is \$966,000. The net economic gain, which included shortening the term of the bonds by four years and lowering average annual debt service by \$242,000, was \$2,944,661 and is amortized over the life of the bonds. The unamortized balance of the deferred amount on the refunding at September 30, 2014 is \$1,344,917 and is reflected as a deferred outflow of resources on the Statement of Net Position.

*Pledge of Revenues* - The revenue bonds are collateralized, for the remaining term of the bonds, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments.

Annual principal and interest payments of \$2,405,650 represent approximately seventeen percent of net revenues of \$13,924,642 of the utility system. The total principal and interest remaining to be paid on the bonds is \$19,235,100.

*Rate Covenant* - Net revenues shall be sufficient to pay 100% of the reserve account requirement and 120% of the current year's principal and interest payment.

*Bonds Issued* - At September 30, 2014, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Water and Sewer Revenue Refunding Bonds, Series 2005	3-5% 3/1 and 9/1	2022	\$ 27,675,000	<u>\$ 15,875,000</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Water and Sewer Revenue Refunding Bonds, Series 2005 - Continued

*Outstanding In-Substance Defeased Debt* - The proceeds from the refunding were invested in federal securities and were placed in an escrow account with Bank of New York/Mellon. All of the defeased bonds (\$31,680,000) were called on September 1, 2006 at 102% of the outstanding principal amount.

*Optional Redemption* - The Series 2005 bonds maturing after September 1, 2015, are subject to redemption by the County on or after September 1, 2015, in whole or in part, at par, plus accrued interest to date of redemption.

Water and Sewer Revenue Refunding Bonds, Series 2009

*Purpose* - The Series 2009 bonds were issued to refund and redeem on September 11, 2009, \$28,270,000 of the County's outstanding Water and Sewer Revenue Bonds, Series 1993A. The refunding excluded debt service payments due September 1, 2010 and 2011, which were consequently paid at their respective maturity date.

The aggregate difference in debt service between the Series 1993A (\$80,434,415) and Series 2009 (\$78,755,772) is \$1,678,643. The net economic gain, which lowered average annual debt service by \$126,000, was \$1,368,427 and is amortized over the life of the bonds. The unamortized balance of the deferred amount on the refunding at September 30, 2014 is \$900,881 and is reflected as a deferred outflow of resources on the Statement of Net Position.

*Pledge of Revenues* – The revenue bonds are collateralized, for the remaining term of the bonds, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments.

The principal and interest payments of \$2,881,800 represent approximately twenty one percent of net revenues of \$13,924,642 of the utility system. The total principal and interest remaining to be paid on the bonds is \$27,333,500.

*Rate Covenant* – Net revenues shall be sufficient to pay 100% of the reserve account requirement and 120% of the current year's principal and interest payment.



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 13 - LONG-TERM LIABILITIES - Continued**

**B. Primary Government - Continued**

Water and Sewer Revenue Refunding Bonds, Series 2009 - Continued

*Bonds Issued* - At September 30, 2014, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Water and Sewer Revenue Refunding Bonds, Series 2009	4-5% 3/1 and 9/1	2024	\$ 26,370,000	\$ <u>21,340,000</u>

*Outstanding In-Substance Defeased Debt* - The proceeds from the refunding were invested in federal securities and were placed in an escrow account with Bank of New York/Mellon. All of the defeased bonds (\$28,270,000) were called on September 1, 2009 at 101% of the outstanding principal amount.

*Optional Redemption* - The Series 2009 bonds maturing on or prior to September 1, 2019, are not subject to redemption prior to their respective dates of maturity. The Series 2009 bonds stated to mature after September 1, 2019, are subject to redemption at the option of the County in whole or, from time to time, in part on September 1, 2019, at the redemption price of the principal amount to be redeemed, plus accrued interest to the date of redemption.

**C. Compensated Absences**

For the governmental activities compensated absences liability, the general fund normally liquidates 72 percent, and the Transportation and Emergency Services District funds normally liquidate 7 percent and 20 percent, respectively. The remaining 1 percent is liquidated by other governmental and internal service funds.

**NOTE 14 - 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.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 14 - PROVISION FOR CLOSURE COSTS - Continued**

The total unrecognized closure and post-closure costs are approximately \$3.1 million. These costs will be recognized in future periods as the remaining capacity is filled. The County's policy is to fund 100% of the current year's allocation (based upon the consulting engineers' report) of both closure and post-closure care.

Required closure and post-closure sub-accounts:

	<u>Capacity Used</u>	<u>Estimated Closing</u>	<u>Amount</u>
<u>Closure Costs</u>			
Class I - Segments I and II	61%	2026	\$ 7,401,947
Construction and Demolition - Cell I	90%	2026	1,154,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,763,435
Construction and Demolition - Cell I	N/A	N/A	189,488
Total account balance at 9/30/14:			\$ <u><u>11,509,736</u></u>

All amounts recognized are based on what it would cost to perform all closure and post-closure functions in current dollars. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The SWDD is required by FDEP to annually show proof of ability to finance closure and post-closure costs. The SWDD is making annual deposits to a closure and post-closure cost escrow account to provide for the financing of future closure-related expenses. At September 30, 2014, \$11,448,484 was on deposit at the Florida Local Government Investment Trust and \$61,252 was on deposit in the County's Operating account.

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

	<u>Balance 10/1/2013</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance 09/30/14</u>
Closure and long-term care costs	\$ <u><u>11,011,736</u></u>	\$ <u><u>498,000</u></u>	\$ <u><u>-</u></u>	\$ <u><u>11,509,736</u></u>

Of the \$11,509,736 liability for closure and long-term care costs, management estimates that no funds will be due and payable within one year.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 15 – POLLUTION REMEDIATION**

In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, a consultant evaluated four 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 four sites requiring the County (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$2,683,300 at September 30, 2014 for all four sites. The pollution remediation obligation is an estimate and subject to changes resulting from price increases and reductions, technology, and changes in applicable laws or regulations. There are no estimated recoveries that would reduce the liability.

**Governmental Activities:**

- 1) ***South Gifford Road closed landfill*** – The nature of the pollution remediation obligation is chlorinated solvent contamination. The consultant will conduct monitoring, bioremediation and reporting with the Florida Department of Environmental Protection (FDEP). The amount of the estimated year end liability is \$2,640,000 and will be paid from the Optional Sales Tax Fund.
- 2) ***Old Administration Building*** – The nature of the pollution remediation obligation is closed underground storage tank contamination. The consultant will conduct monitoring and reporting with the FDEP. The amount of the estimated year end liability is \$26,800 and will be paid from the General Fund.
- 3) ***Cattle dip site*** – The nature of the pollution remediation obligation is arsenic contamination. The consultant will conduct monitoring and assessment. The amount of the estimated year end liability is \$5,000 and will be paid from the Impact Fees Fund.

Total Governmental Activities liability: \$2,671,800

**Business-type Activities:**

- 4) ***North County Reverse Osmosis plant*** – The nature of the pollution remediation obligation is groundwater inorganic contamination. The consultant will conduct monitoring and assessment. The amount of the estimated year end liability is \$11,500 and will be paid from the County Utilities Fund.

Total Business-type Activities liability: \$11,500

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 16 - PENSION PLANS**

**Florida Retirement System**

*Plan Description:* The County'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. 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. Employer rates effective as of July 1, 2014 were as follows: regular class 7.37%, senior class 21.14%, special risk 19.82% and elected official class 43.24%.

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.

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.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed five years after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Florida Statutes Chapter 121, as may be amended from time to time by the state legislature, determines contribution rates for the various membership classes of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, Attention: Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website at [www.dms.myflorida.com](http://www.dms.myflorida.com).

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 16 - PENSION PLANS - Continued**

**Florida Retirement System - Continued**

*Funding Policy:* The FRS has six classes of membership with descriptions and contribution rates in effect during the period ended September 30, 2014, as follows (contribution rates are in agreement with the actuarially determined rates):

	<u>7/1/2011 to 6/30/12</u>	<u>7/1/2012 to 6/30/13</u>	<u>7/1/2013 to 6/30/14</u>	<u>07/01/14 to 9/30/14</u>
<u>Regular Class -</u> Members not qualifying for other classes.	7.91%	8.18%	9.95%	10.37%
<u>Senior Management Service Class -</u> Members of senior management who do not elect the optional annuity management program.	9.27%	9.30%	21.31%	24.14%
<u>Special Risk Class -</u> Members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class.	17.10%	17.90%	22.06%	22.82%
<u>Special Risk Administrative Support Class -</u> Special risk members who are transferred or reassigned to non-special risk and meet the criteria.	9.04%	8.91%	38.96%	45.07%
<u>Elected County Officer's Class -</u> Certain elected county officials.	14.14%	13.23%	36.03%	46.24%
<u>Deferred Retirement Option Program -</u> Members who are eligible for normal retirement that have elected to participate in the deferred retirement option program.	4.42%	5.44%	12.84%	12.28%

Contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014, were equal to 8.66%, 9.97%, and 12.70% of the annual covered payroll. Contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014 were \$5,857,114, \$6,678,184, and \$8,597,157 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013, and 2014 were \$1,789,315, \$1,735,675, and \$1,746,296 respectively. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 17 – 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 (see the chart below) the cost of health care for employees hired prior to February 1, 2006 and their eligible dependents according to the provisions of the substantive plan (the plan as understood by the employer and plan members). Employees hired on or after February 1, 2006, will not be eligible for any subsidy, regardless of the years of service or Medicare eligibility.

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

The implicit rate subsidy applies to health and life insurance coverage since the premiums charged are based upon a blending of younger active employees and older retired employees. Health insurance premiums, effective October 1, 2013 range from \$400 for Medicare participants to \$715 for family coverage. Life insurance is available to retirees at a flat rate of \$.20 per \$1000 of coverage (to a maximum of \$20,000 until the age of 70). After 70, the maximum amount of life insurance is \$10,000.

The Board 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:

Retirement Date	Years of Service	Under Age 65	Medicare Eligible
Before 01/01/04	N/A	No subsidy	60% subsidy
01/01/04 - 10/01/04	Less than 15 years	No subsidy	60% subsidy
01/01/04 - 10/01/04	15 or more years	2%/yr-max 40%	20% in addition to yrs of service - max 60% subsidy
10/01/04 - 01/31/09	Less than 15 years	No subsidy	20% subsidy
10/01/04 - 01/31/09	15 or more years	2%/yr-max 40%	20% in addition to yrs of service - max 60% subsidy
02/01/09 and after	Less than 15 years	No subsidy	No subsidy
02/01/09 and after	15 or more years	2%/yr-max 40%	No subsidy

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS PLAN - Continued**

**A. Plan Description - Continued**

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

At October 1, 2013, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,382
Retired participants	<u>429</u>
Total participants	<u>1,811</u>

There are two classes of participants at October 1, 2013:

Regular and senior management	1,141
Special risk	<u>670</u>
Total participants	<u>1,811</u>

The average employer's contribution was \$2,051 per employee, approximately 4.6% of current payroll. Financial statements for the OPEB Trust are included in this report and can be found on pages 44-45. A separate, stand-alone financial report is not issued by the County. The OPEB Trust investments can be found in Note 4D and the Schedule of Funding Progress can be found on page 101.

**B. 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, 2014, the County contributed \$3.43 million to the qualifying OPEB Trust. Plan members receiving benefits contributed \$1.72 million, or approximately 50 percent of the total premiums. We anticipate that the OPEB liability will be liquidated in the following manner: General fund 49 percent, Transportation fund 7 percent, Emergency Services District fund 18 percent, enterprise funds 8 percent, internal service funds 16 percent, and the remaining 2 percent is by the other governmental and internal service 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.

**C. Annual OPEB Cost and Net OPEB Obligation**

The employer's contribution (i.e. annual cost or expense) to the County's OPEB Trust is based on the ARC calculation. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 20 years. The following table shows the components of the County's annual cost for the current and two preceding years, the amount actually contributed, and the changes in the net obligation.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS PLAN - Continued**

**C. Annual OPEB Cost and Net OPEB Obligation - Continued**

	<b>FY 2013/2014</b>	<b>FY 2012/2013</b>	<b>FY 2011/2012</b>
Annual Required Contribution	\$ 2,835,072	\$ 2,965,251	\$ 2,828,452
Interest on Net OPEB Obligation	(18,036)	(20,909)	(12,323)
Adjustment to Annual Required Contribution	24,230	26,830	14,075
<b>Annual OPEB Cost (expense)</b>	<u>2,841,266</u>	<u>2,971,172</u>	<u>2,830,204</u>
Contributions (net of adjustments)*	(3,336,027)	(2,950,097)	(2,962,301)
Change in Net OPEB Obligation	(494,761)	21,075	(132,097)
Net OPEB Obligation – beginning of year	(300,606)	(321,681)	(189,584)
<b>Net OPEB Obligation – end of year</b>	<u>\$ (795,367)</u>	<u>\$ (300,606)</u>	<u>\$ (321,681)</u>
<b>Percentage of Annual OPEB Cost Contributed</b>	117.41%	99.29%	104.67%

\*Retiree adjustments are comprised of the actual amount withdrawn from the Trust plus premiums collected and less claims paid. For fiscal year 2014, these adjustments amounted to (\$90,852). For fiscal years 2013 and 2012, these adjustments totaled (\$15,154) and \$13,640 respectively.

**D. Funded Status and Funding Progress**

As of October 1, 2013 (the most recent actuarial valuation date), the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 35,745,213
Actuarial value of plan assets	<u>\$ 11,571,968</u>
Unfunded actuarial accrued liability (UAAL)	\$ 24,173,245
Funded ratio	32.37%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 61,615,728
UAAL as a percentage of covered payroll	39.23%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress and Schedule of Employer Contributions, presented as required supplementary information immediately following the County Notes to the Financial Statements (on page 101), presents multi-year trend information regarding liabilities, funding, and payroll. The data also reflects whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This information includes the current (listed above) and past two actuarial valuations as well as six years of funding data.



**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS PLAN - Continued**

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll projected to grow 4% per year
Amortization period (closed)	14 years
Asset valuation method	Market Value

The actuarial assumptions are:

Investment rate of return	6.0%	(net administrative expenses)
Projected annual salaries increase	4.0%-9.47%	(dependent on years of service and age)
Healthcare cost trend rate	8.5%	(decreasing ½% each year & thereafter to the ultimate value of 5.28%)
Inflation rate	3%	

**NOTE 18 - OPERATING LEASES**

The County has entered into non-cancelable operating leases, both as lessor and lessee. Lease terms vary from 1 to 99 years. Lease revenues totaled \$620,669 and lease expenditures totaled \$295,668 for the year ended September 30, 2014. The County also leases other equipment and office facilities as both lessor and lessee on a month-to-month basis.

**A. Future Minimum Lease Receipts**

Year	Amount
2015	\$ 626,153
2016	622,429
2017	613,113
2018	602,889
2019	621,023
2020-2024	2,805,324
2025-2029	1,037,328
2030-2034	450,507
2035-2038	108,800
Total future minimum lease receipts:	\$ 7,487,566

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 18 - OPERATING LEASES – Continued**

**A. Future Minimum Lease Receipts - Continued**

The property being leased is included in the statement of net position governmental activities and business-type activities columns and has a cost of \$29,219,029 and a carrying value of \$19,972,847. Current year depreciation on property being leased was \$492,950.

**B. Future Minimum Lease Payments**

The following is a schedule of minimum future rentals to be paid by the County for various non-cancelable operating leases of office space, park land, and office equipment as of September 30, 2014:

Year	Amount
2015	\$ 275,207
2016	225,281
2017	126,473
2018	48,909
2019	43,696
2020-2024	7,500
2025-2029	7,500
2030-2034	7,500
2035-2039	5,700
2040-2044	4,500
2045-2049	3,900
2050-2054	3,000
2055-2059	1,800
2060-2064	1,500
2065-2069	1,500
2070-2074	1,500
2075-2076	600
Total future minimum lease payments:	<u>\$ 766,066</u>

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 19 - 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, 2014

**NOTE 19 - 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, 2014, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 5,100,000	\$ 5,100,000	\$ 10,200,000
Transportation Fund	750,000	750,000	1,500,000
Emergency Services District Fund	1,400,000	1,400,000	2,800,000
Total	<u>\$ 7,250,000</u>	<u>\$ 7,250,000</u>	<u>\$ 14,500,000</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, 2014

**NOTE 20 - FUND BALANCE DEFICIT**

The following funds had a deficit in fund balance at September 30, 2014:

Fund	Deficit
Nonmajor Governmental Funds:	
Metropolitan Planning Organization Fund	\$ 155,018
CDBG NSP3 Grant Fund	39,369
Total Deficit	<u>\$ 194,387</u>

The deficits for these two funds will be eliminated by grant proceeds in fiscal year 2015.

**NOTE 21 – NET POSITION**

**A. Net Position Restricted by Enabling Legislation**

The government-wide statement of net position for the primary government reports \$138,192,792 of restricted net position, of which \$85,130,111 is restricted by enabling legislation.

**B. Restatement of Beginning Net Position**

Beginning net position for the governmental activities was restated due to the recording of accumulated depreciation not previously reported on capital assets. At October 1, 2013, this results in a decrease to beginning net position of \$15,488,462.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 22 - RISK MANAGEMENT**

**General Liability, Property, Worker's Compensation and Medical**

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

	10/01/08 to 4/30/2011	05/01/11 to 9/30/2013	10/01/13 to 9/30/2014
Worker's Compensation	\$ 350,000	\$ 350,000	\$ 500,000
General Liability	250,000	200,000	200,000
Auto Liability	250,000	200,000	200,000
Property Damage	250,000	200,000	200,000
Error or Omissions	250,000	200,000	200,000
Annual Aggregate	2,000,000	2,000,000	2,000,000
Liquor Liability	1,000,000	1,000,000	1,000,000

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. All departments of the County participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience and actual estimates of the amounts needed to pay current year claims. The County has received three workers compensation reimbursements totaling \$125,213 in fiscal year 2014. The County received three workers compensation reimbursements totaling \$108,123 in fiscal year 2013 and one in fiscal year 2012 totaling \$134,020.

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 plan assumes all risk for claims, other than worker's compensation, up to \$250,000 per occurrence. The County has purchased a reinsurance policy to cover claims in excess of these limits. There were six medical claim reimbursements in excess of the \$250,000 limit for fiscal year 2014 totaling \$335,641. In fiscal year 2013, there were six totaling \$285,689 and in fiscal year 2012, there were none.

The claims liability of \$8,226,545 reported at September 30, 2014, 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, \$3,181,891 will be liquidated over the next twelve months.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 22 - RISK MANAGEMENT - Continued**

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

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	Claim Payments	Balance at Fiscal Year End
2010-2011	\$ 7,899,000	\$ 12,901,425	\$ (12,923,425)	\$ 7,877,000
2011-2012	7,877,000	13,967,831	(13,770,831)	8,074,000
2012-2013	8,074,000	14,396,726	(14,396,726)	8,074,000
2013-2014	8,074,000	16,860,869	(16,708,324)	8,226,545

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined and at September 30, 2014, unrestricted net position of \$23,730,587 has been designated for this purpose. The County has elected to accrue the larger of the discounted liability or undiscounted liability. At September 30, 2014, the undiscounted liability was the greater of the two amounts. The discount rate used in the calculation was 2.5 percent.

**NOTE 23 - 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, 2014. In the General Fund, contracts are for janitorial services, beach park landscape and custodial maintenance, legislative consulting services and external auditing services. In the Special Revenue Funds, contracts are for the Sector 3 Dune Repair-Post Sandy, Oslo Road Widening from 58th Avenue to 43rd Avenue (Phase III), 66th Avenue Roadway Improvements, Old Dixie Highway Resurfacing, as well as a variety of other and paving and drainage projects.

**Indian River County, Florida**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 23 - COMMITMENTS AND CONTINGENCIES - Continued**

**B. Contracts and Other Commitments - Continued**

In the Capital Projects Fund, contracts are for the South County Regional Park Intergenerational Recreation Facility, PC South Algal Turf Scrubber Nutrient Recovery System, 12th Street and 27th Avenue intersection improvements, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for the Reverse Osmosis Lime Slurry Injection Project, the West Regional Wastewater Treatment Facility Anaerobic Tanks Odor Control System, Golf Course Dunes irrigation project, South County Brine Disposal project and various other water and sewer projects.

A summary of these projects at September 30, 2014, is as follows:

	<u>Total Contract Price</u>	<u>Total Paid as of September 30, 2014</u>	<u>Remaining Balance at September 30, 2014</u>
General	\$ 1,022,490	\$ (414,497)	\$ 607,993
Special Revenue	42,450,585	(27,854,250)	14,596,335
Capital Projects	7,055,871	(5,965,418)	1,090,453
Enterprise	12,779,653	(8,438,093)	4,341,560
Internal Service	30,000	-	30,000
Total	<u>\$ 63,338,599</u>	<u>\$ (42,672,258)</u>	<u>\$ 20,666,341</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 24 – SUBSEQUENT EVENTS**

On February 17, 2015, the County approved appropriating \$2.7 million from General Fund reserves to fund legal action against the All Aboard Florida railway project. Funding is anticipated to be \$0.5 million in fiscal year 2015 and \$1.1 million in fiscal years 2016 and 2017.



**Indian River County, Florida  
Required Supplementary Information  
For the Year Ended September 30, 2014**

**Other Postemployment Benefits Plan**

**Schedule of Funding Progress**

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2007*	\$ -	\$ 29,098,337	\$ 29,098,337	0.00%	\$ 64,841,779	44.88%
10/01/2009	\$ 3,690,592	\$ 32,456,186	\$ 28,765,594	11.37%	\$ 70,558,251	40.77%
10/01/2011	\$ 6,955,356	\$ 33,877,613	\$ 26,922,257	20.53%	\$ 62,739,616	42.91%
10/01/2013	\$ 11,571,968	\$ 35,745,213	\$ 24,173,245	32.37%	\$ 61,615,728	39.23%

\* First year of Indian River County Other Postemployment Benefits Trust (IRCOT)

**Schedule of Employer Contributions**

Fiscal Year Ending	OPEB Annual Cost	Amount Contributed	Percentage Contributed
9/30/2012	\$ 2,830,204	\$ 2,962,301	104.67%
9/30/2013	\$ 2,971,172	\$ 2,950,097	99.29%
9/30/2014	\$ 2,841,266	\$ 3,336,027	117.41%

In the current fiscal year, there have not been any factors, such as changes in benefit provisions, the size or composition of the population covered by the plan or the actuarial methods and assumptions used, that would significantly affect the identification of trends in the amounts reported. See Note 17 for more information on the IRCOT.



**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND  
SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Court Facilities-	To account for the court facility surcharge, additional court costs, the additional recording fee for court technology, and improvements made to court facilities.
Section 8 Rental Assistance-	To account for the provision of rental assistance for low income housing. Financing is provided by grants from the U.S. Department of Housing and Urban Development.
Special Law Enforcement-	To account for the expenditures of providing law enforcement equipment. Financing is provided by confiscation of monies and property in accordance with Section 932.704 of the Florida Statutes.
Tree Ordinance Fines-	To account for fines assessed against individuals for illegal removal of protected trees. Funds are used for park improvements.
Tourist Development-	To account for the proceeds from the levy of a local option Tourist Development tax. Funds are used to attract tourism trade and for the benefit of County residents.
911 Surcharge-	To account for the receipt of the 911 surcharge on all telephone bills of the County. Monies are used to pay the operating costs of the 911 Emergency Center.
Drug Abuse-	To account for the collection of fines on criminal drug cases. Monies are used for drug prevention and education programs.
State Housing Initiatives Partnership-	To account for State funds distributed under the State Housing Initiatives Partnership Act. The purpose of this program is to provide for the creation and preservation of affordable housing. Funds are provided by the documentary stamp taxes.

Metropolitan Planning Organization-	To account for expenditures incurred for planning community transportation in the County. Financing is provided by grants.
Multi-Jurisdictional Law Enforcement-	To account for expenditures incurred in connection with the cooperative drug enforcement task force established by the County, the City of Vero Beach and the City of Sebastian. Funds are provided by grants and program generated income.
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.
Beach Restoration-	To account for the expenditure of funds to preserve and improve County beaches. Funds are provided by the levy of a local option tourist development tax.
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.
Library Bequests-	To account for bequests which may be used for improvements to the Indian River County Libraries.
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.

Land Acquisition-	To account for expenditures incurred in the purchase of environmentally sensitive land, preservation of water sources, historic sites and agricultural lands. Financing is provided by bond proceeds and state grants.
East Gifford Stormwater-	To account for expenditures of funds for stormwater improvements in the East Gifford Watershed. Funds are provided by non-ad valorem taxes.
Vero Lake Estates-	To account for the expenditure of funds to improve roads in the Vero Lake Estates subdivision. Funds are provided by the levying of special assessments.
Dodgertown Reserve-	To provide improvements to the Historic Dodgertown facility per existing lease agreement between the County and current tenant. Funds are provided by the half cent sales tax and transfers from the optional sales tax fund.
Clerk Special Revenue-	To account for the proceeds from a special recording fee to be used for computer linkage and modernizing the Clerk of the Circuit Court and Comptroller's public records system.
Sheriff Special Revenue-	To account for the expenditure of grants, fines, and restricted revenues received by the Sheriff.
Supervisor of Elections Special Revenue-	To account for revenues and expenditures from state grants for voter education and pollworker activities.
Street Lighting Districts-	To account for the costs of providing street lights. Financing is provided by the levying of special assessments.
CDBG Neighborhood Stabilization Program 3 Grant-	To account for the proceeds from the Community Development Block Neighborhood Stabilization Program 3 Grant. The purpose of this grant is to provide neighborhood stabilization through resale of housing units purchased with the grant funds.

## **DEBT SERVICE FUNDS**

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

## **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, 2014**

	<b>Special Revenue</b>		
	<b>Court Facilities</b>	<b>Section 8 Rental Assistance</b>	<b>Special Law Enforcement</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,182,853	\$ 350,321	\$ 305,653
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	3,888	-
Interest receivable	294	88	75
Inventories	-	-	-
Prepaid items	-	533	-
Total Assets	<u>\$ 1,183,147</u>	<u>\$ 354,830</u>	<u>\$ 305,728</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 103,455	\$ 4,569	\$ -
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to other governments	-	10,169	-
Unearned revenues	-	-	-
Other deposits	-	-	-
Total Liabilities	<u>103,455</u>	<u>14,738</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - state and federal grants	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	-	-	-
Prepaid items	-	533	-
<b>Restricted for:</b>			
Court-related costs and improvements	1,079,692	-	-
Housing assistance	-	339,559	-
Law enforcement/public safety	-	-	305,728
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	-	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
<b>Committed to:</b>			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
<b>Assigned to:</b>			
Law enforcement/public safety	-	-	-
<b>Unassigned</b>	-	-	-
Total Fund Balances	<u>1,079,692</u>	<u>340,092</u>	<u>305,728</u>
Total Liabilities and Fund Balances	<u>\$ 1,183,147</u>	<u>\$ 354,830</u>	<u>\$ 305,728</u>



Continued

**Indian River County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	<b>Special Revenue</b>		
	<b>Metropolitan Planning Organization</b>	<b>Multi- Jurisdictional Law Enforcement</b>	<b>Native Uplands Land Acquisition</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,061	\$ 119,004	\$ 832,501
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	239,080	-	-
Interest receivable	-	28	217
Inventories	-	-	-
Prepaid items	7,200	-	-
Total Assets	<u>\$ 247,341</u>	<u>\$ 119,032</u>	<u>\$ 832,718</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 26,848	\$ -	\$ 1,000
Retainage payable	-	-	-
Due to other funds	267,000	-	-
Due to other governments	-	-	-
Unearned revenues	-	-	-
Other deposits	-	-	-
Total Liabilities	<u>293,848</u>	<u>-</u>	<u>1,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - state and federal grants	108,511	-	-
Total Deferred Inflows of Resources	<u>108,511</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	-	-	-
Prepaid items	7,200	-	-
<b>Restricted for:</b>			
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	119,032	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	-	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
<b>Committed to:</b>			
Environmental conservation/preservation	-	-	831,718
Law Enforcement/public safety	-	-	-
<b>Assigned to:</b>			
Law enforcement/public safety	-	-	-
<b>Unassigned</b>	(162,218)	-	-
Total Fund Balances	<u>(155,018)</u>	<u>119,032</u>	<u>831,718</u>
Total Liabilities and Fund Balances	<u>\$ 247,341</u>	<u>\$ 119,032</u>	<u>\$ 832,718</u>

Special Revenue				
Beach Restoration	CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program	Library Bequests	Disabled Access Program
\$ 6,225,661	\$ 49,281	\$ 1,211,193	\$ 45,333	\$ 63,074
-	-	-	-	-
-	-	-	-	-
276,404	-	-	-	-
1,616	1	313	12	16
-	-	-	-	-
-	-	-	-	-
<u>\$ 6,503,681</u>	<u>\$ 49,282</u>	<u>\$ 1,211,506</u>	<u>\$ 45,345</u>	<u>\$ 63,090</u>
\$ 141,101	\$ 47,561	\$ -	\$ 629	\$ -
49,381	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>190,482</u>	<u>47,561</u>	<u>-</u>	<u>629</u>	<u>-</u>
276,404	-	-	-	-
<u>276,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,721	-	-	-
-	-	-	-	63,090
-	-	-	-	-
6,036,795	-	-	-	-
-	-	1,211,506	-	-
-	-	-	44,716	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,036,795</u>	<u>1,721</u>	<u>1,211,506</u>	<u>44,716</u>	<u>63,090</u>
<u>\$ 6,503,681</u>	<u>\$ 49,282</u>	<u>\$ 1,211,506</u>	<u>\$ 45,345</u>	<u>\$ 63,090</u>

Continued

**Indian River County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2014**

	<b>Special Revenue</b>		
	<b>Federal/State Grants</b>	<b>Traffic Education Program</b>	<b>Land Acquisition</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 514	\$ 9,999	\$ 201,801
Accounts receivable	-	-	46
Due from other funds	-	-	-
Due from other governments	5,841	-	-
Interest receivable	-	2	46
Inventories	-	-	-
Prepaid items	-	-	-
Total Assets	<u>\$ 6,355</u>	<u>\$ 10,001</u>	<u>\$ 201,893</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,355	\$ 2,225	\$ 744
Retainage payable	-	-	-
Due to other funds	4,000	-	-
Due to other governments	-	-	-
Unearned revenues	-	-	-
Other deposits	-	-	40,294
Total Liabilities	<u>6,355</u>	<u>2,225</u>	<u>41,038</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - state and federal grants	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	-	-	-
Prepaid items	-	-	-
<b>Restricted for:</b>			
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	7,776	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	-	-
Land acquisition	-	-	160,855
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
<b>Committed to:</b>			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
<b>Assigned to:</b>			
Law enforcement/public safety	-	-	-
<b>Unassigned</b>	-	-	-
Total Fund Balances	<u>-</u>	<u>7,776</u>	<u>160,855</u>
Total Liabilities and Fund Balances	<u>\$ 6,355</u>	<u>\$ 10,001</u>	<u>\$ 201,893</u>

**Special Revenue**

<b>East Gifford Stormwater</b>	<b>Vero Lakes Estates</b>	<b>Dodgertown Reserve</b>	<b>Clerk Special Revenue</b>	<b>Sheriff Special Revenue</b>
\$ 19,095	\$ 1,367,454	\$ 491,035	\$ 2,027,585	\$ 1,622,738
-	-	-	-	23,364
10	1,036	-	-	-
-	-	10,417	-	-
5	356	-	-	-
-	-	-	-	19,688
-	-	-	11,916	-
<u>\$ 19,110</u>	<u>\$ 1,368,846</u>	<u>\$ 501,452</u>	<u>\$ 2,039,501</u>	<u>\$ 1,665,790</u>
\$ -	\$ 43	\$ 151,691	\$ -	\$ 17,723
-	-	52,995	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>43</u>	<u>204,686</u>	<u>-</u>	<u>17,723</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	19,688
-	-	-	11,916	-
-	-	-	2,027,585	-
-	-	-	-	-
-	-	-	-	1,164,575
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,110	1,368,803	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	296,766	-	-
-	-	-	-	-
-	-	-	-	360,194
-	-	-	-	103,610
-	-	-	-	-
<u>19,110</u>	<u>1,368,803</u>	<u>296,766</u>	<u>2,039,501</u>	<u>1,648,067</u>
<u>\$ 19,110</u>	<u>\$ 1,368,846</u>	<u>\$ 501,452</u>	<u>\$ 2,039,501</u>	<u>\$ 1,665,790</u>

Continued

**Indian River County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	<b>Special Revenue</b>		
	<b>Supervisor of Elections Special Revenue</b>	<b>Street Lighting Districts</b>	<b>CDBG NSP3 Grant</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,510	\$ 470,810	\$ 395
Accounts receivable	-	-	-
Due from other funds	-	2,197	-
Due from other governments	-	-	-
Interest receivable	-	126	-
Inventories	-	-	-
Prepaid items	-	-	-
Total Assets	<u>\$ 18,510</u>	<u>\$ 473,133</u>	<u>\$ 395</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 9,156	\$ 36,264
Retainage payable	-	-	-
Due to other funds	-	-	3,500
Due to other governments	-	-	-
Unearned revenues	16,158	-	-
Other deposits	-	-	-
Total Liabilities	<u>16,158</u>	<u>9,156</u>	<u>39,764</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - state and federal grants	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	-	-	-
Prepaid items	-	-	-
<b>Restricted for:</b>			
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	-	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	-	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	463,977	-
Voting/election activities	2,352	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
<b>Committed to:</b>			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
<b>Assigned to:</b>			
Law enforcement/public safety	-	-	-
<b>Unassigned</b>	-	-	(39,369)
Total Fund Balances	<u>2,352</u>	<u>463,977</u>	<u>(39,369)</u>
Total Liabilities and Fund Balances	<u>\$ 18,510</u>	<u>\$ 473,133</u>	<u>\$ 395</u>

<b>Debt Service</b>		<b>Total Nonmajor Governmental Funds</b>
<b>Spring Training Facility Bonds</b>	<b>Land Acquisition Bonds</b>	
\$ 1,723,353	\$ 779,192	\$ 22,132,501
-	-	23,410
-	53,070	56,313
-	-	615,016
455	202	4,632
-	-	19,688
-	-	19,649
<u>\$ 1,723,808</u>	<u>\$ 832,464</u>	<u>\$ 22,871,209</u>
\$ -	\$ -	\$ 646,395
-	-	102,376
-	-	274,500
-	-	10,169
-	-	16,158
-	-	40,294
<u>-</u>	<u>-</u>	<u>1,089,892</u>
-	-	384,915
<u>-</u>	<u>-</u>	<u>384,915</u>
-	-	19,688
-	-	19,649
-	-	3,107,277
-	-	1,055,191
-	-	3,305,261
-	-	333,232
-	-	6,036,795
-	-	1,211,506
-	-	44,716
-	-	160,855
-	-	1,851,890
-	-	2,352
1,723,808	832,464	2,556,272
-	-	296,766
-	-	1,132,735
-	-	360,194
-	-	103,610
-	-	(201,587)
<u>1,723,808</u>	<u>832,464</u>	<u>21,396,402</u>
<u>\$ 1,723,808</u>	<u>\$ 832,464</u>	<u>\$ 22,871,209</u>

**Indian River County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2014**

	<b>Special Revenue</b>		
	<b>Court Facilities</b>	<b>Section 8 Rental Assistance</b>	<b>Special Law Enforcement</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	-	2,043,041	-
Charges for services	525,702	112,337	39,270
Judgments, fines and forfeits	-	-	55,818
Interest	2,570	576	607
Miscellaneous	-	153	-
Total revenues	<u>528,272</u>	<u>2,156,107</u>	<u>95,695</u>
<b>EXPENDITURES</b>			
Current:			
General government	39,112	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	2,211,934	-
Culture/recreation	-	-	-
Court related	518,610	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>557,722</u>	<u>2,211,934</u>	<u>-</u>
Excess of revenues over (under) expenditures	(29,450)	(55,827)	95,695
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	(92,066)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(92,066)</u>
Net changes in fund balances	(29,450)	(55,827)	3,629
Fund balances at beginning of year	<u>1,109,142</u>	<u>395,919</u>	<u>302,099</u>
Fund balances at end of year	<u>\$ 1,079,692</u>	<u>\$ 340,092</u>	<u>\$ 305,728</u>



**Special Revenue**

<b>Tree Ordinance Fines</b>	<b>Tourist Development</b>	<b>911 Surcharge</b>	<b>Drug Abuse</b>	<b>State Housing Initiatives Partnership</b>
\$ -	\$ 719,326	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	695,446	72,427	405,815
-	-	-	-	98,957
40,900	-	-	9,791	-
640	831	2,879	483	1,559
-	-	-	-	5,661
<u>41,540</u>	<u>720,157</u>	<u>698,325</u>	<u>82,701</u>	<u>511,992</u>
-	-	-	-	-
-	-	403,394	61,852	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	10,575	595,184
6,245	743,334	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,245</u>	<u>743,334</u>	<u>403,394</u>	<u>72,427</u>	<u>595,184</u>
35,295	(23,177)	294,931	10,274	(83,192)
-	-	-	-	-
-	-	(198,004)	-	-
-	-	(198,004)	-	-
35,295	(23,177)	96,927	10,274	(83,192)
<u>265,722</u>	<u>356,409</u>	<u>1,327,332</u>	<u>210,527</u>	<u>797,103</u>
<u>\$ 301,017</u>	<u>\$ 333,232</u>	<u>\$ 1,424,259</u>	<u>\$ 220,801</u>	<u>\$ 713,911</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, 2014**

	<b>Special Revenue</b>		
	<b>Metropolitan Planning Organization</b>	<b>Multi- Jurisdictional Law Enforcement</b>	<b>Native Uplands Land Acquisition</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	480,520	-	-
Charges for services	-	-	-
Judgments, fines and forfeits	-	32,142	-
Interest	-	250	1,897
Miscellaneous	91,948	-	-
Total revenues	<u>572,468</u>	<u>32,392</u>	<u>1,897</u>
<b>EXPENDITURES</b>			
Current:			
General government	443,462	-	-
Public safety	-	-	-
Physical environment	-	-	7,657
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>443,462</u>	<u>-</u>	<u>7,657</u>
Excess of revenues over (under) expenditures	129,006	32,392	(5,760)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	(16,984)	-
Total other financing sources (uses)	<u>-</u>	<u>(16,984)</u>	<u>-</u>
Net changes in fund balances	129,006	15,408	(5,760)
Fund balances at beginning of year	<u>(284,024)</u>	<u>103,624</u>	<u>837,478</u>
Fund balances at end of year	<u>\$ (155,018)</u>	<u>\$ 119,032</u>	<u>\$ 831,718</u>

Special Revenue				
Beach Restoration	CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program	Library Bequests	Disabled Access Program
\$ 719,325	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
285,766	121,094	68,270	-	-
-	-	-	-	-
-	-	-	-	81
13,973	1	2,670	122	142
-	-	-	-	-
1,019,064	121,095	70,940	122	223
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	107,130	-	-	-
-	-	-	-	-
1,082,583	-	61	54,574	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,082,583	107,130	61	54,574	-
(63,519)	13,965	70,879	(54,452)	223
113,403	-	-	-	-
-	-	-	-	-
113,403	-	-	-	-
49,884	13,965	70,879	(54,452)	223
5,986,911	(12,244)	1,140,627	99,168	62,867
\$ 6,036,795	\$ 1,721	\$ 1,211,506	\$ 44,716	\$ 63,090

Continued

**Indian River County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2014**

	<b>Special Revenue</b>		
	<b>Federal/State Grants</b>	<b>Traffic Education Program</b>	<b>Land Acquisition</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	867,631	-	49,500
Charges for services	-	-	-
Judgments, fines and forfeits	-	15	-
Interest	-	29	526
Miscellaneous	-	-	2,375
Total revenues	<u>867,631</u>	<u>44</u>	<u>52,401</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	103,717
Transportation	-	6,675	-
Economic environment	-	-	-
Human services	866,179	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>866,179</u>	<u>6,675</u>	<u>103,717</u>
Excess of revenues over (under) expenditures	1,452	(6,631)	(51,316)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	1,452	(6,631)	(51,316)
Fund balances at beginning of year	<u>(1,452)</u>	<u>14,407</u>	<u>212,171</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 7,776</u>	<u>\$ 160,855</u>

**Special Revenue**

<b>East Gifford Stormwater</b>	<b>Vero Lakes Estates</b>	<b>Dodgertown Reserve</b>	<b>Clerk Special Revenue</b>	<b>Sheriff Special Revenue</b>
\$ 24	\$ 306	\$ -	\$ -	\$ -
922	93,599	-	-	-
-	-	125,000	-	60,318
-	-	-	371,545	405,629
-	-	-	195,435	199,380
42	3,128	-	2,374	-
-	-	-	-	114,172
988	97,033	125,000	569,354	779,499
-	-	-	535,640	-
-	-	-	-	1,240,581
-	-	-	-	-
-	41,800	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	886,464	-	-
-	-	-	219,646	12,412
-	-	-	-	-
-	-	-	-	-
-	41,800	886,464	755,286	1,252,993
988	55,233	(761,464)	(185,932)	(473,494)
-	-	212,029	-	143,880
(50)	(3,039)	-	-	-
(50)	(3,039)	212,029	-	143,880
938	52,194	(549,435)	(185,932)	(329,614)
18,172	1,316,609	846,201	2,225,433	1,977,681
<u>\$ 19,110</u>	<u>\$ 1,368,803</u>	<u>\$ 296,766</u>	<u>\$ 2,039,501</u>	<u>\$ 1,648,067</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, 2014**

	Special Revenue		
	Supervisor of Elections Special Revenue	Street Lighting Districts	CDBG NSP3 Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ 2,096	\$ -
Permits, fees and special assessments	-	196,915	-
Intergovernmental	-	-	569,563
Charges for services	-	-	-
Judgments, fines and forfeits	-	-	-
Interest	-	1,187	-
Miscellaneous	-	2,440	20,623
Total revenues	-	202,638	590,186
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	198,013	-
Economic environment	-	-	595,252
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	198,013	595,252
Excess of revenues over (under) expenditures	-	4,625	(5,066)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,352	-	-
Transfers out	-	(5,766)	-
Total other financing sources (uses)	2,352	(5,766)	-
Net changes in fund balances	2,352	(1,141)	(5,066)
Fund balances at beginning of year	-	465,118	(34,303)
Fund balances at end of year	\$ 2,352	\$ 463,977	\$ (39,369)

<b>Debt Service</b>		
<b>Spring Training Facility Bonds</b>	<b>Land Acquisition Bonds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 479,550	\$ 4,730,556	\$ 6,651,183
-	-	291,436
500,004	-	6,344,395
-	-	1,553,440
-	-	533,562
3,833	7,042	47,361
-	-	237,372
983,387	4,737,598	15,658,749
-	-	1,018,214
-	-	1,705,827
-	-	111,374
-	-	246,488
-	-	702,382
-	-	3,683,872
-	-	2,773,261
-	-	750,668
445,000	3,255,000	3,700,000
616,404	1,368,212	1,984,616
1,061,404	4,623,212	16,676,702
(78,017)	114,386	(1,017,953)
-	-	471,664
-	(109,951)	(425,860)
-	(109,951)	45,804
(78,017)	4,435	(972,149)
1,801,825	828,029	22,368,551
\$ 1,723,808	\$ 832,464	\$ 21,396,402

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Court Facilities**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ 481,000	\$ 525,702	\$ 44,702
Interest	2,000	2,570	570
Total revenues	<u>483,000</u>	<u>528,272</u>	<u>45,272</u>
<b>EXPENDITURES</b>			
General government	360,533	39,112	321,421
Court related	616,711	518,610	98,101
Total expenditures	<u>977,244</u>	<u>557,722</u>	<u>419,522</u>
Net change in fund balances	(494,244)	(29,450)	464,794
Fund balances at beginning of year	<u>494,244</u>	<u>1,109,142</u>	<u>614,898</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,079,692</u></u>	<u><u>\$ 1,079,692</u></u>



**Indian River County, Florida  
Budgetary Comparison Schedule  
Section 8 Rental Assistance  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 2,467,172	\$ 2,043,041	\$ (424,131)
Charges for services	-	112,337	112,337
Interest	-	576	576
Miscellaneous	1,369	153	(1,216)
Total revenues	<u>2,468,541</u>	<u>2,156,107</u>	<u>(312,434)</u>
<b>EXPENDITURES</b>			
Human services	<u>2,510,875</u>	<u>2,211,934</u>	<u>298,941</u>
Total expenditures	<u>2,510,875</u>	<u>2,211,934</u>	<u>298,941</u>
Net change in fund balances	(42,334)	(55,827)	(13,493)
Fund balances at beginning of year	<u>42,334</u>	<u>395,919</u>	<u>353,585</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 340,092</u></u>	<u><u>\$ 340,092</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Special Law Enforcement  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ -	\$ 39,270	\$ 39,270
Judgments, fines and forfeits	103,287	55,818	(47,469)
Interest	-	607	607
Total revenues	<u>103,287</u>	<u>95,695</u>	<u>(7,592)</u>
<b>EXPENDITURES</b>			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	103,287	95,695	(7,592)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(103,287)</u>	<u>(92,066)</u>	<u>11,221</u>
Total other financing sources (uses)	<u>(103,287)</u>	<u>(92,066)</u>	<u>11,221</u>
Net change in fund balances	-	3,629	3,629
Fund balances at beginning of year	<u>-</u>	<u>302,099</u>	<u>302,099</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 305,728</u></u>	<u><u>\$ 305,728</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Tree Ordinance Fines  
For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Judgments, fines and forfeits	\$ -	\$ 40,900	\$ 40,900
Interest	-	640	640
Total revenues	<u>-</u>	<u>41,540</u>	<u>41,540</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>50,000</u>	<u>6,245</u>	<u>43,755</u>
Total expenditures	<u>50,000</u>	<u>6,245</u>	<u>43,755</u>
Net change in fund balances	(50,000)	35,295	85,295
Fund balances at beginning of year	<u>50,000</u>	<u>265,722</u>	<u>215,722</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 301,017</u></u>	<u><u>\$ 301,017</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Tourist Development  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 638,500	\$ 719,326	\$ 80,826
Interest	2,375	831	(1,544)
Total revenues	<u>640,875</u>	<u>720,157</u>	<u>79,282</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>753,318</u>	<u>743,334</u>	<u>9,984</u>
Total expenditures	<u>753,318</u>	<u>743,334</u>	<u>9,984</u>
Net change in fund balances	(112,443)	(23,177)	89,266
Fund balances at beginning of year	<u>112,443</u>	<u>356,409</u>	<u>243,966</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 333,232</u>	<u>\$ 333,232</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**911 Surcharge**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 722,000	\$ 695,446	\$ (26,554)
Interest	-	2,879	2,879
Miscellaneous	651	-	(651)
Total revenues	<u>722,651</u>	<u>698,325</u>	<u>(24,326)</u>
<b>EXPENDITURES</b>			
Public safety	579,436	403,394	176,042
Total expenditures	<u>579,436</u>	<u>403,394</u>	<u>176,042</u>
Excess of revenues over (under) expenditures	143,215	294,931	151,716
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(198,004)	(198,004)	-
Total other financing sources (uses)	<u>(198,004)</u>	<u>(198,004)</u>	<u>-</u>
Net change in fund balances	(54,789)	96,927	151,716
Fund balances at beginning of year	<u>54,789</u>	<u>1,327,332</u>	<u>1,272,543</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,424,259</u></u>	<u><u>\$ 1,424,259</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Drug Abuse**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 72,427	\$ 72,427	\$ -
Judgments, fines and forfeits	-	9,791	9,791
Interest	-	483	483
Total revenues	<u>72,427</u>	<u>82,701</u>	<u>10,274</u>
<b>EXPENDITURES</b>			
Public safety	61,852	61,852	-
Human services	10,575	10,575	-
Total expenditures	<u>72,427</u>	<u>72,427</u>	<u>-</u>
Net change in fund balances	-	10,274	10,274
Fund balances at beginning of year	<u>-</u>	<u>210,527</u>	<u>210,527</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 220,801</u></u>	<u><u>\$ 220,801</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
State Housing Initiatives Partnership  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 350,000	\$ 405,815	\$ 55,815
Charges for services	-	98,957	98,957
Interest	-	1,559	1,559
Miscellaneous	685	5,661	4,976
Total revenues	<u>350,685</u>	<u>511,992</u>	<u>161,307</u>
<b>EXPENDITURES</b>			
Human services	<u>641,056</u>	<u>595,184</u>	<u>45,872</u>
Total expenditures	<u>641,056</u>	<u>595,184</u>	<u>45,872</u>
Net change in fund balances	(290,371)	(83,192)	207,179
Fund balances at beginning of year	<u>290,371</u>	<u>797,103</u>	<u>506,732</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 713,911</u></u>	<u><u>\$ 713,911</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Metropolitan Planning Organization  
For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Intergovernmental	\$ 558,151	\$ 480,520	\$ (77,631)
Miscellaneous	1,369	91,948	90,579
Total revenues	<u>559,520</u>	<u>572,468</u>	<u>12,948</u>
<b>EXPENDITURES</b>			
General government	<u>728,334</u>	<u>443,462</u>	<u>284,872</u>
Total expenditures	<u>728,334</u>	<u>443,462</u>	<u>284,872</u>
Net change in fund balances	(168,814)	129,006	297,820
Fund balances at beginning of year	<u>168,814</u>	<u>(284,024)</u>	<u>(452,838)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ (155,018)</u></u>	<u><u>\$ (155,018)</u></u>



**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Multi-Jurisdictional Law Enforcement**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ -	\$ -	\$ -
Judgments, fines and forfeits	27,342	32,142	4,800
Interest	-	250	250
Total revenues	<u>27,342</u>	<u>32,392</u>	<u>5,050</u>
<b>EXPENDITURES</b>			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	27,342	32,392	5,050
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(27,342)</u>	<u>(16,984)</u>	<u>10,358</u>
Total other financing sources (uses)	<u>(27,342)</u>	<u>(16,984)</u>	<u>10,358</u>
Net change in fund balances	-	15,408	15,408
Fund balances at beginning of year	<u>-</u>	<u>103,624</u>	<u>103,624</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 119,032</u></u>	<u><u>\$ 119,032</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Native Uplands Land Acquisition  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Interest	\$ -	\$ 1,897	\$ 1,897
Total revenues	<u>-</u>	<u>1,897</u>	<u>1,897</u>
<b>EXPENDITURES</b>			
Physical environment	<u>55,000</u>	<u>7,657</u>	<u>47,343</u>
Total expenditures	<u>55,000</u>	<u>7,657</u>	<u>47,343</u>
Net change in fund balances	(55,000)	(5,760)	49,240
Fund balances at beginning of year	<u>55,000</u>	<u>837,478</u>	<u>782,478</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 831,718</u></u>	<u><u>\$ 831,718</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Beach Restoration**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 638,500	\$ 719,325	\$ 80,825
Intergovernmental	2,753,091	285,766	(2,467,325)
Interest	23,750	13,973	(9,777)
Miscellaneous	651	-	(651)
Total revenues	<u>3,415,992</u>	<u>1,019,064</u>	<u>(2,396,928)</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>6,788,567</u>	<u>1,082,583</u>	<u>5,705,984</u>
Total expenditures	<u>6,788,567</u>	<u>1,082,583</u>	<u>5,705,984</u>
Excess of revenues over (under) expenditures	(3,372,575)	(63,519)	3,309,056
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>113,403</u>	<u>113,403</u>	<u>-</u>
Total other financing sources (uses)	<u>113,403</u>	<u>113,403</u>	<u>-</u>
Net change in fund balances	(3,259,172)	49,884	3,309,056
Fund balances at beginning of year	<u>3,259,172</u>	<u>5,986,911</u>	<u>2,727,739</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 6,036,795</u>	<u>\$ 6,036,795</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**CDBG Neighborhood Stabilization Program**  
**For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 121,094	\$ 121,094
Interest	-	1	1
Total revenues	<u>-</u>	<u>121,095</u>	<u>121,095</u>
<b>EXPENDITURES</b>			
Economic environment	<u>114,112</u>	<u>107,130</u>	<u>6,982</u>
Total expenditures	<u>114,112</u>	<u>107,130</u>	<u>6,982</u>
Net change in fund balances	(114,112)	13,965	128,077
Fund balances at beginning of year	<u>114,112</u>	<u>(12,244)</u>	<u>(126,356)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,721</u></u>	<u><u>\$ 1,721</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Florida Boating Improvement Program  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 42,500	\$ 68,270	\$ 25,770
Interest	-	2,670	2,670
Total revenues	<u>42,500</u>	<u>70,940</u>	<u>28,440</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>266,300</u>	<u>61</u>	<u>266,239</u>
Total expenditures	<u>266,300</u>	<u>61</u>	<u>266,239</u>
Net change in fund balances	(223,800)	70,879	294,679
Fund balances at beginning of year	<u>223,800</u>	<u>1,140,627</u>	<u>916,827</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,211,506</u></u>	<u><u>\$ 1,211,506</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Library Bequests  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Interest	\$ -	\$ 122	\$ 122
Total revenues	<u>-</u>	<u>122</u>	<u>122</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>59,904</u>	<u>54,574</u>	<u>5,330</u>
Total expenditures	<u>59,904</u>	<u>54,574</u>	<u>5,330</u>
Net change in fund balances	(59,904)	(54,452)	5,452
Fund balances at beginning of year	<u>59,904</u>	<u>99,168</u>	<u>39,264</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 44,716</u></u>	<u><u>\$ 44,716</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Disabled Access Program  
For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Judgments, fines and forfeits	\$ -	\$ 81	\$ 81
Interest	-	142	142
Total revenues	<u>-</u>	<u>223</u>	<u>223</u>
<b>EXPENDITURES</b>			
Human services	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	(20,000)	223	20,223
Fund balances at beginning of year	<u>20,000</u>	<u>62,867</u>	<u>42,867</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 63,090</u></u>	<u><u>\$ 63,090</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Federal/State Grants**  
**For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Intergovernmental	\$ 967,479	\$ 867,631	\$ (99,848)
Total revenues	<u>967,479</u>	<u>867,631</u>	<u>(99,848)</u>
<b>EXPENDITURES</b>			
Human services	<u>967,479</u>	<u>866,179</u>	<u>101,300</u>
Total expenditures	<u>967,479</u>	<u>866,179</u>	<u>101,300</u>
Net change in fund balances	-	1,452	1,452
Fund balances at beginning of year	<u>-</u>	<u>(1,452)</u>	<u>(1,452)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**Indian River County, Florida  
Budgetary Comparison Schedule  
Traffic Education Program  
For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Judgments, fines and forfeits	\$ -	\$ 15	\$ 15
Interest	-	29	29
Total revenues	<u>-</u>	<u>44</u>	<u>44</u>
<b>EXPENDITURES</b>			
Transportation	<u>13,593</u>	<u>6,675</u>	<u>6,918</u>
Total expenditures	<u>13,593</u>	<u>6,675</u>	<u>6,918</u>
Net change in fund balances	(13,593)	(6,631)	6,962
Fund balances at beginning of year	<u>13,593</u>	<u>14,407</u>	<u>814</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 7,776</u></u>	<u><u>\$ 7,776</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Land Acquisition**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 64,500	\$ 49,500	\$ (15,000)
Interest	-	526	526
Miscellaneous	42,669	2,375	(40,294)
Total revenues	<u>107,169</u>	<u>52,401</u>	<u>(54,768)</u>
<b>EXPENDITURES</b>			
Physical environment	211,669	103,717	107,952
Total expenditures	<u>211,669</u>	<u>103,717</u>	<u>107,952</u>
Net change in fund balances	(104,500)	(51,316)	53,184
Fund balances at beginning of year	<u>104,500</u>	<u>212,171</u>	<u>107,671</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 160,855</u></u>	<u><u>\$ 160,855</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
East Gifford Stormwater  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 24	\$ 24
Permits, fees and special assessments	940	922	(18)
Interest	-	42	42
Total revenues	<u>940</u>	<u>988</u>	<u>48</u>
<b>EXPENDITURES</b>			
Transportation	883	-	883
Total expenditures	<u>883</u>	<u>-</u>	<u>883</u>
Excess of revenues over (under) expenditures	57	988	931
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(57)	(50)	7
Total other financing sources (uses)	<u>(57)</u>	<u>(50)</u>	<u>7</u>
Net change in fund balances	-	938	938
Fund balances at beginning of year	-	18,172	18,172
Fund balances at end of year	<u>\$ -</u>	<u>\$ 19,110</u>	<u>\$ 19,110</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Vero Lakes Estates**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 306	\$ 306
Permits, fees and special assessments	91,694	93,599	1,905
Interest	2,850	3,128	278
Total revenues	<u>94,544</u>	<u>97,033</u>	<u>2,489</u>
<b>EXPENDITURES</b>			
Transportation	965,000	41,800	923,200
Total expenditures	<u>965,000</u>	<u>41,800</u>	<u>923,200</u>
Excess of revenues over (under) expenditures	(870,456)	55,233	925,689
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(4,532)	(3,039)	1,493
Total other financing sources (uses)	<u>(4,532)</u>	<u>(3,039)</u>	<u>1,493</u>
Net change in fund balances	(874,988)	52,194	927,182
Fund balances at beginning of year	<u>874,988</u>	<u>1,316,609</u>	<u>441,621</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,368,803</u></u>	<u><u>\$ 1,368,803</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Dodgertown Reserve**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 125,000	\$ 125,000	\$ -
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<b>EXPENDITURES</b>			
Culture/recreation	<u>1,188,594</u>	<u>886,464</u>	<u>302,130</u>
Total expenditures	<u>1,188,594</u>	<u>886,464</u>	<u>302,130</u>
Excess of revenues over (under) expenditures	(1,063,594)	(761,464)	302,130
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>217,393</u>	<u>212,029</u>	<u>(5,364)</u>
Total other financing sources (uses)	<u>217,393</u>	<u>212,029</u>	<u>(5,364)</u>
Net change in fund balances	(846,201)	(549,435)	296,766
Fund balances at beginning of year	<u>846,201</u>	<u>846,201</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 296,766</u>	<u>\$ 296,766</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Clerk Special Revenue**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ 503,620	\$ 371,545	\$ (132,075)
Judgments, fines and forfeits	250,900	195,435	(55,465)
Interest	766	2,374	1,608
Total revenues	<u>755,286</u>	<u>569,354</u>	<u>(185,932)</u>
<b>EXPENDITURES</b>			
General government	535,640	535,640	-
Court related	219,646	219,646	-
Total expenditures	<u>755,286</u>	<u>755,286</u>	<u>-</u>
Net change in fund balances	-	(185,932)	(185,932)
Fund balances at beginning of year	<u>-</u>	<u>2,225,433</u>	<u>2,225,433</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,039,501</u></u>	<u><u>\$ 2,039,501</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Sheriff Special Revenue**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 60,318	\$ 60,318	\$ -
Charges for services	403,000	405,629	2,629
Judgments, fines and forfeits	205,000	199,380	(5,620)
Miscellaneous	110,000	114,172	4,172
Total revenues	<u>778,318</u>	<u>779,499</u>	<u>1,181</u>
<b>EXPENDITURES</b>			
Public safety	1,251,588	1,240,581	11,007
Court related	12,412	12,412	-
Total expenditures	<u>1,264,000</u>	<u>1,252,993</u>	<u>11,007</u>
Excess of revenues over (under) expenditures	(485,682)	(473,494)	12,188
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	165,459	143,880	(21,579)
Total other financing sources (uses)	<u>165,459</u>	<u>143,880</u>	<u>(21,579)</u>
Net change in fund balances	(320,223)	(329,614)	(9,391)
Fund balances at beginning of year	<u>320,223</u>	<u>1,977,681</u>	<u>1,657,458</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,648,067</u>	<u>\$ 1,648,067</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Supervisor of Elections Special Revenue**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
General government	2,352	-	2,352
Total expenditures	2,352	-	2,352
Excess of revenues over (under) expenditures	(2,352)	-	2,352
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,352	2,352	-
Total other financing sources (uses)	2,352	2,352	-
Net change in fund balances	-	2,352	2,352
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	\$ 2,352	\$ 2,352



**Indian River County, Florida  
Budgetary Comparison Schedule  
Street Lighting Districts  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 2,096	\$ 2,096
Permits, fees and special assessments	193,918	196,915	2,997
Interest	1,083	1,187	104
Miscellaneous	3,205	2,440	(765)
Total revenues	<u>198,206</u>	<u>202,638</u>	<u>4,432</u>
<b>EXPENDITURES</b>			
Transportation	231,631	198,013	33,618
Total expenditures	<u>231,631</u>	<u>198,013</u>	<u>33,618</u>
Excess of revenues over (under) expenditures	(33,425)	4,625	38,050
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(6,485)	(5,766)	719
Total other financing sources (uses)	<u>(6,485)</u>	<u>(5,766)</u>	<u>719</u>
Net change in fund balances	(39,910)	(1,141)	38,769
Fund balances at beginning of year	<u>39,910</u>	<u>465,118</u>	<u>425,208</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 463,977</u>	<u>\$ 463,977</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**CDBG NSP3 Grant**  
**For the Year Ended September 30, 2014**

	<u><b>Final Budget</b></u>	<u><b>Actual Amounts</b></u>	<u><b>Variance Positive (Negative)</b></u>
<b>REVENUES</b>			
Intergovernmental	\$ 569,563	\$ 569,563	\$ -
Miscellaneous	575,936	20,623	(555,313)
Total revenues	<u>1,145,499</u>	<u>590,186</u>	<u>(555,313)</u>
<b>EXPENDITURES</b>			
Economic environment	1,145,499	595,252	550,247
Total expenditures	<u>1,145,499</u>	<u>595,252</u>	<u>550,247</u>
Net change in fund balances	-	(5,066)	(5,066)
Fund balances at beginning of year	<u>-</u>	<u>(34,303)</u>	<u>(34,303)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ (39,369)</u></u>	<u><u>\$ (39,369)</u></u>

**Indian River County, Florida  
Budgetary Comparison Schedule  
Spring Training Facility Bonds  
For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 399,000	\$ 479,550	\$ 80,550
Intergovernmental	475,000	500,004	25,004
Interest	3,513	3,833	320
Total revenues	<u>877,513</u>	<u>983,387</u>	<u>105,874</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	445,000	445,000	-
Interest and fiscal charges	629,870	616,404	13,466
Total expenditures	<u>1,074,870</u>	<u>1,061,404</u>	<u>13,466</u>
Net change in fund balances	(197,357)	(78,017)	119,340
Fund balances at beginning of year	<u>197,357</u>	<u>1,801,825</u>	<u>1,604,468</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,723,808</u></u>	<u><u>\$ 1,723,808</u></u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Land Acquisition Bonds**  
**For the Year Ended September 30, 2014**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 4,634,636	\$ 4,730,556	\$ 95,920
Interest	7,555	7,042	(513)
Total revenues	<u>4,642,191</u>	<u>4,737,598</u>	<u>95,407</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	3,255,000	3,255,000	-
Interest and fiscal charges	1,377,462	1,368,212	9,250
Total expenditures	<u>4,632,462</u>	<u>4,623,212</u>	<u>9,250</u>
Excess of revenues over (under) expenditures	9,729	114,386	104,657
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(118,225)	(109,951)	8,274
Total other financing sources (uses)	<u>(118,225)</u>	<u>(109,951)</u>	<u>8,274</u>
Net change in fund balances	(108,496)	4,435	112,931
Fund balances at beginning of year	<u>108,496</u>	<u>828,029</u>	<u>719,533</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 832,464</u>	<u>\$ 832,464</u>

**Indian River County, Florida**  
**Budgetary Comparison Schedule**  
**Optional Sales Tax**  
**For the Year Ended September 30, 2014**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 13,000,000	\$ 15,228,304	\$ 2,228,304
Permits, fees and special assessments	-	50,482	50,482
Intergovernmental	6,013,409	3,689,417	(2,323,992)
Interest	128,250	109,649	(18,601)
Miscellaneous	4,058,306	63,080	(3,995,226)
Total revenues	<u>23,199,965</u>	<u>19,140,932</u>	<u>(4,059,033)</u>
<b>EXPENDITURES</b>			
Capital projects	<u>38,006,962</u>	<u>16,560,991</u>	<u>21,445,971</u>
Total expenditures	<u>38,006,962</u>	<u>16,560,991</u>	<u>21,445,971</u>
Excess of revenues over (under) expenditures	(14,806,997)	2,579,941	17,386,938
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(1,030,593)</u>	<u>(1,018,067)</u>	<u>12,526</u>
Total other financing uses	<u>(1,030,593)</u>	<u>(1,018,067)</u>	<u>12,526</u>
Net change in fund balances	(15,837,590)	1,561,874	17,399,464
Fund balances at beginning of year	<u>15,837,590</u>	<u>52,443,863</u>	<u>36,606,273</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 54,005,737</u>	<u>\$ 54,005,737</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 and geographic information systems. Revenues are generated by charging user departments based on their number of computer equipment and their use of the geographic information system.

**Indian River County, Florida**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2014**

	<b>Fleet Management</b>	<b>Self Insurance</b>	<b>Information Technology</b>	<b>Totals</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,012	\$ 30,713,136	\$ 1,765,708	\$ 32,479,856
Accounts receivable - net	118,784	205,669	-	324,453
Due from other funds	-	1,596	-	1,596
Due from other governments	68,278	-	-	68,278
Interest receivable	-	15,748	963	16,711
Inventories	189,768	-	-	189,768
Prepaid items	-	1,114,483	35,330	1,149,813
Total current assets	<u>377,842</u>	<u>32,050,632</u>	<u>1,802,001</u>	<u>34,230,475</u>
Non-current assets:				
Capital assets - depreciable	268,392	16,918	2,108,377	2,393,687
Capital assets - accumulated depreciation	(245,992)	(16,195)	(1,746,961)	(2,009,148)
Total non-current assets	<u>22,400</u>	<u>723</u>	<u>361,416</u>	<u>384,539</u>
Total assets	<u>400,242</u>	<u>32,051,355</u>	<u>2,163,417</u>	<u>34,615,014</u>
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Accounts payable	130,834	74,602	22,653	228,089
Due to other funds	7,000	-	-	7,000
Claims payable	-	3,181,891	-	3,181,891
Accrued compensated absences	17,506	9,086	27,735	54,327
Total current liabilities (payable from current assets)	<u>155,340</u>	<u>3,265,579</u>	<u>50,388</u>	<u>3,471,307</u>
Non-current liabilities:				
Accrued compensated absences	26,553	9,812	14,561	50,926
Claims payable	-	5,044,654	-	5,044,654
Total non-current liabilities	<u>26,553</u>	<u>5,054,466</u>	<u>14,561</u>	<u>5,095,580</u>
Total liabilities	<u>181,893</u>	<u>8,320,045</u>	<u>64,949</u>	<u>8,566,887</u>
<b>NET POSITION</b>				
Net investment in capital assets	22,400	723	361,416	384,539
Unrestricted	195,949	23,730,587	1,737,052	25,663,588
Total net position	<u>\$ 218,349</u>	<u>\$ 23,731,310</u>	<u>\$ 2,098,468</u>	<u>\$ 26,048,127</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, 2014**

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,653,785	\$ 18,113,797	\$ 775,736	\$ 22,543,318
Total revenues	<u>3,653,785</u>	<u>18,113,797</u>	<u>775,736</u>	<u>22,543,318</u>
<b>OPERATING EXPENSES</b>				
Personal services	360,171	2,884,081	696,173	3,940,425
Material, supplies, services and other operating	3,217,712	17,110,317	290,806	20,618,835
Depreciation	24,966	217	150,986	176,169
Total operating expenses	<u>3,602,849</u>	<u>19,994,615</u>	<u>1,137,965</u>	<u>24,735,429</u>
Operating income (loss)	50,936	(1,880,818)	(362,229)	(2,192,111)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	24	70,589	4,409	75,022
Total nonoperating revenues (expenses)	<u>24</u>	<u>70,589</u>	<u>4,409</u>	<u>75,022</u>
Income (loss) before transfers	50,960	(1,810,229)	(357,820)	(2,117,089)
Capital contributions	-	-	158,653	158,653
Transfers in (out)	125,000	27,336	-	152,336
Change in net position	175,960	(1,782,893)	(199,167)	(1,806,100)
Total net position - beginning	<u>42,389</u>	<u>25,514,203</u>	<u>2,297,635</u>	<u>27,854,227</u>
Total net position - ending	<u>\$ 218,349</u>	<u>\$ 23,731,310</u>	<u>\$ 2,098,468</u>	<u>\$ 26,048,127</u>

**Indian River County, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2014**

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 3,704,402	\$ 17,915,518	\$ 775,736	\$ 22,395,656
Cash paid to suppliers for goods and services	(3,169,971)	(16,839,700)	(284,555)	(20,294,226)
Cash paid to employees for services	(348,366)	(2,881,184)	(659,449)	(3,888,999)
Net cash provided by (used in) operating activities	<u>186,065</u>	<u>(1,805,366)</u>	<u>(168,268)</u>	<u>(1,787,569)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers	125,000	27,336	-	152,336
Payments on advances from other funds	(310,000)	-	-	(310,000)
Net cash provided by noncapital financing activities	<u>(185,000)</u>	<u>27,336</u>	<u>-</u>	<u>(157,664)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(1,167)	-	(187,489)	(188,656)
Net cash provided by (used in) capital and related financing activities	<u>(1,167)</u>	<u>-</u>	<u>(187,489)</u>	<u>(188,656)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends on investments	24	75,162	4,843	80,029
Net cash provided by investing activities	<u>24</u>	<u>75,162</u>	<u>4,843</u>	<u>80,029</u>
Net increase (decrease) in cash and cash equivalents	(78)	(1,702,868)	(350,914)	(2,053,860)
Cash and cash equivalents at beginning of year	<u>1,090</u>	<u>32,416,004</u>	<u>2,116,622</u>	<u>34,533,716</u>
Cash and cash equivalents at end of year	<u>\$ 1,012</u>	<u>\$ 30,713,136</u>	<u>\$ 1,765,708</u>	<u>\$ 32,479,856</u>
Classified as:				
Current assets	<u>\$ 1,012</u>	<u>\$ 30,713,136</u>	<u>\$ 1,765,708</u>	<u>\$ 32,479,856</u>

**Indian River County, Florida**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2014**

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 50,936	\$ (1,880,818)	\$ (362,229)	\$ (2,192,111)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	24,966	217	150,986	176,169
(Increase) Decrease in assets:				
Accounts receivable	6,463	(196,684)	-	(190,221)
Due from other funds	-	(1,595)	-	(1,595)
Due from other governments	44,154	-	-	44,154
Inventories	(12,808)	-	-	(12,808)
Deposits	-	79,257	(3,047)	76,210
Increase (Decrease) in liabilities:				
Accounts payable	60,549	38,815	9,298	108,662
Claims payable	-	152,545	-	152,545
Accrued compensated absences	11,805	2,897	36,724	51,426
Total adjustments	135,129	75,452	193,961	404,542
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 186,065</u>	<u>\$ (1,805,366)</u>	<u>\$ (168,268)</u>	<u>\$ (1,787,569)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Change in fair value of investments	\$ -	\$ 4,489	\$ 275	\$ 4,764
Contributed property, infrastructure and equipment	\$ -	\$ -	\$ 158,653	\$ 158,653



## **FIDUCIARY FUND**

Agency Fund-

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

**Indian River County, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended September 30, 2014**

	<b>Balance October 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2014</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,157,483	\$ 339,568,153	\$ 339,241,393	\$ 13,484,243
Investments	43,708	-	43,708	-
Total assets	<u>\$ 13,201,191</u>	<u>\$ 339,568,153</u>	<u>\$ 339,285,101</u>	<u>\$ 13,484,243</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 388,991	\$ 61,483,979	\$ 61,453,257	\$ 419,713
Due to other governments	4,430,980	295,071,041	294,857,080	4,644,941
Other deposits held in escrow	8,381,220	36,421,749	36,383,380	8,419,589
Total liabilities	<u>\$ 13,201,191</u>	<u>\$ 392,976,769</u>	<u>\$ 392,693,717</u>	<u>\$ 13,484,243</u>

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> (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.	<b>164-174</b>
<b>Revenue Capacity</b> (Schedules 6 - 9) These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	<b>175-179</b>
<b>Debt Capacity</b> (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.	<b>180-187</b>
<b>Demographic and Economic Information</b> (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.	<b>188-189</b>
<b>Operating Information</b> (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.	<b>190-201</b>
<b>Additional Bond Disclosures</b> (Schedules 21 - 25) These schedules provide information for required continuing disclosure for the water and sewer, golf course and spring training bonds.	<b>202-206</b>

### *Sources:*

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 264,193,976	\$ 278,213,361	\$ 374,501,758 (A)	\$ 445,541,175
Restricted	150,019,583	158,046,966	173,236,941 (B)	163,119,085
Unrestricted	<u>60,737,524</u>	<u>121,561,389</u>	<u>60,726,026 (B)</u>	<u>55,081,576</u>
Total governmental activities net position	<u>\$ 474,951,083</u>	<u>\$ 557,821,716</u>	<u>\$ 608,464,725</u>	<u>\$ 663,741,836</u>
Business-type activities				
Net investment in capital assets	\$ 134,402,945	\$ 152,168,135	\$ 174,540,682	\$ 206,069,196
Restricted	81,084,337	89,071,967	83,840,471	75,814,407
Unrestricted	<u>52,553,913</u>	<u>53,751,547</u>	<u>47,338,783</u>	<u>24,624,779</u>
Total business-type activities net position	<u>\$ 268,041,195</u>	<u>\$ 294,991,649</u>	<u>\$ 305,719,936</u>	<u>\$ 306,508,382</u>
Primary government				
Net investment in capital assets	\$ 398,596,921	\$ 430,381,496	\$ 549,042,440	\$ 651,610,371
Restricted	231,103,920	247,118,933	257,077,412	238,933,492
Unrestricted	<u>113,291,437</u>	<u>175,312,936</u>	<u>108,064,809</u>	<u>79,706,355</u>
Total primary government net position	<u>\$ 742,992,278</u>	<u>\$ 852,813,365</u>	<u>\$ 914,184,661</u>	<u>\$ 970,250,218</u>

(A) Completed construction and renovations for beach renourishment, County administration buildings, emergency operations center, five fire stations, County park improvements, and the purchase of environmentally sensitive lands.

(B) The County reclassified special revenue funds from unrestricted to restricted net position.

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



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 461,709,848	\$ 480,243,738	\$ 492,300,301	\$ 509,076,923	\$ 518,255,719	\$ 514,764,316
158,306,364	132,928,838	125,452,516	121,189,228	117,321,755	116,203,827
<u>55,914,407</u>	<u>85,810,359</u>	<u>84,860,897</u>	<u>76,523,757</u>	<u>71,830,421</u>	<u>72,873,567</u>
<u>\$ 675,930,619</u>	<u>\$ 698,982,935</u>	<u>\$ 702,613,714</u>	<u>\$ 706,789,908</u>	<u>\$ 707,407,895</u>	<u>\$ 703,841,710</u>
\$ 223,273,040	\$ 223,375,337	\$ 217,876,742	\$ 211,631,529	\$ 210,772,860	\$ 211,660,190
51,021,928	27,898,292	24,230,101	17,941,773	20,871,037	- (C)
<u>37,122,462</u>	<u>54,592,201</u>	<u>61,041,483</u>	<u>70,286,599</u>	<u>68,686,611</u>	<u>88,420,541</u>
<u>\$ 311,417,430</u>	<u>\$ 305,865,830</u>	<u>\$ 303,148,326</u>	<u>\$ 299,859,901</u>	<u>\$ 300,330,508</u>	<u>\$ 300,080,731</u>
\$ 684,982,888	\$ 703,619,075	\$ 710,177,043	\$ 720,708,452	\$ 729,028,579	\$ 726,424,506
209,328,292	160,827,130	149,682,617	139,131,001	138,192,792	116,203,827
<u>93,036,869</u>	<u>140,402,560</u>	<u>145,902,380</u>	<u>146,810,356</u>	<u>140,517,032</u>	<u>161,294,108</u>
<u>\$ 987,348,049</u>	<u>\$ 1,004,848,765</u>	<u>\$ 1,005,762,040</u>	<u>\$ 1,006,649,809</u>	<u>\$ 1,007,738,403</u>	<u>\$ 1,003,922,441</u>

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

	2005	2006	2007	2008
<b><u>Expenses</u></b>				
Governmental activities:				
General government	\$ 18,165,441	\$ 14,642,124	\$ 15,506,424	\$ 7,416,850
Public safety	54,271,542	58,578,985	42,050,455 (I)	70,973,212 (J)
Physical environment	2,850,738	8,490,570 (D)	34,998,512 (D)	27,974,837
Transportation	21,726,741	22,011,006	26,173,989	25,742,974
Economic environment	696,448	1,077,731	950,024	4,583,763 (K)
Human service	7,385,726	12,270,899 (E)	13,925,599	12,590,578
Cultural/recreation	10,775,291	11,546,217	31,196,252 (G)	9,510,029
Court related	5,704,361	6,014,793	6,870,466	7,265,471
Interest on long-term debt	1,246,237	2,315,372 (F)	3,220,907 (F)	2,764,803
Total governmental activities expenses	<u>122,822,525</u>	<u>136,947,697</u>	<u>174,892,628</u>	<u>168,822,517</u>
Business-type activities:				
Water and sewer	30,260,577	33,387,825	37,518,226	41,354,025 (L)
Solid waste	19,156,896 (B)	11,558,323	10,331,431	11,355,697
Golf course	2,939,321	3,058,307	3,084,837	2,775,497
Other	3,768,301	4,202,588	3,703,658	3,010,668
Total business-type activities expenses	<u>56,125,095</u>	<u>52,207,043</u>	<u>54,638,152</u>	<u>58,495,887</u>
Total primary government expenses	<u>\$ 178,947,620</u>	<u>\$ 189,154,740</u>	<u>\$ 229,530,780</u>	<u>\$ 227,318,404</u>
<b><u>Program Revenues</u></b>				
Governmental activities:				
Charges for services:				
General government	\$ 8,779,557	\$ 10,437,774	\$ 7,957,770	\$ 6,943,354
Public safety	4,712,594	7,151,354	5,728,644	5,754,082
Physical environment	631,456	854,219	1,447,553	972,865
Transportation	37,384,003 (C)	16,619,853	5,618,055	5,478,734
Human service	821,811	754,916	545,305	331,856
Cultural/recreation	800,555	5,480,612	2,425,679	1,730,471
Court related	2,294,908	2,466,882	2,800,680	2,971,093
Operating grants and contributions	16,310,024 (B)	13,420,891	25,561,608 (H)	15,227,659
Capital grants and contributions	6,069,586	13,081,116	13,441,915	29,165,641 (M)
Total governmental activities program revenues	<u>77,804,494</u>	<u>70,267,617</u>	<u>65,527,209</u>	<u>68,575,755</u>
Business-type activities:				
Charges for services:				
Water and sewer	25,579,512	28,029,062	27,541,849	27,876,971
Solid waste	16,874,618	13,741,864	11,946,566	10,758,812
Golf course	3,247,815	3,306,424	3,374,772	3,313,994
Other	4,535,869	4,746,668	3,250,585	2,726,888
Operating grants and contributions	8,518,757	1,235,413	72,828	217,751
Capital grants and contributions	38,112,182 (A)	26,781,118 (A)	9,729,371	10,802,859
Total business-type activities program revenues	<u>96,868,753</u>	<u>77,840,549</u>	<u>55,915,971</u>	<u>55,697,275</u>
Total primary government program revenues	<u>\$ 174,673,247</u>	<u>\$ 148,108,166</u>	<u>\$ 121,443,180</u>	<u>\$ 124,273,030</u>

Notes:

- (A) Contributions for water and sewer services by developers due to significant increase in County population.  
(B) Increase in revenue and related expenses due to hurricane Frances and Jeanne in 2004; and hurricane Wilma in 2005.  
(C) Impact fees increased with building boom.  
(D) Environmentally sensitive lands purchased with bond proceeds.  
(E) Significant increase in SHIP programs due to population growth and building boom in 2005.  
(F) Issued new Limited G.O.B. debt for \$48,600,000.  
(G) Completed sections of beach renourishment program.  
(H) Grants received for beach renourishment, environmental sensitive lands, and various road projects.  
(I) Includes adjustment for prior years' public safety expenses.  
(J) Includes full year impact of increase in personnel, raises, and the depreciation and operating cost of new jail.  
(K) Piper incentive of \$4 million.  
(L) Increase in operating costs due to maintenance projects.  
(M) Received \$16 million grant reimbursements for physical environment grants including beach restoration and stormwater.  
(N) Increase due to \$5 million contribution towards joint use library and increased depreciation for beach restoration projects.  
(O) Decrease due to reduced impact fees collections (slowdown in construction activity).  
(P) Received Neighborhood Stabilization Grant of \$2.6 million.  
(Q) Contribution of \$4.2 million for Sector 3 beach renourishment from Sebastian Inlet District.  
(R) State Shared Revenues reclassified to operating grants and contributions.

2009	2010	2011	2012	2013	2014
\$ 25,837,007	\$ 23,506,576	\$ 21,324,680	\$ 19,069,181	\$ 20,637,750	\$ 22,968,835
71,221,082	68,235,492	67,393,943	66,456,674	66,178,467	66,954,956
813,580	1,405,690	1,353,074	2,424,109	1,858,307	1,031,710
23,711,653	20,861,672	22,300,819	23,629,799	26,286,998	23,577,720
661,897	2,525,988	2,056,453	1,986,091	2,550,157	1,084,204
8,453,562	7,370,995	7,762,962	7,749,253	6,818,023	7,136,042
24,559,117 (N)	16,009,122	16,484,242	18,089,432	19,369,326	16,610,269
6,765,203	6,251,773	5,774,032	5,635,245	5,835,184	6,360,814
2,906,802	2,714,422	2,526,114	2,350,241	2,087,204	1,944,229
<u>164,929,903</u>	<u>148,881,730</u>	<u>146,976,319</u>	<u>147,390,025</u>	<u>151,621,416</u>	<u>147,668,779</u>
37,523,097	34,748,276	33,818,640	34,246,967	33,815,749	35,821,287
10,407,437	10,683,984	10,370,476	10,659,004	10,405,143	10,801,408
2,937,141	2,715,607	2,537,665	2,451,603	2,537,525	2,588,424
2,168,894	1,858,420	1,623,862	1,487,515	1,547,815	1,833,528
<u>53,036,569</u>	<u>50,006,287</u>	<u>48,350,643</u>	<u>48,845,089</u>	<u>48,306,232</u>	<u>51,044,647</u>
<u>\$ 217,966,472</u>	<u>\$ 198,888,017</u>	<u>\$ 195,326,962</u>	<u>\$ 196,235,114</u>	<u>\$ 199,927,648</u>	<u>\$ 198,713,426</u>
\$ 6,028,321	\$ 5,889,678	\$ 5,845,567	\$ 5,304,385	\$ 5,482,814	\$ 5,895,424
5,884,118	5,267,209	6,076,085	5,852,093	6,625,924	8,025,849
636,219	21,006	24,204	20,923	5,900	20,970
2,157,456 (O)	1,514,132 (O)	2,090,194	2,345,186	2,768,107	3,365,961
204,299	295,812	346,689	358,279	213,485	211,294
1,322,785	1,328,225	1,340,550	1,397,660	1,765,912	1,883,347
2,375,430	545,967	501,980	414,356	1,301,135	3,592,298
11,077,388	15,772,265 (P)	7,926,832	8,230,411	26,921,514 (R)	22,229,254
15,032,731	7,016,429 (Q)	1,937,488	7,053,494	6,681,421	7,521,538
<u>44,718,747</u>	<u>37,650,723</u>	<u>26,089,589</u>	<u>30,976,787</u>	<u>51,766,212</u>	<u>52,745,935</u>
26,957,649	27,738,920	27,842,092	28,361,246	28,522,667	29,565,901
9,713,883	8,972,136	9,221,396	9,582,955	9,998,410	10,272,415
3,279,135	3,148,029	3,163,062	3,216,471	3,072,332	3,080,960
1,572,693	1,612,870	1,588,934	1,735,713	2,018,104	2,417,724
1,194,994	-	-	-	-	-
3,748,585	1,713,074	1,923,271	2,545,759	4,700,473	5,032,042
<u>46,466,939</u>	<u>43,185,029</u>	<u>43,738,755</u>	<u>45,442,144</u>	<u>48,311,986</u>	<u>50,369,042</u>
<u>\$ 91,185,686</u>	<u>\$ 80,835,752</u>	<u>\$ 69,828,344</u>	<u>\$ 76,418,931</u>	<u>\$ 100,078,198</u>	<u>\$ 103,114,977</u>

Continued

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

	2005	2006	2007	2008
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (45,018,031)	\$ (66,680,080)	\$ (109,365,419)	\$ (100,246,762)
Business-type activities	<u>40,743,658 (A)</u>	<u>25,633,506</u>	<u>1,277,819</u>	<u>(2,798,612)</u>
Total primary government net expenses	<u>\$ (4,274,373)</u>	<u>\$ (41,046,574)</u>	<u>\$ (108,087,600)</u>	<u>\$ (103,045,374)</u>
<b><u>General Revenues and Other Changes in Net Position</u></b>				
Governmental activities:				
Property taxes, levied for general purposes	\$ 71,698,850	\$ 82,448,807 (B)	\$ 92,592,309	\$ 92,483,561
Property taxes, levied for debt service	2,480,497	2,465,462	7,094,485	7,343,180
Sales and use taxes	21,892,558	21,855,885	20,738,502	20,088,899
Franchise fees	7,941,020	9,318,394	9,732,773	9,443,399
State shared revenues	14,022,896	13,043,670	12,368,421	11,596,227
Insurance recoveries	3,666,960	1,104,116	-	-
Interest earnings	4,444,772	12,163,993	16,004,890	10,347,019
Miscellaneous	1,235,708	2,089,540	1,583,343	2,170,033
Transfers	<u>(193,365)</u>	<u>5,060,846 (C)</u>	<u>(106,295)</u>	<u>2,051,555</u>
Total governmental activities	<u>127,189,896</u>	<u>149,550,713</u>	<u>160,008,428</u>	<u>155,523,873</u>
Business-type activities:				
State shared revenues	-	-	-	-
Interest earnings	2,861,308	6,335,240	9,209,517	5,553,239
Miscellaneous	52,671	42,554	134,656	85,374
Transfers	<u>193,365</u>	<u>(5,060,846) (C)</u>	<u>106,295</u>	<u>(2,051,555)</u>
Total business-type activities	<u>3,107,344</u>	<u>1,316,948</u>	<u>9,450,468</u>	<u>3,587,058</u>
Total primary government	<u>\$ 130,297,240</u>	<u>\$ 150,867,661</u>	<u>\$ 169,458,896</u>	<u>\$ 159,110,931</u>
<b><u>Change in Net Position</u></b>				
Governmental activities	\$ 82,171,865	\$ 82,870,633	\$ 50,643,009	\$ 55,277,111
Business-type activities	<u>43,851,002</u>	<u>26,950,454</u>	<u>10,728,287</u>	<u>788,446</u>
<b>Total primary government change in net position</b>	<u>\$ 126,022,867</u>	<u>\$ 109,821,087</u>	<u>\$ 61,371,296</u>	<u>\$ 56,065,557</u>

Notes:

- (A) Growth in water and sewer services due to expansion of County population.  
(B) Taxable values increased by \$2 billion.  
(C) Transfers for proportionate share of new County administration building.  
(D) Gain on sale of capital assets due to the privatization of the County landfill.  
(E) State Shared Revenues reclassified to operating grants and contributions.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ (120,211,156) <u>(6,569,630)</u>	\$ (111,231,007) <u>(6,821,258)</u>	\$ (120,886,730) <u>(4,611,888)</u>	\$ (116,413,238) <u>(3,402,945)</u>	\$ (99,855,204) <u>5,754</u>	\$ (94,922,844) <u>(675,605)</u>
\$ <u>(126,780,786)</u>	\$ <u>(118,052,265)</u>	\$ <u>(125,498,618)</u>	\$ <u>(119,816,183)</u>	\$ <u>(99,849,450)</u>	\$ <u>(95,598,449)</u>
\$ 87,265,989 7,131,231 19,292,179 9,670,169 11,227,450 - 5,747,573 2,018,901 <u>(7,452,905)</u>	\$ 78,670,463 5,933,535 19,022,728 9,254,621 17,487,653 - 2,079,873 2,061,415 <u>(25,965)</u>	\$ 69,856,750 5,600,767 19,261,033 8,730,861 17,328,867 - 1,299,894 3,082,481 <u>(643,144)</u>	\$ 64,753,566 5,574,183 20,144,820 8,620,401 17,908,806 - 668,012 3,079,701 <u>(32,957)</u>	\$ 62,305,177 4,664,885 21,035,360 8,818,952 - (E) - 637,099 2,903,771 <u>-</u>	\$ 67,985,321 4,730,556 21,860,958 9,310,711 - - 542,542 2,459,033 <u>(44,000)</u>
<u>134,900,587</u>	<u>134,484,323</u>	<u>124,517,509</u>	<u>120,716,532</u>	<u>100,365,244</u>	<u>106,845,121</u>
417,500 3,685,805 7,893 <u>7,452,905</u>	- 1,173,512 70,181 <u>25,965</u>	- 723,870 562,651 (D) <u>643,144</u>	- 600,116 8,400 <u>32,957</u>	- 427,041 37,812 <u>-</u>	- 381,497 331 <u>44,000</u>
<u>11,564,103</u>	<u>1,269,658</u>	<u>1,929,665</u>	<u>641,473</u>	<u>464,853</u>	<u>425,828</u>
\$ <u>146,464,690</u>	\$ <u>135,753,981</u>	\$ <u>126,447,174</u>	\$ <u>121,358,005</u>	\$ <u>100,830,097</u>	\$ <u>107,270,949</u>
\$ 14,689,431 <u>4,994,473</u>	\$ 23,253,316 <u>(5,551,600)</u>	\$ 3,630,779 <u>(2,682,223)</u>	\$ 4,303,294 <u>(2,761,472)</u>	\$ 510,040 <u>470,607</u>	\$ 11,922,277 <u>(249,777)</u>
\$ <u>19,683,904</u>	\$ <u>17,701,716</u>	\$ <u>948,556</u>	\$ <u>1,541,822</u>	\$ <u>980,647</u>	\$ <u>11,672,500</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 8,000,000
Unreserved	<u>30,152,425</u>	<u>45,300,882</u>	<u>50,321,956</u>	<u>44,874,259</u>
Total general fund	<u>\$ 30,152,425</u>	<u>\$ 45,300,882</u>	<u>\$ 50,321,956</u>	<u>\$ 52,874,259</u>
All other governmental funds				
Reserved	\$ 50,257,972	\$ 38,075,117	\$ 23,047,708	\$ 49,667,320
Unreserved, reported in:				
Special revenue funds	<u>115,822,479</u>	<u>183,318,603</u>	<u>149,564,925</u>	<u>96,950,614</u>
Total all other governmental funds	<u>\$ 166,080,451</u>	<u>\$ 221,393,720</u>	<u>\$ 172,612,633</u>	<u>\$ 146,617,934</u>
Total governmental funds	<u>\$ 196,232,876</u>	<u>\$ 266,694,602</u>	<u>\$ 222,934,589</u>	<u>\$ 199,492,193</u>
General Fund				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total general fund				
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds				
Total governmental funds				

Notes:

(A) The County implemented GASB Statement 54 in fiscal year 2010.

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

2009	2010 (A)	2011	2012	2013	2014
\$ 8,000,000	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<u>47,616,773</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 55,616,773</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
\$ 53,252,040	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
	N/A	N/A	N/A	N/A	N/A
<u>91,600,421</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 144,852,461</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 200,469,234</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
	\$ 162,760	\$ 363,619	\$ 311,241	\$ 1,224,835	\$ 1,134,846
	18,290	50,015	1,120,087	1,000,000	1,000,000
	21,757,565	21,041,045	2,374,790 (B)	2,370,079	1,223,183
	1,415,000	1,660,000	1,808,000	900,000	-
	33,160,873	33,694,612	48,722,929 (B)	44,385,674	48,320,836
	<u>\$ 56,514,488</u>	<u>\$ 56,809,291</u>	<u>\$ 54,337,047</u>	<u>\$ 49,880,588</u>	<u>\$ 51,678,865</u>
	\$ 2,316,373	\$ 814,858	\$ 557,128	\$ 50,788	\$ 39,337
	130,175,284	125,082,370	116,379,943	112,523,743	112,266,321
	4,691,573	4,661,146	1,483,393	1,481,312	1,492,929
	9,471,022	10,013,457	11,288,602	8,964,238	8,139,695
	<u>(1,184,722)</u>	<u>(354,995)</u>	<u>(202,971)</u>	<u>(339,223)</u>	<u>(201,587)</u>
	<u>\$ 145,469,530</u>	<u>\$ 140,216,836</u>	<u>\$ 129,506,095</u>	<u>\$ 122,680,858</u>	<u>\$ 121,736,695</u>
	<u>\$ 201,984,018</u>	<u>\$ 197,026,127</u>	<u>\$ 183,843,142</u>	<u>\$ 172,561,446</u>	<u>\$ 173,415,560</u>

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

	2005	2006	2007	2007
<b>Revenues</b>				
Taxes	\$ 104,012,925	\$ 116,088,548	\$ 130,158,069	\$ 130,158,069
Permits, fees, and special assessments	38,043,246	26,285,557	8,397,437	8,397,437
Intergovernmental	35,973,818	38,261,489	54,252,074	54,252,074
Charges for services	18,151,546	18,204,600	18,997,529	18,997,529
Judgments, fines and forfeits	1,715,875	2,069,593	2,403,093	2,403,093
Interest	4,083,164	10,574,489	15,777,318	15,777,318
Miscellaneous	1,398,166	4,597,369	3,495,610	3,495,610
<b>Total Revenues</b>	<b>203,378,740</b>	<b>216,081,645</b>	<b>233,481,130</b>	<b>233,481,130</b>
<b>Expenditures</b>				
Current:				
General government	20,107,020	21,831,839	24,815,255	24,815,255
Public safety	57,045,359	65,975,870	72,907,822	72,907,822
Physical environment	2,989,117	8,955,262	34,324,331	34,324,331
Transportation	21,285,597	30,610,413	49,503,680	49,503,680
Economic environment	713,019	1,054,239	968,227	968,227
Human service	7,270,391	12,470,222	13,862,463	13,862,463
Culture/recreation	15,062,134	16,380,438	23,751,173	23,751,173
Court related	5,630,734	5,915,727	6,649,724	6,649,724
Debt service:				
Principal	2,239,663	2,615,659	4,870,876	4,870,876
Interest and fiscal charges	1,255,837	1,790,431	3,255,767	3,255,767
Capital outlay	15,779,577	37,848,475	42,489,997	42,489,997
<b>Total Expenditures</b>	<b>149,378,448</b>	<b>205,448,575</b>	<b>277,399,315</b>	<b>277,399,315</b>
Excess of revenues over (under) expenditures	54,000,292	10,633,070	(43,918,185)	(43,918,185)
<b>Other Financing Sources (Uses)</b>				
Debt issuance	-	49,996,735	-	-
Payments from capital leases	-	-	264,467	264,467
Transfers out	(193,365)	(236,067)	(19,736,023)	(19,736,023)
Transfers in	-	10,067,988	19,629,728	19,629,728
<b>Total other financing sources (uses)</b>	<b>(193,365)</b>	<b>59,828,656</b>	<b>158,172</b>	<b>158,172</b>
<b>Net change in fund balances</b>	<b>\$ 53,806,927</b>	<b>\$ 70,461,726</b>	<b>\$ (43,760,013)</b>	<b>\$ (43,760,013)</b>
Debt service as a percentage of noncapital expenditures	3.0%	3.4%	4.8%	4.8%

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

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



2009	2010	2011	2012	2013	2014
\$ 113,689,399	\$ 103,626,726	\$ 94,718,550	\$ 90,472,569	\$ 88,005,422	\$ 94,585,345
12,433,598	11,322,039	11,189,393	11,486,235	12,769,844	14,321,389
34,305,682	37,687,574	30,453,182	29,759,832	30,086,479	30,563,650
16,852,653	14,665,805	15,030,329	14,760,125	15,887,241	18,076,888
1,792,517	852,012	936,995	739,275	778,575	1,004,374
5,721,869	2,061,385	1,173,103	613,023	570,559	463,274
2,489,532	2,383,493	4,175,614	5,237,426	3,841,294	3,221,548
<u>187,285,250</u>	<u>172,599,034</u>	<u>157,677,166</u>	<u>153,068,485</u>	<u>151,939,414</u>	<u>162,236,468</u>
22,566,113	20,894,116	19,271,196	20,477,898	19,056,322	20,681,570
74,813,164	71,489,613	70,432,615	67,761,985	66,908,328	67,799,667
910,213	1,131,173	1,371,734	1,751,623	771,942	781,306
38,111,512	27,497,907	28,432,207	29,058,310	28,223,229	23,321,248
653,547	2,520,339	2,099,698	2,021,184	2,581,401	1,106,886
8,621,760	7,267,406	7,625,369	6,888,883	6,952,460	7,178,542
15,450,688	18,453,642	14,706,194	13,808,303	11,538,809	11,627,286
6,620,830	6,214,831	5,983,085	5,860,925	6,054,822	6,487,906
5,120,000	5,315,000	4,270,000	8,060,000 (A)	6,050,000 (B)	3,700,000
2,948,758	2,758,138	2,562,374	2,426,083	2,118,704	1,984,616
10,435,212	7,487,068	5,825,287	8,108,370	13,037,552	16,560,991
<u>186,251,797</u>	<u>171,029,233</u>	<u>162,579,759</u>	<u>166,223,564</u>	<u>163,293,569</u>	<u>161,230,018</u>
1,033,453	1,569,801	(4,902,593)	(13,155,079)	(11,354,155)	1,006,450
-	-	-	-	-	-
-	-	-	-	-	-
(14,366,145)	(17,057,014)	(8,918,267)	(11,622,984)	(12,540,187)	(10,244,980)
14,309,733	17,001,997	8,862,969	11,595,078	12,504,699	10,092,644
<u>(56,412)</u>	<u>(55,017)</u>	<u>(55,298)</u>	<u>(27,906)</u>	<u>(35,488)</u>	<u>(152,336)</u>
\$ <u>977,041</u>	\$ <u>1,514,784</u>	\$ <u>(4,957,891)</u>	\$ <u>(13,182,985)</u>	\$ <u>(11,389,643)</u>	\$ <u>854,114</u>
5.4%	5.6%	5.0%	7.6%	6.0%	4.3%

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

Schedule 5

<u>Fiscal Year</u>	<u>Property (A)</u>	<u>Sales &amp; Use</u>	<u>Tourist</u>	<u>Franchise (B)</u>	<u>Gasoline</u>	<u>Other</u>	<u>Total</u>
2005	\$ 74,179,347	\$ 15,582,689	\$ 1,675,781	\$ 7,941,020	\$ 3,573,036	\$ 1,061,052	\$ 104,012,925
2006	84,914,269	15,736,078	1,517,360	9,318,394	3,526,774	1,075,673	116,088,548
2007	99,686,794	14,549,834	1,449,083	9,732,773	3,482,514	1,257,071	130,158,069
2008	99,826,741	13,714,228	1,584,514	-	3,218,705	1,571,452	119,915,640
2009	94,397,220	13,023,095	1,294,163	-	3,369,962	1,604,959	113,689,399
2010	84,603,998	12,660,518	1,324,953	-	3,498,698	1,538,559	103,626,726
2011	75,457,517	12,942,483	1,487,060	-	3,346,362	1,485,128	94,718,550
2012	70,327,749	13,708,911	1,604,920	-	3,329,183	1,501,806	90,472,569
2013	66,970,062	14,422,829	1,743,283	-	3,303,751	1,565,497	88,005,422
2014	72,715,877	15,228,304	1,918,201	-	3,294,709	1,428,254	94,585,345

(A) The County's primary source of revenue is property taxes, amounting to 77 percent of Governmental Funds tax revenues in 2014. Consequently, supplemental required schedules are provided only for property tax revenues.

(B) Effective 10/01/07, the State of Florida changed its uniform accounting manual to remove franchise fees from the taxes designation.

**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
2005	\$ 15,716,463,269	\$ 699,716,008	\$ 16,416,179,277	\$ 4,236,183,618	\$ 12,179,995,659	5.1563
2006	19,265,033,998	712,011,582	19,977,045,580	5,734,060,645	14,242,984,935	4.9173
2007	25,458,676,130	755,187,275	26,213,863,405	8,366,701,791	17,847,161,614	4.3250
2008	25,155,652,635	782,529,196	25,938,181,831	7,357,884,893	18,580,296,938	4.1037
2009	24,141,420,963	739,467,578	24,880,888,541	7,431,618,464	17,449,270,077	4.1493
2010	21,272,439,325	761,011,306	22,033,450,631	6,237,291,938	15,796,158,693	4.1666
2011	18,741,543,869	711,180,228	19,452,724,097	5,313,689,267	14,139,034,830	4.1625
2012	17,291,910,945	644,205,795	17,936,116,740	4,731,112,173	13,205,004,567	4.1625
2013	16,563,604,291	635,119,066	17,198,723,357	4,497,471,382	12,701,251,975	4.1625
2014	16,832,196,339	697,294,522	17,529,490,861	4,670,052,667	12,859,438,194	4.3353

Source: Indian River County Property Appraiser; values are established as of January 1 of the previous calendar year, i.e., January 1, 2013 taxable values apply to the fiscal year ending September 30, 2014.

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**

	2005	2006	2007	2008
<b><u>County direct rate</u></b>				
General fund	3.6233	3.5204	3.1914	3.0202
Municipal service	1.5330	1.3969	1.1336	1.0835
Total direct rate (A)	5.1563	4.9173	4.3250	4.1037
County-wide district school board rate	8.4990	8.2400	7.4430	7.5380
<b><u>Other County-wide rates</u></b>				
Emergency Management Services District	1.9836	1.9911	1.7639	1.7201
Land acquisition bond	0.2106	0.1789	0.4108	0.4082
Total other County-wide rates	2.1942	2.1700	2.1747	2.1283
Total County-wide rate (B)	15.8495	15.3273	13.9427	13.7700
<b><u>City rates</u></b>				
Fellsmere	5.7500	5.7500	5.7500	4.4301
Indian River Shores	1.4730	1.4730	1.4730	1.3923
Sebastian	4.5904	3.9325	3.0519	2.9917
Orchid	0.7508	0.6900	0.4525	0.4494
Vero Beach	2.1425	2.2925	2.1425	1.9367
Average of cities rates	2.9413	2.8276	2.5740	2.2400
Other special district rates	1.8923	1.6082	1.4795	1.3817

(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

2009	2010	2011	2012	2013	2014
3.0689	3.0892	3.0892	3.0892	3.0892	3.2620
1.0804	1.0774	1.0733	1.0733	1.0733	1.0733
4.1493	4.1666	4.1625	4.1625	4.1625	4.3353
7.0400	7.5960	8.2500	8.2440	8.3130	8.1160
1.7148	1.7148	1.7148	1.7148	1.7148	1.9799
0.4220	0.3879	0.4087	0.4364	0.3799	0.3788
2.1368	2.1027	2.1235	2.1512	2.0947	2.3587
13.3261	13.8653	14.5360	14.5577	14.5702	14.8100
4.4300	4.4300	4.4300	5.2455	5.4999	5.6190
1.3923	1.3923	1.4105	1.4731	1.4731	1.4731
3.3456	3.3456	3.3041	3.3041	3.7166	3.7166
0.4550	0.4550	0.4550	0.4550	0.5000	0.4864
1.9367	1.9367	1.9367	2.0336	2.0336	2.0336
2.3119	2.3119	2.3073	2.5023	2.6446	2.6657
1.5362	1.7515	1.7663	1.6856	1.6859	1.7128

Indian River County, Florida  
Principal Property Taxpayers (Unaudited)  
Year 2014 and Year 2005

Schedule 8

Taxpayer	2014			2005		
	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation
Florida Power & Light	\$ 104,169,885	1	0.81	\$ 74,389,385	2	0.61
Disney Vacation Dev. Inc.	70,980,390	2	0.55	87,106,518	1	0.72
Windsor Properties	37,435,960	3	0.29	41,680,450	5	0.34
BellSouth Telecomm Inc.	36,274,996	4	0.28	57,424,922	3	0.47
Adult Community Services Inc.	32,546,340	5	0.25	33,407,820	8	0.27
Beachlen II LLC	31,610,580	6	0.25	-		-
John's Island Club Inc.	30,565,160	7	0.24	35,832,632	6	0.29
I.R. Mall Associates Ltd.	28,501,910	8	0.22	53,842,380	4	0.44
Fellsmere Joint Venture	26,024,499	9	0.20	31,059,035	9	0.26
Health Care REIT Inc.	24,434,920	10	0.19	-		-
Wal-Mart Stores	-		-	27,953,002	10	0.23
The New Piper Aircraft	-		-	35,086,320	7	0.29
Total Principal Property Taxpayers Real Property Assessed Valuation	\$ <u>422,544,640</u>		<u>3.28%</u>	\$ <u>477,782,464</u>		<u>3.92%</u>
Total County Taxable Valuation (from schedule 6)	\$ <u>12,859,438,194</u>			\$ <u>12,179,995,659</u>		

Source: Indian River County Property Appraiser

**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
2005	\$ 76,748,078	\$ 73,991,702	96.41	\$ 111,220	\$ 74,102,922	96.55
2006	87,754,823	84,736,835	96.56	34,344	84,771,179	96.60
2007	102,986,045	99,404,127	96.52	61,566	99,465,693	96.58
2008	103,700,766	99,716,496	96.16	48,241	99,764,737	96.20
2009	97,439,623	94,107,423	96.58	273,002	94,380,425	96.86
2010	87,360,868	84,431,741	96.65	171,392	84,603,133	96.84
2011	77,790,733	75,215,452	96.69	290,472	75,505,924	97.06
2012	72,668,518	70,200,922	96.60	133,385	70,334,307	96.79
2013	69,251,173	66,838,348	96.52	111,341	66,949,689	96.68
2014	75,101,883	72,572,593	96.63	149,546	72,722,139	96.83

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.

Source: Indian River County Property Appraiser and Tax Collector provided the above information; consequently, the reported collections on this schedule will vary from the actual collections as reported on Schedule 5. The Tax Collector does not report the interest earnings on the collections, however, the Board includes those interest earnings as part of the total tax collection.

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

Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds (A)	Capital Leases	Spring Training Facility Bonds 2001 Series	Recreational Revenue Bonds (B)	Capital Leases	Water & Sewer Bonds (C)
2005	\$ 14,385,000	\$ 380,275	\$ 15,025,000	\$ 5,544,471	\$ 263,237	\$ 64,809,132
2006	62,630,060	-	14,520,000	5,089,099	193,786	62,416,115
2007	58,441,835	8,591	14,000,000	4,618,728	110,025	59,908,097
2008	53,958,611	-	13,455,000	4,138,356	28,126	57,285,080
2009	49,305,387	-	12,895,000	3,652,985	-	56,123,413
2010	44,482,163	-	12,310,000	3,147,614	-	53,016,507
2011	40,723,939	-	11,705,000	2,632,243	-	49,789,603
2012	33,200,714	-	11,075,000	2,101,871	-	46,462,698
2013	29,987,489	-	8,145,000	-	-	43,020,793
2014	26,639,265	-	7,700,000	-	-	39,433,889

(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.

This information is also presented on Schedules 11 and 13.

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

(C) Water & Sewer Bonds include Series 1993, Refunding Series 2005, and Series 2009.

(D) Information not available.

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

Further information may be found in Note 13.

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



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	Total Primary Government	Percentage of Total Debt to Personal Income (E)		Debt Per Capita (E)
\$	100,407,115	1.57%	\$	773
	144,849,060	2.07		1,071
	137,087,276	1.76		981
	128,865,173	1.68		910
	121,976,785	1.60		862
	112,956,284	1.69		818
	104,850,785	1.48		756
	92,840,283	1.25		666
	81,153,282	1.05		581
	73,773,154	(D)		523

**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
2005	130,043	\$ 12,179,995,659	\$ 14,385,000	\$ 1,106,353	\$ 13,278,647	0.0011	\$ 102.1097
2006	135,262	14,242,984,935	62,630,060	1,375,837	61,254,223	0.0043	452.8561
2007	139,757	17,847,161,614	58,441,835	1,956,189	56,485,646	0.0032	404.1704
2008	141,667	18,580,296,938	53,958,611	2,530,612	51,427,999	0.0028	363.0203
2009	141,475	17,449,270,077	49,305,387	2,841,769	46,463,618	0.0027	328.4228
2010	138,028	15,796,158,693	44,482,163	1,845,314	42,636,849	0.0027	308.9000
2011	138,694	14,139,034,830	40,723,939	1,743,781	38,980,158	0.0028	281.0515
2012	139,446	13,205,004,567	33,200,714	1,002,540	32,198,174	0.0024	230.9007
2013	139,586	12,701,251,975	29,987,489	828,029	29,159,460	0.0023	208.8996
2014	140,955	12,859,438,194	26,639,265	832,464	25,806,801	0.0020	183.0854

(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. Total taxable values are also presented in Schedule 6.

Gross G.O.B. debt is also presented on Schedules 10 and 13.

Total taxable assessed values also appear on Schedule 6.

Source of population data is the University of Florida, Bureau of Economic and Business Research.

**Indian River County, Florida**  
Computation of Legal Debt Margin (Unaudited)  
September 30, 2014

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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, 2014

Schedule 13

Governmental Unit

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Indian River County Limited General Obligation Bonds, Series 2006	\$ 26,639,265	100%	\$ 26,639,265
Revenue Bonds - Spring Training Facility - Series 2001	7,700,000	100	<u>7,700,000</u>
Total direct debt of County:			<u>34,339,265</u>
Other debt:			
Indian River County School District Certificates of Participation	117,552,599 (A)	100	<u>117,552,599</u>
Total overlapping debt:			<u>117,552,599</u>
Total direct and overlapping debt:			<u>\$ 151,891,864</u>

(A) Indian River County School District, as of June 30, 2014

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

	2005	2006	2007	2008
<u>Uniform Charges</u>				
Water sales	\$ 12,146,416	\$ 13,336,623	\$ 13,529,341	\$ 13,435,398
Wastewater sales	10,437,091	11,634,181	12,003,677	12,128,706
Other	<u>1,685,502</u>	<u>1,744,486</u>	<u>1,386,198</u>	<u>1,460,143</u>
Total uniform charges	24,269,009	26,715,290	26,919,216	27,024,247
Septage/Sludge	269,575	332,329	290,955	256,785
Surcharges	242,451	244,166	243,919	245,343
Interest earnings	2,264,132	4,554,419	6,576,873	3,650,480
1989/1990 Special assessments	-	60,229	21,138	112
1996 Special assessments	<u>722,922</u>	<u>350,712</u>	<u>268,883</u>	<u>220,754</u>
Gross revenues	27,768,089	32,257,145	34,320,984	31,397,721
Less: Direct expenses	<u>12,853,872</u>	<u>14,270,414</u>	<u>16,226,651</u>	<u>17,147,444</u>
Net revenues available for debt service	<u>\$ 14,914,217</u>	<u>\$ 17,986,731</u>	<u>\$ 18,094,333</u>	<u>\$ 14,250,277</u>
Annual debt service				
Principal	\$ 2,020,000	\$ 2,390,000	\$ 2,505,000	\$ 2,620,000
Interest	<u>3,525,573</u>	<u>3,157,260</u>	<u>3,041,150</u>	<u>2,922,950</u>
Total debt service payment	<u>\$ 5,545,573</u>	<u>\$ 5,547,260</u>	<u>\$ 5,546,150</u>	<u>\$ 5,542,950</u>
Debt service coverage	2.69x	3.24x	3.26x	2.57x

Note: 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.

Note: Water and Sewer debt information can be found in Note 13.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	13,001,743	\$ 13,570,657	\$ 13,565,766	\$ 13,621,878	\$ 13,667,115	\$ 14,059,231
	11,954,333	12,375,346	12,203,750	12,515,394	12,546,429	12,879,006
	<u>1,285,605</u>	<u>1,430,966</u>	<u>1,639,985</u>	<u>1,727,411</u>	<u>1,763,426</u>	<u>2,025,378</u>
	26,241,681	27,376,969	27,409,501	27,864,683	27,976,970	28,963,615
	294,459	302,187	314,969	373,616	426,634	478,555
	244,619	245,011	245,245	246,298	246,363	242,073
	2,110,031	686,776	491,260	315,377	239,270	258,741
	413	438	8,718	-	-	-
	<u>184,272</u>	<u>151,316</u>	<u>93,513</u>	<u>75,037</u>	<u>69,757</u>	<u>22,091</u>
	29,075,475	28,762,697	28,563,206	28,875,011	28,958,994	29,965,075
	<u>17,057,273</u>	<u>16,007,055</u>	<u>15,404,503</u>	<u>15,657,085</u>	<u>15,217,294</u>	<u>16,040,433</u>
\$	<u><u>12,018,202</u></u>	\$ <u><u>12,755,642</u></u>	\$ <u><u>13,158,703</u></u>	\$ <u><u>13,217,926</u></u>	\$ <u><u>13,741,700</u></u>	\$ <u><u>13,924,642</u></u>
\$	2,745,000	\$ 2,870,000	\$ 2,990,000	\$ 3,090,000	\$ 3,205,000	\$ 3,350,000
	<u>2,047,513</u>	<u>2,510,910</u>	<u>2,324,525</u>	<u>2,193,450</u>	<u>2,080,951</u>	<u>1,937,450</u>
\$	<u><u>4,792,513</u></u>	\$ <u><u>5,380,910</u></u>	\$ <u><u>5,314,525</u></u>	\$ <u><u>5,283,450</u></u>	\$ <u><u>5,285,951</u></u>	\$ <u><u>5,287,450</u></u>
	2.51x	2.37x	2.48x	2.50x	2.60x	2.63x

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)
2005	130,043	\$ 6,386,893,000	\$ 50,369	4.7
2006	135,262	7,002,160,000	54,045	4.7
2007	139,757	7,810,408,000	59,419	7.3
2008	141,667	7,669,062,000	57,107	10.1
2009	141,475	7,610,327,000	47,689	15.2
2010	138,028	6,687,691,000	48,378	15.2
2011	138,694	7,090,634,000	51,041	13.7
2012	139,446	7,429,653,000	52,855	11.3
2013	139,586	7,731,263,000	54,448	8.8
2014	140,955	(D)	(D)	7.9

**Sources:**

(A) University of Florida, Bureau of Economic and Business Research

(B) US Department of Commerce, Bureau of Economic Analysis

(C) Florida Agency for Workforce Innovation

(D) Information not available

The population and personal income information is used in Schedule 10 for calculation of Debt Per Capita and Percentage of Debt to Personal Income.



**Indian River County, Florida**  
Principal Employers (Unaudited)  
Year 2014 and Year 2005

Schedule 16

Employer	2014	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,113	3.67 %
Indian River County *	1,328	2.30
Indian River Medical Center	1,753	3.04
Publix Supermarkets	1,250	2.17
Piper Aircraft Inc.	850	1.47
Sebastian River Medical Center	569	0.99
John's Island	526	0.91
City of Vero Beach	424	0.74
Visiting Nurse Association	399	0.69
Indian River Estates	350	0.61
Total	9,562	16.59 %
Total County Employees	57,629	

Employer	2005	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,106	3.85 %
Indian River County*	1,824	3.34
Indian River Medical Center	1,549	2.83
Publix Supermarkets	950	1.74
Piper Aircraft Inc.	974	1.78
City of Vero Beach	600	1.10
Sebastian River Medical Center	525	0.96
John's Island	475	0.87
Hale Groves	470	0.86
Wal-Mart	462	0.85
Total	9,935	18.18 %
Total County Employees	54,661	

Source: Indian River County, Florida annual budgets for individual employers.

Florida Agency for Workforce Innovation - Labor Market Statistics, and Bureau of Economic and Business Research at University of Florida for total County employment figures.

\* This includes the Board of County Commissioners, Clerk of the Circuit Court, Supervisor of Elections, Property Appraiser, Sheriff, and the Tax Collector.

**Indian River County, Florida**

Building Permits (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Indian River County				Munici-		
	# of Permits	New Construction	# of Permits	Additions & Alterations	# of Permits	New Construction	
2005	4,770	\$ 703,972,409	4,409	\$ 57,549,895	1,147	\$ 262,135,977	
2006	3,760	754,817,641	5,630	43,898,675	826	185,556,022	
2007	1,404	280,056,839	3,899	38,290,132	269	107,099,115	
2008	857	222,191,316	2,686	30,731,235	206	104,188,514	
2009	442	97,694,608	1,725	17,102,312	122	41,039,432	
2010	394	82,995,613	2,017	20,723,725	122	30,048,727	
2011	416	96,301,948	2,288	26,368,020	112	27,812,429	
2012	421	95,703,031	2,591	25,060,272	150	37,380,374	
2013	562	159,419,936	3,165	32,572,696	278	63,277,504	
2014	611	190,750,218	4,290	41,977,079	262	81,288,256	

Source: Building Departments - Indian River County (including the City of Vero Beach),  
Town of Orchid, Town of Indian River Shores, City of Sebastian, and City of Fellsmere.

palities			Countywide					
# of Permits		Additions & Alterations	# of Permits		New Construction	# of Permits		Additions & Alterations
13,062	\$	119,403,505	5,917	\$	966,108,386	17,471	\$	176,953,400
7,072		65,822,951	4,586		940,373,663	12,702		109,721,626
3,712		53,482,334	1,673		387,155,954	7,611		91,772,466
2,850		40,039,893	1,063		326,379,830	5,536		70,771,128
2,188		34,072,491	564		138,734,040	3,913		51,174,803
2,948		32,545,131	516		113,044,340	4,965		53,268,856
2,973		42,087,897	528		124,114,377	5,261		68,455,917
3,271		43,011,051	571		133,083,405	5,862		68,071,323
4,433		45,723,356	840		222,697,440	7,598		78,296,052
5,049		57,293,148	873		272,038,474	9,339		99,270,227

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

<b>Function/Program</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Government</b>				
Purchasing	2,554	2,734	2,753	2,520
Purchase orders issued				
<b>Public Safety</b>				
Fire rescue				
Vehicle rescue response	10,602	6,880	32,488 (A)	33,845
Fire code inspections	2,215	2,420	2,593	3,527
Advanced life support calls	5,623	10,728	7,537	5,862
Basic life support calls (transport only)	4,606	11,105	3,643	5,759
Sheriff				
Arrests	5,172	5,211	5,012	5,620
Violent crimes	300	652	338	353
Non-violent crimes	3,930	3,462	6,192	6,383
Total calls for service	122,893	131,489	126,490	129,389
Building department				
Construction permits issued	4,770	3,760	1,404	857
Estimated value of construction (millions)	\$ 704.0	\$ 754.8	\$ 280.1	\$ 222.2
<b>Physical Environment</b>				
Solid waste				
Waste stream tonnage received	529,238	380,109	295,977	239,296
Total recycled material (tons)	129,869	70,919	57,247	42,088
Utilities - water & sewer				
Number of water customers	34,867	43,477	41,101	42,000
Number of wastewater customers	20,237	25,943	24,666	25,000
Water ERUs	53,032	54,070	61,494	61,558
Wastewater ERUs	38,387	41,351	45,396	45,785
Water consumption (Average Daily Demand)	7,780,000	8,370,000	8,790,000	8,603,000

(A) Effective September 18, 2006, fire and advanced life support combined into fire rescue.

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

2009	2010	2011	2012	2013	2014
2,463	1,970	1,805	1,852	1,740	1,760
34,480	34,529	37,550	39,316	39,340	41,540
5,917	2,358	2,239	1,874	1,992	1,753
9,085	9,751	10,935	10,904	10,991	11,283
3,486	3,269	3,077	3,406	3,544	3,851
4,331	5,065	4,464	3,144	3,885	4,262
340	310	394	107	439	552
6,099	5,719	6,058	6,063	5,683	5,853
138,998	154,480	162,944	176,170	199,687	216,082
442	394	416	421	562	611
\$ 97.7	\$ 83.0	\$ 96.3	\$ 95.7	\$ 159.4	\$ 190.8
207,344	201,561	180,434	205,355	211,382	265,278
40,931	45,298	30,424	53,255	50,792	101,444
42,972	43,723	44,254	44,571	45,216	46,223
25,192	25,205	25,465	25,773	26,233	26,948
63,147	64,146	64,391	64,820	65,477	66,261
45,319	45,427	45,863	46,107	46,576	47,027
8,700,000	8,225,000	8,198,000	7,798,000	7,558,000	8,620,000

Continued

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

<b>Function/Program</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Transportation</b>				
Public works				
Projects under design	4	5	5	6
Projects awarded for construction	-	4	5	5
Construction projects completed	-	4	5	5
County engineering				
Roads designed	6	11	7	8
Miles of roads designed	1.71	6.50	3.50	6.00
Traffic engineering				
Site plans reviewed	1,274	1,135	520	332
<b>Culture/Recreation</b>				
Library				
Circulation (County-wide)	1,079,206	1,140,904	1,188,366	1,250,075
Recreation department				
Total beach park attendance	N/A	N/A	N/A	415,051
Athletic and event attendance	N/A	N/A	N/A	8,673
Aquatic centers attendance	89,000	93,088	90,503	90,475
Shooting range				
Safety/Registration cards issued	3,718	6,036	6,784	6,784
Golf course				
Rounds played	97,465	107,048	100,539	104,716
<b>Court Related</b>				
Law library				
Circulation	26,481	26,255	24,759	21,107

(B) Law library circulation is now included in the County-wide Library Circulation.

2009	2010	2011	2012	2013	2014
29	13	26	19	20	43
5	7	7	10	5	7
12	6	8	8	5	20
5	6	4	4	6	8
5.00	6.00	1.00	8.00	6.00	8.35
423	271	218	290	357	387
1,314,372	1,403,367	1,362,857	1,277,253	1,300,764 (B)	1,317,458
437,302	467,434	449,213	420,609	404,287	434,397
14,730	23,750	24,112	23,979	23,841	23,900
89,787	87,107	98,515	97,965	97,183	105,459
9,050	6,471	8,176	8,302	8,462	7,911
101,810	96,593	94,713	96,723	91,770	90,306
18,512	13,079	9,168	9,428	N/A (B)	N/A

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

	2005	2006	2007	2008
<b>General Government</b>				
Board of County Commissioners	10	10	10	11
County Attorney	6	6	7	7
Administration	3	3	3	3
Financial/Administrative Service	23.5	24.5	25.5	26.5
Comprehensive Planning	23	23	23	23
Other	42	50	62	49
Clerk of Circuit Court	108	113	118	116
Property Appraiser	47	49	50	45
Supervisor of Elections	11.5	11.5	12	12
Tax Collector	40	40	40	38
<b>Public Safety</b>				
Fire Department	144.5	233	232	241
Advanced Life Support	82	- (A)		
Sheriff - Corrections	130	200	197	197
Sheriff - Court Service	25.5	26	29.5	29.5
Sheriff - Law Enforcement	276	276	301	301
Building Department	45	49	50	33
Other	17.5	11	12	12
<b>Physical Environment</b>				
Solid Waste	53	53	53	51
Utilities - water and sewer	126	131	139	130
Other	11	13	14	15
<b>Transportation</b>				
Road and Bridges	100	103	106	100
County Engineering	33	39	42	42
Traffic Engineering	22	24	26	24
Real Estate Acquisition	0	0	0	3
<b>Economic Environment</b>	6	6	6	4.5
<b>Human Services</b>	15	17	15	15
<b>Culture/Recreation</b>				
Libraries	51	51	52.5	50
Parks	39	43	42	41
Recreation Department	56.5	56	58.5	57.5
Coastal Engineering	3	3	3	3
Shooting Range	6	6	6	5.5
Golf Course	22	21.5	21.5	18
<b>Court Related</b>				
Law Library	1	1	1	1
<b>Total</b>	1,579	1,692.5	1,757.5	1,704.5

Source: Indian River County, Florida annual budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time/seasonal employee.

Totals include unfilled positions.

(A) The fire and advanced life support departments were consolidated on September 18, 2006.



2009	2010	2011	2012	2013	2014
10	10	10	8.5	9	9
7	6	6	6	6	6
3	2.72	2.35	2.35	2.35	2.35
23	21.5	19.85	19.85	19.35	20.85
19	16	14.32	15	15	14.5
44.5	36.5	34	34.75	33.9	33.4
99.5	98.5	98	96	98	93
40	40	36	35	35	36
9.5	9.5	8	8.5	8.5	9.5
38	38	38	38	44	45
240	246	244	243	243	243
195	198	207	163	163	163
29.5	29.5	29.5	27.5	27.5	27.5
301	301	301	303	303	303
18	17	15	14	15	18.5
10	9	6.68	6	4	4
49	49	10	9	9	9
128	118	112.5	112.5	113.5	116.5
9	9	8	8	7	8
86.5	80	77	77.25	77.1	78.1
33	28	27	26	24	24
21	21	20	20	19	19
2	2.28	1	1	1	1
3.5	3.5	2.5	2.5	2.5	2.5
14.5	13	13	13	12	12
45.5	47.5	46.5	42	41.5	41.5
39	37	34	28	28	28
46	37.5	33	33.3	32.3	32.8
3	2	2	2	2	2
5.5	5.5	5	5	5	5
16.5	15.5	15.5	15	13.5	13.5
1	1	1	1	1	1
1,589.5	1,549.0	1,478.0	1,416.0	1,415.0	1,422.5

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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>General Government</b>				
Buildings and grounds				
Total square footage maintained	493,270	493,270	715,215	715,215
Number of facilities and sites maintained	43	43	47	47
Vehicles	18	18	17	17
General government				
Vehicles	32	36	37	28
Planning				
Vehicles	6	6	7	7
GIS				
Vehicles				1
<b>Public Safety</b>				
Fire department				
Vehicles	43	49	54	53
Fire stations	11	11	11	11
Advanced life support				
Vehicles	25	24	21	20
E911 Center				
Vehicles				1
Sheriff				
Vehicles	252	274	276	295
Building department				
Vehicles	27	29	22	13
<b>Physical Environment</b>				
Solid waste				
Vehicles	32	33	34	32
Telecommunications				
Vehicles				1
Ag Extension				
Vehicles	2	2	2	2
Utilities - Water and Sewer				
Vehicles	84	90	86	82
Water treatment plants	2	2	2	2
Wastewater treatment facilities	7	7	6	6
Water main - miles	N/A	737	769	780
Force main - miles	N/A	188	217	240
Gravity sewer lines - miles	N/A	250	259	261
<b>Transportation</b>				
Road and bridge				
Miles maintained (paved & unpaved)	614	614	617	625
Bridges maintained	78	78	78	78
Vehicles	61	66	68	65

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

2009	2010	2011	2012	2013	2014
715,215	715,215	715,215	720,215	720,215	720,215
47	47	47	48	48	48
15	15	15	15	15	16
27	26	31	31	30	30
7	7	7	6	5	6
1	1	1	1	1	1
54	51	51	51	46	47
11	12	12	12	12	12
20	17	18	18	19	19
1	1	1	1	1	1
291	288	298	295	274	293
9	9	9	9	9	10
30	30	1	1	1	1
1	1	1	1	1	1
2	1	1	1	1	1
82	81	81	85	79	80
2	2	2	2	2	2
6	6	6	6	6	6
819	845	839	843	847	852
230	226	229	223	225	225
262	269	271	270	273	269
628	636	636	638	650	650
78	78	75	75	71	72
65	64	67	67	64	64

Continued

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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Transportation - continued:</b>				
Senior Resource Association				
Vehicles	20	22	25	23
Engineering				
Vehicles	9	11	12	17
Traffic engineering				
Traffic signals operated	122	125	132	133
Beacons operated	37	42	42	41
Vehicles	6	6	3	5
Traffic operations				
Vehicles	10	10	16	16
<b>Human Services</b>				
Health department				
Vehicles	17	16	16	16
Animal Control				
Vehicles	5	6	7	7
Rental Assistance				
Vehicles	3	3	2	2
<b>Culture/Recreation</b>				
Libraries				
Locations	2	2	2	2
Parks				
Number of neighborhood parks	12	12	12	12
Number of County parks	47	47	47	47
Acreage	3,994	4,004	4,014	4,014
Picnic shelters maintained	64	66	69	69
Boat ramps maintained	8	8	8	8
Vehicles	22	23	25	24
Recreation				
Vehicles	4	5	5	5
Shooting range				
Vehicles	1	-	1	1
Rifle range stations	29	-	29	29
Pistol range stations	35	35	35	35
Golf Course				
Holes maintained	36	36	36	36
Vehicles	2	2	2	2

2009	2010	2011	2012	2013	2014
25	32	34	34	38	35
16	16	16	13	13	13
133	137	137	137	150	150
48	48	53	46	45	45
3	1	1	1	1	1
15	16	18	18	19	21
16	15	15	17	17	17
7	7	7	7	7	6
2	2	2	2	2	2
2	3	3	3	3	3
12	12	12	12	10	10
47	47	47	47	40	37
4,014	4,014	4,014	4,014	4,014	3,429
69	69	69	69	69	69
8	8	8	8	8	8
25	24	25	24	22	23
5	5	5	5	5	5
1	1	1	1	1	1
29	29	29	29	29	29
35	35	35	35	35	35
36	36	36	36	36	36
2	2	2	2	2	2

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

Schedule 21

Fiscal Years  
2005-2014 \*

**WATER RATES**

Billing charges	\$ 1.29
Base facilities charges (per ERU)	
Single-family or commercial	7.76
Multi-family or manufactured home	6.60
Volume charge - per 1,000 gallons (per ERU)	
0-3,000 gallons	2.20
3,000-7,000 gallons	2.42
7,001 gallons and over	3.85
Excess volume surcharge - greater than 13,000 gallons per month (per ERU)	7.70
Base facilities charge where capacity is reserved but lines are not yet available (per ERU)	
Single-family or commercial	3.88
Multi-family or manufactured home	3.30

**SEWER RATES**

Billing charges	1.29
Base facility charge (per ERU)	
Single-family or commercial	14.58
Multi-family or manufactured home	12.40
Volume charge - per 1,000 gallons	
Single-family & manufactured home (1,000-12,000)	2.86
Multi-family & commercial (0-13,000)	2.86
Multi-family & commercial (>13,000)	4.29
Base facilities charge where capacity is reserved but lines are not yet available (per ERU)	
Single-family or commercial	7.29
Multi-family or manufactured home	6.20

\*The last change to the County's water and sewer rates occurred on October 1, 1999.

Source: Indian River County Utilities Department

In addition to the charges shown above, users of the North Beach Water System are subject to a \$13 per ERU per month surcharge.

**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 2005 through 2014 as set forth below:

<u>Fiscal Year</u>	<u>Water ERUs</u>	<u>Wastewater ERUs</u>
2005	53,032	38,387
2006	54,070	41,351
2007	61,494	45,396
2008	61,558	45,785
2009	63,147	45,319
2010	64,146	45,427
2011	64,391	45,863
2012	64,820	46,107
2013	65,477	46,576
2014	66,261	47,027

Source: Indian River County Utilities Department

**Indian River County, Florida**  
**Top 10 High Volume Customers of Utility Services (Unaudited)**  
**Fiscal Year 2014**

Schedule 23

Below is a table depicting the ten highest volume customers of the utility system for the fiscal year ended September 30, 2014:

Customer	Annual Water Volume (x 1,000 gals.)	Annual Wastewater Volume (x 1,000 gals.)
1. Vista Royale	31,019	31,019
2. IRC School Board	26,897	20,783
3. City of Fellsmere	-	23,842
4. Acts, Inc.	23,745	23,629
5. MHC Village Green LLC	21,457	21,457
6. Disney's Vero Beach Resort	20,382	20,382
7. Encore RV Park	14,118	14,118
8. Palms of Vero Beach LTD	13,322	13,322
9. Vista Gardens	13,276	13,276
10. Lindsey Gardens	13,201	13,113

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:

<u>Fiscal Year</u>		<u>Water Capacity Charges</u>		<u>Wastewater Capacity Charges</u>		<u>Total Charges</u>	
2005	\$	11,036,369	\$	19,109,246	\$	30,145,615	
2006		4,758,320		8,287,244		13,045,564	(A)
2007		1,159,803		620,915		1,780,718	(A)
2008		699,054		1,088,279		1,787,333	
2009		504,658		367,940		872,598	
2010		1,025,700		276,551		1,302,251	
2011		485,225		462,114		947,339	
2012		585,490		755,838		1,341,328	
2013		795,134		1,225,379		2,020,513	
2014		1,081,355		1,625,404		2,706,759	

(A) Large decrease in capacity charges due to construction slowdown.

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

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<u>Year Ended September 30</u>	<u>Professional Sports State Subsidy</u>	<u>Total Tourist Tax Collected</u>	<u>One Cent Tourist Tax (A)</u>	<u>Half Cent Sales Tax (B)</u>
2005	\$ 500,004	\$ 1,675,781	\$ 418,945	\$ 8,746,849
2006	500,004	1,517,360	379,340	8,776,684
2007	500,004	1,449,083	362,271	8,122,976
2008	500,004	1,584,512	396,128	7,587,682
2009	500,004	1,294,163	323,541	7,000,465
2010	500,004	1,324,953	331,238	6,929,458
2011	500,004	1,487,061	363,233	7,075,101
2012	500,004	1,604,919	401,230	7,412,887
2013	500,004	1,743,283	435,821	7,828,550
2014	500,004	1,918,200	479,550	8,219,778

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

(B) This amount represents 100% of the half-cent sales tax received. Eighty-six percent of this amount is pledged to the payment of debt service on the Series 2001 bonds.

Refer to pledged revenue coverage on County Note 13.

**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 4, 2015

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 audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of *Indian River County, Florida* (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 4, 2015.

**Internal Control over Financial Reporting**

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

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

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

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Rehmann Lobson LLC*

## MANAGEMENT LETTER

March 4, 2015

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 the *Indian River County, Florida* (the "County"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 4, 2015.

### Auditor's 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*.

### Other Reports and Schedule

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*; Independent Auditor's Report on Compliance with Each Major 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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 4, 2015, 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 Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report 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 identification of 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. 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.

## Annual Financial Report

Section 10.554 (1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

## Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address 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 have any such findings.

## Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

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

## INDEPENDENT ACCOUNTANTS' REPORT

March 4, 2015

The Honorable Board of County Commissioners  
Indian River County, Florida

We have examined the compliance of *Indian River County, Florida* (the "County") with Section 218.415, 28.35 and 28.36 Florida Statutes, during the year ended September 30, 2014. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use 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.



**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS  
REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

March 4, 2015

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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 4 2015, 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 OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, 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 Robson LLC*



**Indian River County, Florida**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

<b>Federal/State Agency Pass-through Entity Federal Program/State Project</b>	<b>CFDA/ CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b>Department of Housing and Urban Development:</b>				
Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	FL-132-VO-014 to 017	\$ 1,987,103	
Shelter Plus Care	14.238	FL0380C4H091000	58,327	
Shelter Plus Care	14.238	FL0113CH090800	91,101	
Shelter Plus Care	14.238	FL0338CH090900	46,648	
Subtotal CFDA - 14.238			<u>196,076</u>	
Supportive Housing Program-				
Homeless Management Information Systems	14.235	FL0308B4H091204	25,856	
Homeless Management Information Systems	14.235	FL0418B4H091100	27,917	
Subtotal CFDA - 14.235			<u>53,773</u>	
Continuum of Care -				
Rental Assistance	14.267	FL0360L4H091203	69,767	
Rental Assistance	14.267	FL0360C4H091304	21,102	
Rental Assistance	14.267	FL0440L4H091201	64,423	
Rental Assistance	14.267	FL0440L4H091302	41,919	
Rental Assistance	14.267	FL0114L4H091205	41,475	
Rental Assistance	14.267	FL0114L4H091306	27,203	
Supportive Services	14.267	FL0115L4H091205	46,709	
Homeless Management Information Systems	14.267	FL0116L4H091205	34,725	
Rental Assistance	14.267	FL0119L4H091205	92,771	
Rental Assistance	14.267	FL0119L4H091306	17,085	
Rental Assistance	14.267	FL0120L4H091205	121,602	
Rental Assistance	14.267	FL0120L4H091306	37,549	
Subtotal CFDA - 14.267			<u>616,330</u>	
Comm. Dev. Block Grant - Neighborhood Stabilization Pgm #3	14.228	B-11-UN-12-0022	535,223	
CDBG NSP #3 Program Income Expenditures	14.228	Program Income	60,028	
Indirect Programs:				
Passed through Florida Dept. of Economic Opportunity:				
Comm. Dev. Block Grant - Neighborhood Revitalization	14.228	12DB-OH-10-40-01-N01	27,000	
Comm. Dev. Block Grant - Neighborhood Stabilization Program	14.228	10DB-4X-10-40-01-F13	96,104	
CDBG NSP Program Income Expenditures	14.228	Program Income	11,027	
Subtotal CFDA - 14.228			<u>729,382</u>	
Indirect Program:				
Passed through Florida Housing Finance Corporation:				
Tenant Based Rental Assistance	14.239	2013-210TBRA	224,831	
<b>Total Department of Housing and Urban Development</b>			<u>3,807,495</u>	
<b>Federal Transit Administration:</b>				
Direct Programs:				
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X838	\$ 1,571,021	
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X828	352,448	
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X799	2,403	
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X756	26,000	
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X739	87,717	
<b>Total Federal Transit Administration</b>			<u>2,039,589</u>	

**Indian River County, Florida**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

<b>Federal/State Agency Pass-through Entity Federal Program/State Project</b>	<b>CFDA/ CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b>Department of Transportation:</b>				
Indirect Programs:				
Passed through Florida Department of Transportation:				
Old Dixie Highway Sidewalk	20.205	AQN64	\$ 153,151	
Florida Safe Routes to School	20.205	BDV231	13,651	
Metropolitan Planning Organization	20.205	AA080	353,822	
Subtotal CFDA - 20.205			<u>520,624</u>	
Federal Transit Metropolitan Planning Grant	20.505	AQ212	36,359	
Section 5311 Non-Urbanized Public Transit	20.509	APT03		\$ 66,195
Safe Routes to School	20.600	AQJ07	24,950	
Passed through Florida Department of Environmental Protection:				
Indian River Lagoon Greenway	20.219	TT11037	109,000	
<b>Total Department of Transportation</b>			<u>690,933</u>	<u>66,195</u>
<b>Department of Justice:</b>				
Direct Programs:				
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0044	55,721	
2013 Local Solicitation Justice Assistance Grant	16.738	2013-DJ-BX-0298	21,927	
Indirect Programs:				
Passed through Florida Department of Law Enforcement:				
Bryne Formula Grant Program				
Multi-Agency Drug Enforcement Unit	16.738	2014-JAGC-INRI-2-E5-233	61,852	
Drug Testing Program Grant	16.738	2014-JAGC-INRI-1-E5-230	10,575	
Subtotal CFDA - 16.738			<u>94,354</u>	
Passed through Office of the Attorney General:				
Crime Victim Assistance Program	16.575	V13050	38,391	
<b>Total Department of Justice</b>			<u>188,466</u>	
<b>Department of Health and Human Services, Agency for Children and Families, Office of Child Support Enforcement:</b>				
Indirect Programs:				
Passed through Florida Department of Revenue:				
Sheriff Service of Notices	93.563	O0331	7,198	
Child Support Enforcement-Title IV D	93.563	CD331	404,854	
<b>Total Office of Child Support Enforcement</b>			<u>412,052</u>	

**Indian River County, Florida**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

<b>Federal/State Agency Pass-through Entity Federal Program/State Project</b>	<b>CFDA/ CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b>Department of Homeland Security:</b>				
Indirect Programs:				
Passed through Division of Emergency Management:				
Emergency Management Homeland Security	97.067	12-DS-20-10-40-01-454	\$ 5,700	
Emergency Management Homeland Security	97.067	13-DS-97-08-39-01-370	15,778	
Emergency Management Homeland Security	97.067	14-DS-L5-10-40-01-281	7,022	
Subtotal CFDA - 97.067			<u>28,500</u>	
Community Emergency Response Team	97.042	14-CI-K1-10-40-02-415	11,174	
Emergency Management Performance Grant	97.042	14-FG-1M-10-40-01-098	74,374	
Subtotal CFDA - 97.042			<u>85,548</u>	
FEMA Hazardous Mitigation Grant	97.039	07HM-4a-10-04-01-008	51,222	
<b>Total Department of Homeland Security</b>			<u>165,270</u>	
<b>US Fish and Wildlife Service:</b>				
Indirect Program:				
Passed Through Fla Fish and Wildlife Conservation Commission				
Indian River County Artificial Reef Construction	15.605	FWC-13127	41,000	
<b>Total US Fish and Wildlife Service</b>			<u>41,000</u>	
<b>Environmental Protection Agency:</b>				
Indirect Program:				
Passed through Florida Dept of Environmental Protection:				
PC South Algal Nutrient Removal Facility	66.460	G0353	850,000	
<b>Total Environmental Protection Agency</b>			<u>850,000</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS:</b>			\$ <u>6,155,216</u>	\$ <u>2,105,784</u>

**Indian River County, Florida**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

<b>Federal/State Agency Pass-through Entity Federal Program/State Project</b>	<b>CFDA/ CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b><u>STATE OF FLORIDA</u></b>				
<b>Division of Emergency Management:</b>				
Direct Projects:				
Hazardous Materials Analysis Grant	31.067	14-CP-11-10-40-01-274	\$ 5,149	
Emergency Management Programs				
Emergency Management Preparedness and Assistance	31.063	15-BG-83-10-40-01-031	18,600	
Emergency Management Preparedness and Assistance	31.063	14-BG-83-10-40-01-031	81,548	
Subtotal CSFA - 31.063			<u>100,148</u>	
<b>Total Division of Emergency Management</b>			<u>105,297</u>	
<b>Department of Economic Opportunity:</b>				
Direct Project:				
Community Planning Technical Assistance	40.024	P0039	25,000	
<b>Total Department of Economic Opportunity</b>			<u>25,000</u>	
<b>Florida Housing Finance Corporation:</b>				
Direct Projects:				
State Housing Initiatives Partnership	52.901	N/A	595,185	
<b>Total Florida Housing Finance Corporation</b>			<u>595,185</u>	
<b>Department of State:</b>				
Direct Project:				
Archie Smith Fish House Restoration	45.031	S1429	49,500	
State Aid to Libraries	45.030	14-ST-23	92,962	
<b>Total Department of State</b>			<u>142,462</u>	
<b>Department of Transportation:</b>				
Direct Projects:				
Transportation Disadvantaged Planning Grant	55.002	AR258	17,668	
Transportation Disadvantaged Planning Grant	55.002	ARH80	4,139	
Subtotal CSFA - 55.002			<u>21,807</u>	
SCOP - CR512 Eastbound Lanes	55.009	AQ072	113,926	
SCOP - CEI Services of IR Blvd	55.009	AR548	431,711	
Subtotal CSFA - 55.009			<u>545,637</u>	
FI Public Transit Block Grant	55.010	APT70		\$ 339,000
FDOT Service Development Grant	55.012	AQG07		332,000
Transit Corridor Grant	55.013	ARE86		13,820
Transit Corridor Grant	55.013	AP049		84,719
Subtotal CSFA - 55.013				<u>98,539</u>
TRIP - 66th Avenue from SR60 to 41st Street	55.026	AQN66	2,859,577	
<b>Total Department of Transportation</b>			<u>3,427,021</u>	<u>769,539</u>

**Indian River County, Florida**  
**Schedule of Expenditures of Federal Awards and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

<b>Federal/State Agency Pass-through Entity Federal Program/State Project</b>	<b>CFDA/ CSFA No.</b>	<b>Contract/ Grant No.</b>	<b>Expenditures</b>	<b>Transfers to Subrecipients</b>
<b><u>STATE OF FLORIDA - Continued</u></b>				
<b>Department of Environmental Protection:</b>				
Direct Projects:				
Wabasso Beach Restoration Project	37.003	14IR3	\$ 223,386	
Hurricane Sandy Beach Project	37.003	14IR2	22,031	
Subtotal CSFA - 37.003			<u>245,417</u>	
PC South Algal Nutrient Removal Facility	37.039	G0353	1,376,900	
Pollution Control South	37.039	LP31010	156,000	
Subtotal CSFA - 37.039			<u>1,532,900</u>	
<b>Total Department of Environmental Protection</b>			<u>1,778,317</u>	
<b>Department of Health:</b>				
Direct Project:				
County Awards Grant-Emergency Medical Svc	64.005	C2031	21,726	
<b>Total Department of Health</b>			<u>21,726</u>	
<b>Fla Fish and Wildlife Conservation Commission:</b>				
Direct Project:				
Indian River County Artificial Reef Construction	77.007	FWC-13127	12,018	
<b>Total Fla Fish and Wildlife Conservation Commission</b>			<u>12,018</u>	
<b>Department of Revenue:</b>				
Direct Project:				
Facilities for Retained Spring Training Franchise	73.016	N/A	500,004	
<b>Total Department of Revenue</b>			<u>500,004</u>	
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:</b>			\$ <u>6,607,030</u>	\$ <u>769,539</u>

**Indian River County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Projects**  
**For the Fiscal Year Ended September 30, 2014**

**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, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133.

**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 OMB A-87 *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**C. Program Clusters**

OMB Circular A-133 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

March 4, 2015

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

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

We have audited the compliance of *Indian River County, Florida* (the "County") with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the requirements described in the Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs or state projects for the year ended September 30, 2014. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Independent Auditors' Responsibility***

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

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2014.

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

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

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

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

### ***Purpose of this Report***

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

*Rehmann Lohman LLC*



## COUNTY OF INDIAN RIVER, FLORIDA

### Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2014

#### SECTION I - SUMMARY OF AUDITORS' RESULTS

##### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

Noncompliance material to financial statements noted?            yes       X       no

##### Federal Awards and State Projects

Internal control over major programs and projects:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?            yes       X       no

Identification of major programs:

##### CFDA Number

14.871

66.460

##### Name of Federal Program or Cluster

Section 8 Housing Choice Vouchers

Nonpoint Source Implementation Program

##### CSFA Number

37.039

55.026

##### Name of State Project

Statewide Surface Water Restoration Program

Transportation Regional Incentives Program

Dollar threshold used to distinguish between Type A and Type B programs: \$      300,000       (Federal and State)

Auditee qualified as low-risk auditee?       X       yes                    no

## COUNTY OF INDIAN RIVER, FLORIDA

### **Schedule of Findings and Questioned Costs**

For the Year Ended September 30, 2014

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

#### **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**COUNTY OF INDIAN RIVER, FLORIDA**

**Summary Schedule of Prior Audit Findings**

For the Year Ended September 30, 2014

**None noted.**

**JEFFREY R. SMITH, CPA, CGFO, CGMA**

Clerk of Circuit Court and Comptroller

Finance Department

1801 27<sup>th</sup> Street, Building A

Vero Beach, Florida 32960

Telephone (772) 226-1945



**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 an impact fee. The impact fee was subsequently amended as follows: on March 24, 2009 in Ordinance No. **2009-003**, on September 22, 2009 in Ordinance No. **2009-015**, and on March 16, 2010 in Ordinance No. **2010-002**. The result of these amendments was suspension of five of the eight original impact fees from April 1, 2009 through March 31, 2011. On March 15, 2011 in Ordinance No. **2011-002**, the impact fee was amended to suspend three of the eight original impact fees from April 1, 2011 through March 31, 2012. On March 13, 2012, Ordinance No. **2012-003** continued this suspension from April 1, 2012 through March 31, 2014. On October 14, 2014, Ordinance No. **2014-016** continued this suspension pending further trend evaluation during the next scheduled impact fee methodological update.
3. Indian River County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.

  
(Chief Financial Officer of the Entity)

STATE OF FLORIDA

COUNTY OF INDIAN RIVER

SWORN TO AND SUBSCRIBED before me this 27<sup>th</sup> day of February, 2015.

  
NOTARY PUBLIC  
Print Name LINDA EROMIN

Personally known ☒ or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



**BOARD OF COUNTY COMMISSIONERS**

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

The Honorable Board of County of Commissioners  
Indian River County, Florida

### Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund, and the aggregate remaining fund information of the *Indian River County, Florida Board of County of Commissioners* (the "Board"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the funds of the *Board of County Commissioners* as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the *Indian River County, Florida Board of County Commissioners* and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of *Board of County of Commissioners* 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 *Board of County of Commissioners* internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

**Indian River County, Florida**  
**Board of County Commissioners**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**

	General	Impact Fees	Secondary Roads Construction
<b>ASSETS</b>			
Cash and cash equivalents	\$ 46,896,528	\$ 16,667,610	\$ 13,876,764
Accounts receivable	483,098	-	-
Special assessments receivable	-	-	-
Due from other funds	1,146,551	-	-
Due from other governments	4,006,385	821,626	352,425
Interest receivable	16,046	4,400	3,577
Inventories	53,285	-	-
Prepaid items	85,457	-	-
Advances to other funds	877,237	-	-
Total assets	<u>\$ 53,564,587</u>	<u>\$ 17,493,636</u>	<u>\$ 14,232,766</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,384,374	\$ 1,327,925	\$ 543,293
Retainage payable	-	275,248	58,951
Due to other funds	-	-	-
Due to other governments	6,772	-	-
Unearned revenues	223,047	-	-
Other deposits	24,019	-	-
Total liabilities	<u>1,638,212</u>	<u>1,603,173</u>	<u>602,244</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	247,510	769,770	-
Total deferred inflows of resources	<u>247,510</u>	<u>769,770</u>	<u>-</u>
<b>FUND BALANCES</b>			
<b>Nonspendable:</b>			
Inventories	53,285	-	-
Prepaid items	85,457	-	-
Advances to other funds	877,237	-	-
<b>Restricted for:</b>			
Transportation/road improvements	-	8,708,193	13,630,522
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	593,856	-
Fire/emergency services	-	925,074	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	880,856	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Debt service	-	-	-
Capital projects	-	764,673	-
Dodgertown repairs/improvements	-	-	-
Solid waste projects	-	24,990	-
Parks/recreational projects	1,000,000	3,223,051	-
<b>Committed to:</b>			
Economic incentives	1,195,907	-	-
Environmental conservation/preservation	-	-	-
Law enforcement/public safety	3,501	-	-
Parks/recreational projects	23,775	-	-
<b>Assigned to:</b>			
Transportation/road improvements	-	-	-
<b>Unassigned</b>	48,439,703	-	-
Total fund balances	<u>51,678,865</u>	<u>15,120,693</u>	<u>13,630,522</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 53,564,587</u>	<u>\$ 17,493,636</u>	<u>\$ 14,232,766</u>

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



<b>Transportation</b>	<b>Emergency Services District</b>	<b>Optional Sales Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 8,252,215	\$ 9,968,611	\$ 50,764,237	\$ 18,253,173	\$ 164,679,138
3,440	1,022,872	-	46	1,509,456
236,705	-	-	-	236,705
-	-	-	-	1,146,551
265,728	240,669	4,836,714	881,824	11,405,371
147,363	2,812	13,714	4,632	192,544
-	-	-	-	53,285
-	-	-	7,733	93,190
-	-	-	-	877,237
<u>\$ 8,905,451</u>	<u>\$ 11,234,964</u>	<u>\$ 55,614,665</u>	<u>\$ 19,147,408</u>	<u>\$ 180,193,477</u>
\$ 483,924	\$ 650,268	\$ 452,272	\$ 628,672	\$ 5,470,728
1,740	-	838,915	102,376	1,277,230
-	-	-	274,500	274,500
-	-	-	10,169	16,941
1,636	14,633	-	-	239,316
-	-	-	40,294	64,313
<u>487,300</u>	<u>664,901</u>	<u>1,291,187</u>	<u>1,056,011</u>	<u>7,343,028</u>
382,066	-	-	-	382,066
-	1,022,807	-	-	1,022,807
-	-	317,741	384,915	1,719,936
<u>382,066</u>	<u>1,022,807</u>	<u>317,741</u>	<u>384,915</u>	<u>3,124,809</u>
-	-	-	-	53,285
-	-	-	7,733	93,190
-	-	-	-	877,237
-	-	-	-	22,338,715
-	-	-	1,079,692	1,079,692
-	-	-	1,055,191	1,055,191
-	-	-	2,140,686	2,734,542
-	9,547,256	-	-	10,472,330
-	-	-	333,232	333,232
-	-	-	6,036,795	6,036,795
-	-	-	1,211,506	1,211,506
-	-	-	44,716	925,572
-	-	-	160,855	160,855
-	-	-	1,851,890	1,851,890
-	-	-	2,556,272	2,556,272
-	-	54,005,737	-	54,770,410
-	-	-	296,766	296,766
-	-	-	-	24,990
-	-	-	-	4,223,051
-	-	-	-	1,195,907
-	-	-	1,132,735	1,132,735
-	-	-	-	3,501
-	-	-	-	23,775
8,036,085	-	-	-	8,036,085
-	-	-	(201,587)	48,238,116
<u>8,036,085</u>	<u>9,547,256</u>	<u>54,005,737</u>	<u>17,706,482</u>	<u>169,725,640</u>
<u>\$ 8,905,451</u>	<u>\$ 11,234,964</u>	<u>\$ 55,614,665</u>	<u>\$ 19,147,408</u>	<u>\$ 180,193,477</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, 2014**

	General	Impact Fees	Secondary Roads Construction
<b>REVENUES</b>			
Taxes	\$ 49,346,756	\$ -	\$ 3,294,709
Permits, fees and special assessments	9,528,916	4,218,105	100,964
Intergovernmental	16,219,734	13,422	1,122,393
Charges for services	4,525,888	-	-
Judgments, fines and forfeits	459,812	-	-
Interest	185,417	7,320	31,566
Miscellaneous	2,162,055	190,519	111,612
Total revenues	<u>82,428,578</u>	<u>4,429,366</u>	<u>4,661,244</u>
<b>EXPENDITURES</b>			
Current:			
General government	9,330,789	689,176	-
Public safety	4,015,616	534,699	-
Physical environment	261,593	-	-
Transportation	4,031,930	4,268,358	4,399,329
Economic environment	404,504	-	-
Human services	3,494,670	-	-
Culture/recreation	8,172,881	681,144	-
Court related	204,964	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital projects	-	-	-
Total expenditures	<u>29,916,947</u>	<u>6,173,377</u>	<u>4,399,329</u>
Excess of revenues over (under) expenditures	52,511,631	(1,744,011)	261,915
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	8,512	-	258,613
Transfers out	(7,835,591)	-	-
Transfers to constitutional officers	(42,886,275)	(151,416)	-
Total other financing sources (uses)	<u>(50,713,354)</u>	<u>(151,416)</u>	<u>258,613</u>
Net change in fund balances	1,798,277	(1,895,427)	520,528
Fund balances at beginning of year	<u>49,880,588</u>	<u>17,016,120</u>	<u>13,109,994</u>
Fund balances at end of year	<u>\$ 51,678,865</u>	<u>\$ 15,120,693</u>	<u>\$ 13,630,522</u>

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

<b>Transportation</b>	<b>Emergency Services District</b>	<b>Optional Sales Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 20,064,393	\$ 15,228,304	\$ 6,651,183	\$ 94,585,345
131,486	-	50,482	291,436	14,321,389
2,796,760	82,765	3,689,417	6,284,077	30,208,568
102,237	5,480,257	-	776,266	10,884,648
-	11,000	-	138,747	609,559
32,346	37,085	109,649	44,987	448,370
410,768	20,547	63,080	123,200	3,081,781
<u>3,473,597</u>	<u>25,696,047</u>	<u>19,140,932</u>	<u>14,309,896</u>	<u>154,139,660</u>
287,856	-	-	482,574	10,790,395
-	25,103,305	-	465,246	30,118,866
408,339	-	-	111,374	781,306
10,375,143	-	-	246,488	23,321,248
-	-	-	702,382	1,106,886
-	-	-	3,683,872	7,178,542
-	-	-	2,773,261	11,627,286
-	-	-	518,610	723,574
-	-	-	3,700,000	3,700,000
-	-	-	1,984,616	1,984,616
-	-	16,560,991	-	16,560,991
<u>11,071,338</u>	<u>25,103,305</u>	<u>16,560,991</u>	<u>14,668,423</u>	<u>107,893,710</u>
(7,597,741)	592,742	2,579,941	(358,527)	46,245,950
7,657,704	-	-	325,432	8,250,261
(383,613)	-	(183,393)	-	(8,402,597)
-	(428,081)	(834,674)	(425,860)	(44,726,306)
<u>7,274,091</u>	<u>(428,081)</u>	<u>(1,018,067)</u>	<u>(100,428)</u>	<u>(44,878,642)</u>
(323,650)	164,661	1,561,874	(458,955)	1,367,308
<u>8,359,735</u>	<u>9,382,595</u>	<u>52,443,863</u>	<u>18,165,437</u>	<u>168,358,332</u>
<u>\$ 8,036,085</u>	<u>\$ 9,547,256</u>	<u>\$ 54,005,737</u>	<u>\$ 17,706,482</u>	<u>\$ 169,725,640</u>

**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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 48,473,970	\$ 48,473,970	\$ 49,346,756	\$ 872,786
Permits, fees and special assessments	8,468,300	8,468,300	9,528,916	1,060,616
Intergovernmental	10,936,336	14,207,449	16,219,734	2,012,285
Charges for services	4,848,228	4,868,728	4,525,888	(342,840)
Judgments, fines and forfeits	317,300	317,300	459,812	142,512
Interest	237,500	237,500	185,417	(52,083)
Miscellaneous	946,059	1,041,211	2,162,055	1,120,844
Total revenues	74,227,693	77,614,458	82,428,578	4,814,120
<b>EXPENDITURES</b>				
Current:				
General government	9,040,811	9,919,184	9,330,789	588,395
Public safety	4,304,991	4,514,333	4,015,616	498,717
Physical environment	242,182	278,441	261,593	16,848
Transportation	932,311	4,201,571	4,031,930	169,641
Economic environment	372,021	414,756	404,504	10,252
Human services	3,830,419	3,930,475	3,494,670	435,805
Culture/recreation	7,981,284	8,803,952	8,172,881	631,071
Court related	211,913	215,805	204,964	10,841
Total expenditures	26,915,932	32,278,517	29,916,947	2,361,570
Excess of revenues over (under) expenditures	47,311,761	45,335,941	52,511,631	7,175,690
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	8,512	8,512	-
Transfers out	(7,806,955)	(7,840,955)	(7,835,591)	5,364
Transfers to constitutional officers	(42,864,764)	(42,943,638)	(42,886,275)	57,363
Total other financing sources (uses)	(50,671,719)	(50,776,081)	(50,713,354)	62,727
Net change in fund balances	(3,359,958)	(5,440,140)	1,798,277	\$ 7,238,417
Fund balances at beginning of year	3,359,958	5,440,140	49,880,588	
Fund balances at end of year	\$ -	\$ -	\$ 51,678,865	

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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Permits, fees and special assessments	\$ 2,162,200	\$ 2,162,200	\$ 4,218,105	\$ 2,055,905
Intergovernmental	-	284,338	13,422	(270,916)
Interest	117,750	117,750	7,320	(110,430)
Miscellaneous	325	325	190,519	190,194
Total revenues	<u>2,280,275</u>	<u>2,564,613</u>	<u>4,429,366</u>	<u>1,864,753</u>
<b>EXPENDITURES</b>				
Current:				
General government	712,620	860,463	689,176	171,287
Public safety	190,000	1,754,979	534,699	1,220,280
Physical environment	26,000	26,000	-	26,000
Transportation	1,721,220	11,193,103	4,268,358	6,924,745
Culture/recreation	656,455	3,824,396	681,144	3,143,252
Total expenditures	<u>3,306,295</u>	<u>17,658,941</u>	<u>6,173,377</u>	<u>11,485,564</u>
Excess of revenues under expenditures	(1,026,020)	(15,094,328)	(1,744,011)	13,350,317
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to constitutional officers	-	(151,417)	(151,416)	1
Total other financing sources (uses)	<u>-</u>	<u>(151,417)</u>	<u>(151,416)</u>	<u>1</u>
Net change in fund balances	(1,026,020)	(15,245,745)	(1,895,427)	<u>\$ 13,350,318</u>
Fund balances at beginning of year	<u>1,026,020</u>	<u>15,245,745</u>	<u>17,016,120</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,120,693</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**  
**Secondary Roads Construction Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 3,151,048	\$ 3,151,048	\$ 3,294,709	\$ 143,661
Permits, fees and special assessments	-	-	100,964	100,964
Intergovernmental	-	2,263,975	1,122,393	(1,141,582)
Interest	38,000	38,000	31,566	(6,434)
Miscellaneous	976	53,854	111,612	57,758
Total revenues	<u>3,190,024</u>	<u>5,506,877</u>	<u>4,661,244</u>	<u>(845,633)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>7,994,150</u>	<u>14,464,023</u>	<u>4,399,329</u>	<u>10,064,694</u>
Total expenditures	<u>7,994,150</u>	<u>14,464,023</u>	<u>4,399,329</u>	<u>10,064,694</u>
Excess of revenues over (under) expenditures	(4,804,126)	(8,957,146)	261,915	9,219,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	275,000	258,613	(16,387)
Total other financing sources (uses)	<u>-</u>	<u>275,000</u>	<u>258,613</u>	<u>(16,387)</u>
Net change in fund balances	(4,804,126)	(8,682,146)	520,528	<u>\$ 9,202,674</u>
Fund balances at beginning of year	<u>4,804,126</u>	<u>8,682,146</u>	<u>13,109,994</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,630,522</u>	

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

**Indian River County, Florida**  
**Board of County Commissioners**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Transportation Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Permits, fees and special assessments	\$ 123,500	\$ 123,500	\$ 131,486	\$ 7,986
Intergovernmental	2,464,828	2,464,828	2,796,760	331,932
Charges for services	96,425	96,425	102,237	5,812
Interest	47,500	47,500	32,346	(15,154)
Miscellaneous	875,956	879,037	410,768	(468,269)
Total revenues	<u>3,608,209</u>	<u>3,611,290</u>	<u>3,473,597</u>	<u>(137,693)</u>
<b>EXPENDITURES</b>				
Current:				
General government	271,491	346,565	287,856	58,709
Physical environment	577,851	596,633	408,339	188,294
Transportation	<u>11,539,797</u>	<u>12,825,514</u>	<u>10,375,143</u>	<u>2,450,371</u>
Total expenditures	<u>12,389,139</u>	<u>13,768,712</u>	<u>11,071,338</u>	<u>2,697,374</u>
Excess of revenues under expenditures	(8,780,930)	(10,157,422)	(7,597,741)	2,559,681
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,657,704	7,657,704	7,657,704	-
Transfers out	<u>-</u>	<u>(400,000)</u>	<u>(383,613)</u>	<u>16,387</u>
Total other financing sources (uses)	<u>7,657,704</u>	<u>7,257,704</u>	<u>7,274,091</u>	<u>16,387</u>
Net change in fund balances	(1,123,226)	(2,899,718)	(323,650)	<u>\$ 2,576,068</u>
Fund balances at beginning of year	<u>1,123,226</u>	<u>2,899,718</u>	<u>8,359,735</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,036,085</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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 19,742,353	\$ 19,742,353	\$ 20,064,393	\$ 322,040
Intergovernmental	42,750	60,189	82,765	22,576
Charges for services	4,666,226	4,766,226	5,480,257	714,031
Judgments, fines and forfeits	2,850	2,850	11,000	8,150
Interest	73,625	73,625	37,085	(36,540)
Miscellaneous	122,371	122,371	20,547	(101,824)
Total revenues	24,650,175	24,767,614	25,696,047	928,433
<b>EXPENDITURES</b>				
Current:				
Public safety	25,245,666	26,139,776	25,103,305	1,036,471
Total expenditures	25,245,666	26,139,776	25,103,305	1,036,471
Excess of revenues over (under) expenditures	(595,491)	(1,372,162)	592,742	1,964,904
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to constitutional officers	(425,395)	(430,819)	(428,081)	2,738
Total other financing sources (uses)	(425,395)	(430,819)	(428,081)	2,738
Net change in fund balances	(1,020,886)	(1,802,981)	164,661	\$ 1,967,642
Fund balances at beginning of year	1,020,886	1,802,981	9,382,595	
Fund balances at end of year	\$ -	\$ -	\$ 9,547,256	

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, 2014**

	<b>Enterprise Funds</b>					
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>	<b>County Utilities</b>	<b>County Building</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 10,469,912	\$ 8,528	\$ 36,525,585	\$ 5,335,093	\$ 52,339,118	\$ 32,479,856
Accounts receivable - net	122,963	-	2,383,075	-	2,506,038	324,454
Due from other governments	90,203	10,800	-	-	101,003	69,873
Interest receivable	7,927	192	526,182	2,908	537,209	16,711
Inventories	-	57,791	896,779	-	954,570	189,768
Prepaid items	-	395	160,838	971	162,204	1,149,813
Current restricted assets:						
Cash and cash equivalents	14,796,093	-	32,142,579	-	46,938,672	-
Total current assets	25,487,098	77,706	72,635,038	5,338,972	103,538,814	34,230,475
Non-current assets:						
Capital assets - non-depreciable	13,359,177	7,774,283	19,175,976	-	40,309,436	-
Capital assets - depreciable	31,304,613	2,346,803	411,680,098	366,423	445,697,937	2,393,687
Capital assets - accumulated depreciation	(10,458,217)	(1,965,309)	(224,405,359)	(330,207)	(237,159,092)	(2,009,148)
Non-current restricted assets:						
Special assessments receivable	-	-	692,133	-	692,133	-
Impact fees receivable	-	-	1,098,237	-	1,098,237	-
Liens receivable	-	-	3,902,046	-	3,902,046	-
Total non-current assets	34,205,573	8,155,777	212,143,131	36,216	254,540,697	384,539
Total assets	59,692,671	8,233,483	284,778,169	5,375,188	358,079,511	34,615,014
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amounts on refundings	-	-	2,245,798	-	2,245,798	-
Total deferred outflows of resources	-	-	2,245,798	-	2,245,798	-
<b>LIABILITIES</b>						
Current liabilities (payable from current assets):						
Accounts payable	893,214	13,385	2,010,722	64,241	2,981,562	228,089
Retainage payable	-	58,400	447,333	-	505,733	-
Due to other funds	-	865,051	-	-	865,051	7,000
Claims payable	-	-	-	-	-	3,181,891
Due to other governments	-	6,145	-	18,790	24,935	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	32,771	-	-	32,771	-
Pollution remediation costs payable	-	-	5,500	-	5,500	-
Accrued compensated absences	40,365	20,536	467,967	57,756	586,624	54,327
Total current liabilities (payable from current assets)	933,579	997,288	2,931,522	140,787	5,003,176	3,471,307
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	23,398	-	23,398	-
Retainage payable	-	-	31,410	-	31,410	-
Accrued interest payable	-	-	150,288	-	150,288	-
Bonds payable	-	-	3,485,000	-	3,485,000	-
Customer deposits	133,626	-	2,808,885	-	2,942,511	-
Total current liabilities (payable from restricted assets)	133,626	-	6,498,981	-	6,632,607	-
Total current liabilities	1,067,205	997,288	9,430,503	140,787	11,635,783	3,471,307
Non-current liabilities:						
Accrued compensated absences	8,454	39,394	199,057	20,028	266,933	50,926
Advance from other funds	-	877,237	-	-	877,237	-
Claims payable	-	-	-	-	-	5,044,654
Pollution remediation costs payable	-	-	6,000	-	6,000	-
Closure and maintenance costs payable	11,509,736	-	-	-	11,509,736	-
Bonds payable - net of unamortized discount/premium	-	-	35,948,889	-	35,948,889	-
Total non-current liabilities	11,518,190	916,631	36,153,946	20,028	48,608,795	5,095,580
Total liabilities	12,585,395	1,913,919	45,584,449	160,815	60,244,578	8,566,887
<b>NET POSITION</b>						
Net investment in capital assets	34,205,573	8,155,777	169,262,624	36,216	211,660,190	384,539
Unrestricted	12,901,703	(1,836,213)	72,176,894	5,178,157	88,420,541	25,663,588
Total net position	\$ 47,107,276	\$ 6,319,564	\$ 241,439,518	\$ 5,214,373	\$ 300,080,731	\$ 26,048,127

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, 2014**

	<b>Enterprise Funds</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 10,272,415	\$ 3,080,960
Charges for services pledged as security for revenue bonds	-	-
Total operating revenues	10,272,415	3,080,960
<b>OPERATING EXPENSES</b>		
Personal services	534,751	501,566
Material, supplies, services and other operating	9,337,279	1,833,079
Depreciation	929,378	208,949
Total operating expenses	10,801,408	2,543,594
Operating income (loss)	(528,993)	537,366
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	109,251	1,981
Interest income pledged as security for revenue bonds	-	-
Gain on disposal of equipment	-	330
Interest expense	-	(44,830)
Bond amortization expense	-	-
Loss on disposal of equipment	-	-
Total nonoperating revenues (expenses)	109,251	(42,519)
Income (loss) before transfers and capital contributions	(419,742)	494,847
Capital grants and contributions	61,327	-
Transfers	(75,414)	-
Change in net position	(433,829)	494,847
Total net position - beginning	47,541,105	5,824,717
Total net position - ending	\$ 47,107,276	\$ 6,319,564

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

<b>County Utilities</b>	<b>County Building</b>	<b>Total</b>	<b>Internal Service Funds</b>
\$ -	\$ 2,417,724	\$ 15,771,099	\$ 22,543,318
29,565,901	-	29,565,901	-
29,565,901	2,417,724	45,337,000	22,543,318
7,609,569	1,183,025	9,828,911	3,940,425
11,776,672	636,517	23,583,547	20,618,835
14,432,329	13,986	15,584,642	176,169
33,818,570	1,833,528	48,997,100	24,735,429
(4,252,669)	584,196	(3,660,100)	(2,192,111)
-	11,525	122,757	75,022
258,740	-	258,740	-
-	1	331	-
(1,929,183)	-	(1,974,013)	-
(24,209)	-	(24,209)	-
(49,325)	-	(49,325)	-
(1,743,977)	11,526	(1,665,719)	75,022
(5,996,646)	595,722	(5,325,819)	(2,117,089)
5,014,715	-	5,076,042	158,653
75,414	-	-	152,336
(906,517)	595,722	(249,777)	(1,806,100)
242,346,035	4,618,651	300,330,508	27,854,227
\$ 241,439,518	\$ 5,214,373	\$ 300,080,731	\$ 26,048,127

**Indian River County, Florida**  
**Board of County Commissioners**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	<b>Enterprise Funds</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 10,320,332	\$ 3,083,187
Cash paid to suppliers for goods and services	(9,306,535)	(1,865,212)
Cash paid to employees for services	(524,959)	(493,774)
Net cash provided by (used in) operating activities	<u>488,838</u>	<u>724,201</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers	-	-
Payments on advances from other funds	-	(585,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(585,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(43,527)
Proceeds from advances from other funds	-	630,000
Payments on advances from other funds	-	(56,322)
Proceeds from sales of capital assets	-	330
Purchase of capital assets	(216,891)	(1,120,928)
Bond paying agent and arbitrage fees	-	(973)
Capital grants and contributions	-	-
Net cash provided by (used in) capital and related financing activities	<u>(216,891)</u>	<u>(591,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends on investments	<u>111,082</u>	<u>2,212</u>
Net cash provided by investing activities	<u>111,082</u>	<u>2,212</u>
Net increase (decrease) in cash and cash equivalents	383,029	(450,007)
Cash and cash equivalents at beginning of year	<u>24,882,976</u>	<u>458,535</u>
Cash and cash equivalents at end of year	<u>\$ 25,266,005</u>	<u>\$ 8,528</u>
Classified as:		
Current assets	\$ 10,469,912	\$ 8,528
Restricted assets	14,796,093	-
Totals	<u>\$ 25,266,005</u>	<u>\$ 8,528</u>

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

<u>County Utilities</u>	<u>County Building</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 29,043,372	\$ 2,417,724	\$ 44,864,615	\$ 22,395,656
(14,244,858)	(612,392)	(26,028,997)	(20,294,226)
<u>(7,574,925)</u>	<u>(1,196,328)</u>	<u>(9,789,986)</u>	<u>(3,888,999)</u>
<u>7,223,589</u>	<u>609,004</u>	<u>9,045,632</u>	<u>(1,787,569)</u>
-	-	-	152,336
-	-	(585,000)	(310,000)
<u>-</u>	<u>-</u>	<u>(585,000)</u>	<u>(157,664)</u>
(3,350,000)	-	(3,350,000)	-
(1,937,449)	-	(1,980,976)	-
-	-	630,000	-
-	-	(56,322)	-
-	1	331	-
(10,031,448)	(19,714)	(11,388,981)	(188,656)
(2,900)	-	(3,873)	-
<u>3,259,071</u>	<u>-</u>	<u>3,259,071</u>	<u>-</u>
<u>(12,062,726)</u>	<u>(19,713)</u>	<u>(12,890,750)</u>	<u>(188,656)</u>
<u>287,171</u>	<u>11,772</u>	<u>412,237</u>	<u>80,029</u>
<u>287,171</u>	<u>11,772</u>	<u>412,237</u>	<u>80,029</u>
(4,551,966)	601,063	(4,017,881)	(2,053,860)
<u>73,220,130</u>	<u>4,734,030</u>	<u>103,295,671</u>	<u>34,533,716</u>
<u>\$ 68,668,164</u>	<u>\$ 5,335,093</u>	<u>\$ 99,277,790</u>	<u>\$ 32,479,856</u>
\$ 36,525,585	\$ 5,335,093	\$ 52,339,118	\$ 32,479,856
<u>32,142,579</u>	<u>-</u>	<u>46,938,672</u>	<u>-</u>
<u>\$ 68,668,164</u>	<u>\$ 5,335,093</u>	<u>\$ 99,277,790</u>	<u>\$ 32,479,856</u>

Continued

**Indian River County, Florida**  
**Board of County Commissioners**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2014**

	<b>Enterprise Funds</b>	
	<b>Solid Waste Disposal District</b>	<b>Golf Course</b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (528,993)	\$ 537,366
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	929,378	208,949
Work in progress reclassified as expense	-	-
(Increase) Decrease in assets:		
Accounts receivable	33,694	-
Due from other governments	11,723	200
Inventories	-	(2,708)
Liens receivable	-	-
Impact fees receivable	-	-
Special assessments receivable	-	-
Prepaid items	-	200
Increase (Decrease) in liabilities:		
Accounts payable	(467,256)	(28,483)
Due to other governments	-	(1,142)
Retainage payable	-	-
Customer deposits	2,500	-
Closure and maintenance costs payable	498,000	-
Pollution remediation costs payable	-	-
Unearned revenues	-	2,027
Claims payable	-	-
Accrued compensated absences	9,792	7,792
Total adjustments	1,017,831	186,835
Net cash provided by (used in) operating activities	\$ 488,838	\$ 724,201
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ 2,259	\$ 55
Capital grants and contributions	\$ 61,327	\$ -
Capital assets purchased through accounts payable	\$ 18,207	\$ -

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

<u>County Utilities</u>	<u>County Building</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ (4,252,669)	\$ 584,196	\$ (3,660,100)	\$ (2,192,111)
14,432,329	13,986	15,584,642	176,169
170,712	-	170,712	-
94,488	-	128,182	(190,221)
349,638	-	361,561	42,559
(47,874)	-	(50,582)	(12,808)
(322,413)	-	(322,413)	-
145,635	-	145,635	-
(746,494)	-	(746,494)	-
57,719	(971)	56,948	76,210
129,110	21,610	(345,019)	108,662
(2,827,524)	3,486	(2,825,180)	-
48,671	-	48,671	-
(43,383)	-	(40,883)	-
-	-	498,000	-
1,000	-	1,000	-
-	-	2,027	-
-	-	-	152,545
34,644	(13,303)	38,925	51,426
<u>11,476,258</u>	<u>24,808</u>	<u>12,705,732</u>	<u>404,542</u>
\$ <u>7,223,589</u>	\$ <u>609,004</u>	\$ <u>9,045,632</u>	\$ <u>(1,787,569)</u>
\$ 9,482	\$ 829	\$ 12,625	\$ 4,764
\$ 1,755,644	\$ -	\$ 1,816,971	\$ 158,653
\$ 752,778	\$ -	\$ 770,985	\$ -

**Indian River County, Florida  
Board of County Commissioners  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2014**

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,887,849	\$ -
Investments, at fair value:		
Index funds	-	6,983,499
U.S. government securities funds	-	5,860,758
Primary money market fund	-	1,194,575
Total assets	<u>\$ 2,887,849</u>	<u>\$ 14,038,832</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 419,713	\$ -
Other deposits held in escrow	2,468,136	-
Total liabilities	<u>\$ 2,887,849</u>	<u>-</u>
<b>NET POSITION</b>		
Assets held in trust for other postemployment benefits		14,038,832
Total net position		<u>\$ 14,038,832</u>

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



**Indian River County, Florida**  
**Board of County Commissioners**  
**Statement of Changes in Fiduciary Net Position**  
**Other Postemployment Benefits Trust Fund**  
**For the Year Ended September 30, 2014**

**ADDITIONS**

Employer contributions	\$ 3,426,879
Investment income	765,759
Investment expense	<u>(1,440)</u>
Total additions	<u>4,191,198</u>

**DEDUCTIONS**

Benefits payments	<u>1,724,334</u>
Total deductions	<u>1,724,334</u>

Change in net position	2,466,864
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Net position - beginning	<u>11,571,968</u>
Net position - ending	<u><u>\$ 14,038,832</u></u>

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



**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

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

The Board of County Commissioners (the “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.

*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.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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 17 for more information on the spending hierarchy of fund balances in the fund financial statements.

**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 collectable 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 funds 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 17 for more information on the categories and descriptions of fund balances in the fund financial statements.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**B. Fund Financial Statements – Continued**

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.

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 fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expense. Proceeds of long-term debt are 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 financial statements include financial information for the agency fund and the other postemployment benefits trust fund. The agency fund of the Board primarily represents assets held by the Board in a custodial capacity for other individuals or governments. The other postemployment benefits trust fund (Trust) accounts for activities of the Trust, which accumulates resources for health insurance benefit payments for current retirees and for current employees upon their retirement. The agency and Trust fund statements are presented using the accrual basis of accounting.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Fund Financial Statements - Continued**

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.

Secondary Roads Construction Fund – The Secondary Roads Construction Fund accounts for the expenditures of road and bridge construction, roadway, bridge and right of way maintenance and drainage, and related administrative expenses. Financing is provided by collections of the local option gas tax.

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

Emergency Services District Fund – The Emergency Services District Fund accounts for the expenditures of providing fire protection and advanced life support to the County. Ad valorem taxes are the primary source of revenue.

Optional Sales Tax Fund – The Optional Sales Tax Fund accounts for revenue generated by the local option one-cent sales tax and some capital grants that use the local option one-cent sales tax as matching funds. Monies are used for various capital projects.

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.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Fund Financial Statements - Continued**

Other Fund Types

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

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

Other Postemployment Benefits Trust Fund – The Other Postemployment Benefits Trust Fund accounts for activities of the 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.

**C. Cash and Cash Equivalents**

Cash and cash equivalents include deposits and all highly liquid investments with maturities of ninety days or less when purchased. 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 cash equivalents 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 cash equivalents on these statements.

**D. Investments**

Investments consist of U.S. Treasury Securities, U.S. Government Agency Securities, money market funds, and the Florida Local Government Investment Trust Fund (FLGIT). Investments are reported at fair value based upon the average price obtained from three brokers/dealers. The FLGIT Fund values are based upon the fair market value per share of the underlying portfolio. Refer to Note 2-C, Investments, for further information on individual investments.

**E. Allowance for Doubtful Accounts**

The Board provides an allowance for water and sewer and ambulance service accounts receivables that may become uncollectable. At September 30, 2014, the allowance for water and sewer was \$424,493 and for ambulance services was \$644,383. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectable as reported at September 30, 2014.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**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. Prepaid Items**

This account represents prepayments for services that will be used in future periods. The Board’s policy is to record the expenditure for the services when they are used rather than when the cash is disbursed.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, right-of-ways, water and sewer distribution systems, beach restoration, stormwater systems and similar items), and intangible assets (e.g. software, easements, and rights), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donations. Transfers of capital assets within the Board are recorded at their carrying value at the time of the transfer. The costs of normal maintenance and repairs that do not add to the value of the asset nor materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Board holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court and Comptroller, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them under Florida Law.

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.



**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**H. Capital Assets - Continued**

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

<u>Assets</u>	<u>Years</u>
Building and improvements	10 – 50
Machinery and equipment	3 – 10
Utility distribution systems	25 – 50
Road and bridge infrastructure	20 – 50
Fiberoptics	20
Software	3-5
Beach preservation infrastructure	7
Stormwater infrastructure	30

**I. Capitalization of Interest**

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

**J. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported on the Statement of Fund Net Position for the Proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding debt.

Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Board has only one type of item, which arises under a modified accrual basis of accounting, which qualifies for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The source of the unavailable revenue is a special assessment on road paving, ambulance service billings, and state and federal grant revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**Indian River County, Florida**  
Board of County Commissioners  
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Year Ended September 30, 2014

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

**K. Unamortized Bond Discounts and Premiums**

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

**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 fund financial statements (in accordance with the modified accrual basis of accounting), 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 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, 2014.

**Indian River County, Florida**  
Board of County Commissioners  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**P. Budgets and Budgetary Accounting**

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 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 resolutions to legally adopt the budgets at the fund level for all governmental and proprietary fund types. The budgets legally adopted by the Board set forth the anticipated revenues by source and the appropriations by function.
6. Formal budgetary integration on an object level is used as a management control device for the governmental and proprietary funds of the Board. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as management does not exceed the total appropriations of a fund. Board approval to amend the budget is only required when unanticipated revenues are received that management wishes to have appropriated, thereby increasing the total appropriations of a fund.
7. Budgets for the governmental and proprietary fund types are adopted on a basis consistent with generally accepted accounting principles.
8. Appropriations for the Board lapse at the close of the fiscal year.

**Indian River County, Florida**  
Board of County Commissioners  
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**NOTE 2 - CASH AND CASH EQUIVALENTS**

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, 2014, the carrying value of the Board's deposits was \$20,217,767 and the bank balance was \$21,843,381. 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". Cash on hand at September 30, 2014 was \$8,200.

**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, 2014, accrued interest for the Board's portfolio totaled \$108,191 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**  
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**NOTE 2 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments**

On July 24, 2014, the Board of County Commissioners updated its investment policy to reflect the following change in valuing the portfolio: the portfolio will be marked to market with an average of three brokers' evaluations.

As of September 30, 2014, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity In Years</u>	<u>Portfolio Percentage</u>	<u>Credit Risks*</u>
<u>Fixed Rate Debt Instruments:</u>				
U.S. Treasuries	\$ 120,071,970	0.95	43.02 %	N/A
U.S. Agencies:***				
Federal Farm Credit Bureau	29,977,122	0.79	10.74	AA+
Federal Home Loan Bank	26,968,778	1.16	9.66	AA+
Federal Home Loan Mortgage	15,970,150	1.57	5.72	AA+
Federal National Mortgage Assoc.	6,999,102	0.27	2.51	AA+
<u>Other Fixed Rate Investments:</u>				
Harbor Community Bank CD	3,016,949	1.35	1.08	N/A
<u>Other Market Rate Investments:</u>				
Regions Bank Money Market	13,091,698	0.08	4.69	N/A
TD Bank Money Market	20,027,524	0.08	7.18	N/A
BankUnited Money Market	26,058,781	0.08	9.34	N/A
Florida Local Government Investment Trust Fund	11,448,484	0.08	4.10	AAAf and S-1**
<u>W&amp;S Sinking Fund Reserve:</u>				
U.S. Treasuries	5,460,324	1.03	1.96	N/A
Fidelity Institutional Money Market	7,784	0.08	-	AAAm
Total Fair Value	<u>\$ 279,098,666</u>		<u>100.00 %</u>	
Weighted Average Maturity of Investments		<u>0.76</u>		

\* Ratings based upon Standard and Poor's

\*\* AAAf credit quality, S-1 Market Volatility

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

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments – Continued**

The Florida Local Government Investment Trust Fund is a pool of various securities with maturities of less than five years. The fund was established by Florida Statute 163.01, is administered by the Florida Association of Court Clerks, and is marked to market daily.

**Interest Rate Risk**

The Board's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. All investments must have stated maturities of ten (10) years or less and no more than 25% of the portfolio shall be invested in instruments with stated final maturities greater than five (5) years. The portfolio shall have securities with varying maturity and at least 10% of the portfolio shall be invested in readily available funds.

**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. Florida PRIME (formerly known as Fund A);
3. Florida Local Government Investment Trust Fund;
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.

**Indian River County, Florida**  
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**NOTE 2 - CASH AND CASH EQUIVALENTS - Continued**

**C. Investments – Continued**

**Concentration Risk**

The Board's investment policy has established asset allocation and issuer limits to reduce concentration of credit risk in the Board's investment portfolio. The Board'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 and no more than \$3 million of the portfolio may be placed in certificates of deposit with any one financial institution. No more than 10% of the portfolio may be placed in any one money market fund, mutual fund, 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 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, 2014 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 following: Money Markets at Regions Bank, TD Bank, and Bank United, Harbor Community Bank Certificate of Deposit, and the Florida Local Government Investment Trust (held by the Bank of New York/Mellon).

**D. OPEB Trust Investments**

Funds are held in the name of the Indian River County OPEB Trust (IRCOT), an irrevocable trust, by a third party custodian, Bank of New York/Mellon. 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 IRCOT assets on February 3, 2009 (last amended on November 5, 2013). The Board adopted a broadly diversified portfolio composition consisting of equity, debt, and cash and cash equivalents. Asset allocations are divided between short term and long term investments. Short term asset allocations include cash and cash equivalents 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.

**Indian River County, Florida**  
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**NOTE 2 - CASH AND CASH EQUIVALENTS - Continued**

**D. OPEB Trust Investments - Continued**

The contribution of \$3.43 million for the year ended September 30, 2014 was invested in the various funds listed below. As of September 30, 2014, the Indian River County OPEB Trust (IRCOT) had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity In Years</u>	<u>Portfolio Percentage</u>	<u>Credit Risks*</u>
<u>Short-Term Portion:</u>				
Fidelity Treasury Money Market	\$ 7,263	0.11	0.05 %	AAAm
<u>Long-Term Portion:</u>				
Vanguard 500 Index	3,146,175	N/A	22.41	N/A
Vanguard All World Ex-US	2,773,589	N/A	19.76	N/A
Vanguard Mid Cap Index	717,849	N/A	5.11	N/A
Vanguard Small Cap Index	345,886	N/A	2.46	N/A
Vanguard Short Term Treasury	4,238,737	2.60	30.19	AA+
Vanguard Intermediate Treasury	1,409,132	5.90	10.04	AA+
Vanguard Prime Money Market	1,194,575	0.16	8.51	A-1
Vanguard Federal Money Market	205,626	0.16	1.47	A-1
Total Fair Value	\$ <u>14,038,832</u>		<u>100.00 %</u>	

\* Ratings based upon Standard and Poor's

**NOTE 3 - 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 2013-2014 fiscal year were levied in October 2013. 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.



**Indian River County, Florida**  
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**Notes To Financial Statements**  
**Year Ended September 30, 2014**

**NOTE 4 – CAPITAL ASSETS**

**A. Governmental Fund Type Capital Assets**

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

	Land	Buildings And Improvements	Equipment	Intangibles	Infrastructure	Construction In Progress	Total
Balance 10/1/2013	\$ 140,713,835	\$ 197,332,642	\$ 36,455,470	\$ 3,198,932	\$ 369,697,078	\$ 36,893,868	\$ 784,291,825
Additions	194,953	13,891,957	2,225,799	465,732	9,348,723	23,582,133	49,709,297
Deletions	(7,633,990)	(147,559)	(1,742,613)	(84,128)	(120,307)	(17,013,947)	(26,742,544)
Balance 9/30/2014	<u>\$ 133,274,798</u>	<u>\$ 211,077,040</u>	<u>\$ 36,938,656</u>	<u>\$ 3,580,536</u>	<u>\$ 378,925,494</u>	<u>\$ 43,462,054</u>	<u>\$ 807,258,578</u>

Beginning balance amounts have been adjusted for construction in progress that are contributed to and reported by a grant sub-recipient.

Depreciation expense, which includes amortization expense on intangible assets, for governmental fund type capital assets is not reported in the financial statements of the Board. Depreciation expense is reported in the financial statements of the County. Please refer to the County Notes for a more detailed explanation of the County's policy on depreciation.

**B. Proprietary Fund Type Capital Assets**

**Enterprise Funds**

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

	Land	Buildings And Improvements	Equipment	Intangibles	Construction In Progress	Total
Balance 10/1/2013	\$ 21,286,010	\$ 422,161,889	\$ 14,322,144	\$ 2,368,254	\$ 13,350,872	\$ 473,489,169
Additions	170,753	13,669,688	1,172,778	213,405	10,330,452	25,557,076
Deletions	-	(147,988)	(529,314)	-	(12,361,570)	(13,038,872)
	<u>21,456,763</u>	<u>435,683,589</u>	<u>14,965,608</u>	<u>2,581,659</u>	<u>11,319,754</u>	<u>486,007,373</u>
Less:						
Accumulated Depreciation	-	(223,898,124)	(12,612,715)	(648,253)	-	(237,159,092)
Balance 9/30/2014	<u>\$ 21,456,763</u>	<u>\$ 211,785,465</u>	<u>\$ 2,352,893</u>	<u>\$ 1,933,406</u>	<u>\$ 11,319,754</u>	<u>\$ 248,848,281</u>

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 4 – CAPITAL ASSETS - Continued**

**B. Proprietary Fund Type Capital Assets - Continued**

**Internal Service Funds**

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

	Buildings And Improvements	Equipment	Intangibles	Total
Balance 10/1/2013	\$ 18,152	\$ 411,848	\$ 695,695	\$ 1,125,695
Additions	-	581,554	792,024	1,373,578
Deletions	(15,315)	(90,271)	-	(105,586)
	2,837	903,131	1,487,719	2,393,687
Less: Accumulated Depreciation	(2,837)	(744,809)	(1,261,502)	(2,009,148)
Balance 9/30/2014	\$ -	\$ 158,322	\$ 226,217	\$ 384,539

**NOTE 5 – RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

	Solid Waste Disposal District	County Utilities	Total
Sinking funds	\$ -	\$ 6,212,648	\$ 6,212,648
Renewal and replacement	3,152,731	3,485,928	6,638,659
Customer deposits	133,626	2,808,885	2,942,511
Capital construction	-	19,635,118	19,635,118
Closure and maintenance cost	11,509,736	-	11,509,736
Total	\$ 14,796,093	\$ 32,142,579	\$ 46,938,672

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 6 – PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from the Board's Enterprise Funds restricted assets are as follows:

	Solid Waste Disposal District	County Utilities	Total
Accounts payable	\$ -	\$ 23,398	\$ 23,398
Retainage payable	-	31,410	31,410
Accrued interest payable	-	150,288	150,288
Bonds payable (current portion)	-	3,485,000	3,485,000
Closure/maint. costs payable	11,509,736	-	11,509,736
Customer deposits	133,626	2,808,885	2,942,511
Total	<u>\$ 11,643,362</u>	<u>\$ 6,498,981</u>	<u>\$ 18,142,343</u>

**NOTE 7 - INTERFUND BALANCES**

Interfund balances at September 30, 2014, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 274,500
General Fund	Golf Course Enterprise Fund	865,051
General Fund	Fleet Internal Service Fund	7,000
		<u>\$ 1,146,551</u>

In October 2010, the General Fund loaned \$333,050 to the Golf Course Fund to purchase new golf carts. In September 2013, the General Fund loaned \$1,565,000 to the Golf Course Fund for early payoff of the 2003 Recreational Revenue Bonds. In September 2014, the General Fund loaned \$630,000 to the Golf Course Fund for a new irrigation system. 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 2015. The remaining amount due from the Golf Course Fund is reported as an interfund advance. The amounts due from the Fleet Internal Service Fund and the Nonmajor Governmental Funds represent short-term cash loans that will be repaid within the next twelve months.

**Indian River County, Florida**  
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**NOTE 7 - INTERFUND BALANCES - Continued**

Interfund advance at September 30, 2014, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	<u>\$ 877,237</u>

This amount is considered a long-term advance between major funds expected to be paid over the course of several years. 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, 2014, consisted of the following:

		<u>Transfers In:</u>							
		General	Secondary Roads Construction	Transportation	Nonmajor Governmental	Utilities	Internal Service		
		Fund	Fund	Fund	Funds	Fund	Fund	Total	
<u>Transfers Out:</u>									
General Fund	\$	-	-	7,657,704	142,039	-	35,848	7,835,591	
Transportation Fund		-	258,613	-	-	-	125,000	383,613	
Optional Sales Tax Fund		-	-	-	183,393	-	-	183,393	
Solid Waste Disposal District		-	-	-	-	75,414	-	75,414	
Internal Service Fund		8,512		-	-	-	-	8,512	
Total	\$	<u>8,512</u>	<u>258,613</u>	<u>7,657,704</u>	<u>325,432</u>	<u>75,414</u>	<u>160,848</u>	<u>8,486,523</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 transportation fund revenues to offset vehicle maintenance costs accounted for in the fleet internal service fund, 5) to account for transfers of capital assets between two enterprise funds, 6) to use general fund and capital project fund revenues for improvements to the Historic Dodgertown facility, 7) to reimburse the general fund from the self insurance fund for repairs at the shooting range, and 8) to account for reimbursement of street paving costs between the transportation and secondary roads construction funds.

**Indian River County, Florida**  
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**NOTE 9 – DUE FROM OTHER GOVERNMENTS**

**Governmental Funds**

On November 18, 2008, the Board entered into a locally funded agreement with the Florida Department of Transportation (FDOT) to advance the six-laning of State Road 60 from 82<sup>nd</sup> Avenue to I-95 (Segment Two). The agreement obligated the Board to pay \$14,429,754 to the FDOT. Payment was made in November 2008 to the FDOT. Funding was from the Optional Sales Tax Fund.

Reimbursement by the FDOT for Segment Two will be in ten quarterly installments over a three-year period which began in July 2011. Repayments to the Board will include principal and any accumulated interest earnings that have not been used for supplemental costs of the project.

	Optional Sales Tax Fund
Segment Two Amount Advance Funded	\$ 14,429,754
Less: Reimbursements received as of 9/30/2014	(11,714,877)
Balance Due from FDOT SR60 Agreement	2,714,877
Additional Funds Due from other governments	2,121,837
Total Due from other governments	\$ 4,836,714

**Indian River County, Florida**  
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Year Ended September 30, 2014

**NOTE 10 – ACCOUNTS PAYABLE**

Accounts Payable at September 30, 2014, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable
Governmental Funds:			
General	\$ 1,094,312	\$ 290,062	\$ 1,384,374
Impact Fees	1,325,559	2,366	1,327,925
Secondary Roads Construction	536,329	6,964	543,293
Transportation	302,621	181,303	483,924
Emergency Services	129,983	520,285	650,268
Optional Sales Tax	452,272	-	452,272
Other Governmental	606,933	21,739	628,672
Total Governmental Funds	<u>\$ 4,448,009</u>	<u>\$ 1,022,719</u>	<u>\$ 5,470,728</u>
Proprietary Funds:			
Payable from current assets:			
Solid Waste	\$ 879,039	\$ 14,175	\$ 893,214
Golf Course	2,756	10,629	13,385
Utilities	1,819,698	191,024	2,010,722
Building	31,805	32,436	64,241
Other Proprietary	194,030	34,059	228,089
Payable from restricted assets:			
Utilities	23,398	-	23,398
Total Proprietary Funds	<u>\$ 2,950,726</u>	<u>\$ 282,323</u>	<u>\$ 3,233,049</u>

The Board has not engaged in any short-term debt activity during fiscal year 2014 other than that listed in Note 7.

**Indian River County, Florida**  
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**NOTE 11 - LONG-TERM LIABILITIES**

**A. Governmental Long-Term Debt**

Changes in Long-Term Liabilities

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
Accrued Compensated Absences:	\$ 4,178,825	\$ 2,349,301	\$ 2,334,332	\$ 4,193,794
Bonds Payable:				
Limited General Obligation				
Bonds - 2006 Series	29,265,000	-	3,255,000	26,010,000
Spring Training Facility				
Revenue Bonds - 2001 Series	8,145,000	-	445,000	7,700,000
Total Bonds Payable	37,410,000	-	3,700,000	33,710,000
Grand Total	\$ 41,588,825	\$ 2,349,301	\$ 6,034,332	\$ 37,903,794

Of the \$4,193,794 liability for accrued compensated absences, management estimates that \$2,219,260 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 General Obligation Bonds and 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 above general obligation and 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**  
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**NOTE 11 - LONG-TERM LIABILITIES – Continued**

**A. Governmental Long-Term Debt - Continued**

Annual Debt Service Payments

The annual debt service payments for bonds outstanding at September 30, 2014, are as follows:

Fiscal Year Ending September 30	Limited General Obligation Bonds Series 2006		Spring Training Facility Revenue Bonds Series 2001	
	Principal	Interest	Principal	Interest
2015	\$ 3,390,000	\$ 1,204,712	\$ 470,000	\$ 394,713
2016	3,545,000	1,035,212	495,000	370,037
2017	3,705,000	893,413	520,000	344,050
2018	3,890,000	745,212	550,000	316,750
2019	4,085,000	550,712	585,000	287,875
2020-2024	7,395,000	478,426	2,230,000	1,007,787
2025-2029	-	-	1,960,000	525,750
2030-2031	-	-	890,000	66,250
Total	<u>26,010,000</u>	<u>4,907,687</u>	<u>7,700,000</u>	<u>3,313,212</u>
Less:				
Current portion	3,390,000	-	470,000	-
Add:				
Unamortized bond premium	629,265	-	-	-
Total	<u>\$ 23,249,265</u>	<u>\$ 4,907,687</u>	<u>\$ 7,230,000</u>	<u>\$ 3,313,212</u>

Limited General Obligation Bonds

Purpose – On July 6, 2006, the Board issued \$48,600,000 of Limited General Obligation Bonds, Series 2006. The issuance of the Series 2006 bonds was approved by a majority of votes cast in a bond referendum held on November 2, 2004, by the qualified electors of the County. The referendum authorized a total of \$50,000,000 aggregate principal amount of limited general obligation bonds. The proceeds of this issue will provide funds to acquire interest in lands to protect water resources and/or drinking water sources, environmentally sensitive lands, historic sites, and/or agricultural lands together with the necessary preservation, restoration, remediation and reclamation activities to preserve and enhance such property.

Pledge of revenues - The principal and interest on the bonds are payable from ad valorem taxes not exceeding ½ mil and having a maturity not exceeding fifteen years, which are levied by the Board upon the taxable real and personal property of the Board.



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**NOTE 11 - LONG-TERM LIABILITIES – Continued**

**A. Governmental Long-Term Debt - Continued**

Limited General Obligation Bonds - Continued

*Bonds Issued* - At September 30, 2014, Limited General Obligation Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Limited General Obligation Bonds, 2006 Series	4.00%-5.00% 1/1 and 7/1	2021	\$ 48,600,000	<u>\$ 26,010,000</u>

*Optional Redemption* - The Limited General Obligation Bonds, Series 2006, maturing on or after July 1, 2017, are subject to redemption prior to maturity, at the option of the Board on and after July 1, 2016, in whole or in part, at any time, on any date at a redemption price of par, together with accrued interest to the redemption date.

Spring Training Facility Revenue Bonds

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

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

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

The foregoing is collectively referred to herein as the “pledged revenues”. These revenue streams are pledged for the remaining term of the bonds.

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**NOTE 11 - LONG-TERM LIABILITIES - Continued**

**A. Governmental Long-Term Debt – Continued**

Spring Training Facility Revenue Bonds - Continued

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

The current principal and interest payments of \$863,075 represent nine percent of total pledged revenues. All three pledged revenue sources totaled \$9,199,278 for the current fiscal year. The Board applied 100% of the state subsidy, 76% of the Fourth-Cent Tourist Tax, and none of the Half-Cent Sales Tax to the debt service payments. The total principal and interest remaining to be paid on the bonds is \$11,013,212.

*Bonds Issued* - At September 30, 2014, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Spring Training Facility Revenue Bonds, 2001 Series	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 7,700,000</u>

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**NOTE 11 - LONG-TERM LIABILITIES - Continued**

**A. Governmental Long-Term Debt – Continued**

Spring Training Facility Revenue Bonds - 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, 2015	
<u>Date</u>	<u>Principal Amount</u>
April 1, 2015	\$ 470,000
Term Bonds due April 1, 2017	
<u>Date</u>	<u>Principal Amount</u>
April 1, 2016	\$ 495,000
April 1, 2017	520,000
Term Bonds due April 1, 2021	
<u>Date</u>	<u>Principal Amount</u>
April 1, 2018	\$ 550,000
April 1, 2019	585,000
April 1, 2020	615,000
April 1, 2021	650,000
Term Bonds due April 1, 2027	
<u>Date</u>	<u>Principal Amount</u>
April 1, 2022	\$ 305,000
April 1, 2023	320,000
April 1, 2024	340,000
April 1, 2025	355,000
April 1, 2026	375,000
April 1, 2027	390,000
Term Bonds due April 1, 2031	
<u>Date</u>	<u>Principal Amount</u>
April 1, 2028	\$ 410,000
April 1, 2029	430,000
April 1, 2030	455,000
April 1, 2031	435,000

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**NOTE 11 - LONG-TERM LIABILITIES - Continued**

**B. Proprietary Funds Long-Term Debt**

Changes in Long-Term Liabilities

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
Accrued Compensated Absences	\$ 868,692	\$ 730,268	\$ 640,150	\$ 958,810
Bonds Payable:				
Water & Sewer Revenue Refunding Series 2005	17,480,000	-	1,605,000	15,875,000
Water & Sewer Revenue Refunding Series 2009	23,085,000		1,745,000	21,340,000
Total Bonds Payable	40,565,000	-	3,350,000	37,215,000
Grand Total	\$ 41,433,692	\$ 730,268	\$ 3,990,150	\$ 38,173,810

Annual Debt Service Payments

The annual debt service payments for bonds outstanding at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Bonds Series 2005		Water and Sewer Revenue Refunding Bonds Series 2009	
	Principal	Interest	Principal	Interest
2015	\$ 1,670,000	\$ 736,450	\$ 1,815,000	\$ 1,067,000
2016	1,750,000	652,950	1,905,000	976,250
2017	1,840,000	565,450	2,000,000	881,000
2018	1,930,000	473,450	2,100,000	781,000
2019	2,025,000	376,950	2,205,000	676,000
2020-2024	6,660,000	554,850	11,315,000	1,612,250
Total	15,875,000	3,360,100	21,340,000	5,993,500
Less:				
Current portion	1,670,000	-	1,815,000	-
Add:				
Unamortized bond premium	487,304	-	1,731,585	-
Total	\$ 14,692,304	\$ 3,360,100	\$ 21,256,585	\$ 5,993,500

**Indian River County, Florida**  
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**NOTE 11 – LONG-TERM LIABILITIES - Continued**

**B. Proprietary Funds Long-Term Debt - Continued**

Water and Sewer Revenue Refunding Bonds, Series 2005

*Purpose* - The Series 2005 bonds were issued to defease \$31,680,000 of the Board's outstanding Water and Sewer Revenue Bonds, Series 1996. These bonds were issued by the Board to provide funds, together with \$5,000,000, to retire 95% of the 1996 Series and to pay for all bond issuance costs. The September 1, 2005 and 2006 principal installments were not subject to early call and consequently paid at their respective maturity dates. The 1996 bonds were issued to acquire an existing water and sewer facility, as well as for capital improvements to the existing system.

The aggregate difference in debt service between the Series 1996 (\$40,585,193) and Series 2005 (\$39,619,193) is \$966,000. The net economic gain, which included shortening the term of the bonds by four years and lowering average annual debt service by \$242,000, was \$2,944,661 and is amortized over the life of the bonds. The unamortized balance of the deferred amount on the refunding at September 30, 2014 is \$1,344,917 and is reflected as a deferred outflow of resources on the Statement of Net Position.

*Pledge of Revenues* – The revenue bonds are collateralized, for the remaining term of the bonds, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments.

Annual principal and interest payments of \$2,405,650 represent approximately seventeen percent of net revenues of \$13,924,642 of the utility system. The total principal and interest remaining to be paid on the bonds is \$19,235,100.

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

*Bonds Issued* - At September 30, 2014, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Water and Sewer Revenue Bonds, Series 2005	3-5% 3/1 and 9/1	2022	\$ 27,675,000	<u>\$ 15,875,000</u>

*Outstanding In-Substance Defeased Debt* - The proceeds from the refunding were invested in Federal Securities and placed in an escrow account with Bank of New York/Mellon. All of the defeased bonds (\$31,680,000) were called on September 1, 2006 at 102% of the outstanding principal amount.

**Indian River County, Florida**  
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**NOTE 11 – LONG-TERM LIABILITIES - Continued**

**B. Proprietary Funds Long Term Debt - Continued**

Water and Sewer Revenue Refunding Bonds, Series 2005 - Continued

*Optional Redemption* - The Series 2005 bonds maturing after September 1, 2015, are subject to redemption by the Board on or after September 1, 2015, in whole or in part, at par, plus accrued interest to date of redemption.

Water and Sewer Revenue Refunding Bonds, Series 2009

*Purpose* - The Series 2009 bonds were issued to refund and redeem on September 11, 2009, \$28,270,000 of the Board's outstanding Water and Sewer Revenue Bonds, Series 1993A. The refunding excluded debt service payments due September 1, 2010 and 2011.

The aggregate difference in debt service between the Series 1993A (\$80,434,415) and Series 2009 (\$78,755,772) is \$1,678,643. The net economic gain, which lowered average annual debt service by \$126,000, was \$1,368,427 and is amortized over the life of the bonds. The unamortized balance of the deferred amount on the refunding at September 30, 2014 is \$900,881 and is reflected as a deferred outflow of resources on the Statement of Net Position.

*Pledge of Revenues* – The revenue bonds are collateralized, for the remaining term of the bonds, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments.

The current principal and interest payments of \$2,881,800 represent approximately twenty one percent of net revenues of \$13,924,642 of the utility system. The total principal and interest remaining to be paid on the bonds is \$27,333,500.

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

*Bonds Issued* - At September 30, 2014, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2014
Water and Sewer Revenue Bonds, Series 2009	4-5% 3/1 and 9/1	2024	\$ 26,370,000	<u>\$ 21,340,000</u>

**Indian River County, Florida**  
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**NOTE 11 - LONG-TERM LIABILITIES - Continued**

**B. Proprietary Funds Long Term Debt – Continued**

Water and Sewer Revenue Refunding Bonds, Series 2009 - Continued

*Outstanding In-Substance Defeased Debt* - The proceeds from the refunding were invested in Federal Securities and placed in an escrow account with Bank of New York/Mellon. All of the defeased bonds (\$28,270,000) were called on September 1, 2009 at 101% of the outstanding principal amount.

*Optional Redemption* - The Series 2009 bonds maturing on or prior to September 1, 2019, are not subject to redemption prior to their respective dates of maturity. The Series 2009 bonds stated to mature after September 1, 2019, are subject to redemption at the option of the Board in whole or, from time to time, in part on September 1, 2019, at the redemption price of the principal amount to be redeemed, plus accrued interest to the date of redemption.

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**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 \$3.1 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:

	<u>Capacity Used</u>	<u>Estimated Closing</u>	<u>Amount</u>
<u>Closure Costs</u>			
Class I - Segments I and II	61%	2026	\$ 7,401,947
Construction and Demolition - Cell I	90%	2026	1,154,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,763,435
Construction and Demolition - Cell I	N/A	N/A	189,488
Total account balance at 9/30/14			\$ <u><u>11,509,736</u></u>

All amounts recognized are based on what it would cost to perform all closure and post-closure functions in current dollars. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The SWDD is required by FDEP to annually show proof of ability to finance closure and post-closure costs. The SWDD is making annual deposits to a closure and post-closure costs account to provide for the financing of future closure-related expenses. At September 30, 2014, \$11,448,484 was on deposit at the Florida Local Government Investment Trust and \$61,252 was on deposit in the Board's Operating account.

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

	<u>Balance 10/1/2013</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance 09/30/14</u>
Closure and long-term care costs	\$ <u>11,011,736</u>	\$ <u>498,000</u>	\$ <u>-</u>	\$ <u><u>11,509,736</u></u>

Of the \$11,509,736 liability for closure and long-term care costs, management estimates that no funds will be due and payable within one year.



**Indian River County, Florida**  
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**NOTE 13 – POLLUTION REMEDIATION**

In accordance with GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, a consultant evaluated four 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 four sites requiring the Board (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$2,683,300 at September 30, 2014 for all four sites. The pollution remediation obligation is an estimate and subject to changes resulting from price increases and reductions, technology, and changes in applicable laws or regulations. There are no estimated recoveries that would reduce the liability.

**Governmental Funds:**

1. *South Gifford Road closed landfill* – The nature of the pollution remediation obligation is chlorinated solvent contamination. The consultant will conduct monitoring, bioremediation and reporting with the Florida Department of Environmental Protection (FDEP). The amount of the estimated year end liability is \$2,640,000 and will be paid from the Optional Sales Tax Fund.
2. *Old Administration Building* – The nature of the pollution remediation obligation is closed underground storage tank contamination. The consultant will conduct monitoring and reporting with the FDEP. The amount of the estimated year end liability is \$26,800 and will be paid from the General Fund.
3. *Cattle dip site* – The nature of the pollution remediation obligation is arsenic contamination. The consultant will conduct monitoring and assessment. The amount of the estimated year end liability is \$5,000 and will be paid from the Impact Fees Fund.

Total governmental funds liability: \$2,671,800

**Proprietary Funds:**

4. *North County Reverse Osmosis plant* – The nature of the pollution remediation obligation is groundwater inorganic contamination. The consultant will conduct monitoring and assessment. The amount of the estimated year end liability is \$11,500 and will be paid from the County Utilities Fund.

Total proprietary funds liability: \$11,500

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**NOTE 14 – PENSION PLANS**

**Florida Retirement System**

Plan Description: The Board'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. 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. Employer rates effective as of July 1, 2014 were as follows: regular class 7.37%, senior class 21.14%, special risk 19.82%, and elected official class 43.24%.

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.

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.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed five years after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013 and 2014, were equal to 7.7%, 9.1%, and 11.5% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014, were \$2,905,921, \$3,397,021 and \$4,308,039 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013, and 2014 were \$956,266, \$919,672, and \$930,338. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Florida Statutes Chapter 121, as may be amended from time to time by the state legislature, determines contribution rates for the various membership classes of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, Attention: Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website at [www.dms.myflorida.com](http://www.dms.myflorida.com). The funding policy is described in detail in the Florida Retirement System note in the County-wide financial statements.

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**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 (see the chart below) the cost of health care for employees hired prior to February 1, 2006 and their eligible dependents according to the provisions of the substantive plan (the plan as understood by the employer and plan members). Employees hired on or after February 1, 2006, will not be eligible for any subsidy, regardless of the years of service or Medicare eligibility.

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

The implicit rate subsidy applies to health and life insurance coverage since the premiums charged are based upon a blending of younger active employees and older retired employees. Health insurance premiums, effective October 1, 2013 range from \$400 for Medicare participants to \$715 for family coverage. Life insurance is available to retirees at a flat rate of \$.20 per \$1000 of coverage (to a maximum of \$20,000 until the age of 70). After 70, the maximum amount of life insurance is \$10,000.

The Board 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:

<b>Retirement Date</b>	<b>Years of Service</b>	<b>Under Age 65</b>	<b>Medicare Eligible</b>
Before 01/01/04	N/A	No subsidy	60% subsidy
01/01/04 - 10/01/04	Less than 15 years	No subsidy	60% subsidy
01/01/04 - 10/01/04	15 or more years	2%/yr-max 40%	20% in addition to yrs of service-max 60% subsidy
10/01/04 - 01/31/09	Less than 15 years	No subsidy	20% subsidy
10/01/04 - 01/31/09	15 or more years	2%/yr-max 40%	20% in addition to yrs of service-max 60% subsidy
02/01/09 and after	Less than 15 years	No subsidy	No subsidy
02/01/09 and after	15 or more years	2%/yr-max 40%	No subsidy

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**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 Comprehensive Annual Financial Report (CAFR). Questions regarding the OPEB plan may be directed to the Finance Director.

At October 1, 2013, the date of the latest actuarial valuation, plan participation consisted of:

Active participants	1,382
Retired participants	<u>429</u>
Total participants	<u>1,811</u>

There are two classes of participants at October 1, 2013:

Regular and senior management	1,141
Special risk	<u>670</u>
Total participants	<u>1,811</u>

The average employer's contribution was \$2,051 per employee, approximately 4.6% of current payroll. Financial statements for the OPEB Trust are included in this report and can be found on pages 244-245. A separate, stand-alone financial report is not issued by the Board; however, the OPEB Trust investments can be found in Note 2D and the Schedule of Funding Progress can be found on page 101.

**B. 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, 2014, the County contributed \$3.43 million to the qualifying OPEB Trust. Plan members receiving benefits contributed \$1.72 million, or approximately 50 percent of the total premiums. 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.

**C. Annual OPEB Cost and Net OPEB Obligation**

The employer's contribution (i.e. annual cost or expense) to the Board's OPEB Trust is based on the ARC calculation. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 20 years. The following table shows the components of the Board's annual cost for the current and two preceding years, the amount actually contributed, and the changes in the net obligation.

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

**C. Annual OPEB Cost and Net OPEB Obligation - Continued**

	<b>FY 2013/2014</b>	<b>FY 2012/2013</b>	<b>FY 2011/2012</b>
Annual Required Contribution	\$ 2,835,072	\$ 2,965,251	\$ 2,828,452
Interest on Net OPEB Obligation	(18,036)	(20,909)	(12,323)
Adjustment to Annual Required Contribution	24,230	26,830	14,075
<b>Annual OPEB Cost (expense)</b>	<u>2,841,266</u>	<u>2,971,172</u>	<u>2,830,204</u>
Contributions (net of adjustments)*	<u>(3,336,027)</u>	<u>(2,950,097)</u>	<u>(2,962,301)</u>
Change in Net OPEB Obligation	(494,761)	21,075	(132,097)
Net OPEB Obligation – beginning of year	(300,606)	(321,681)	(189,584)
<b>Net OPEB Obligation – end of year</b>	<u>\$ (795,367)</u>	<u>\$ (300,606)</u>	<u>\$ (321,681)</u>
<b>Percentage of Annual OPEB Cost Contributed</b>	117.41 %	99.29 %	104.67 %

\*Retiree adjustments are comprised of the actual amount withdrawn from the Trust plus premiums collected and less claims paid. For fiscal year 2014, these adjustments amounted to (\$90,852). For fiscal years 2013 and 2012, these adjustments totaled (\$15,154) and \$13,640 respectively.

**D. Funded Status and Funding Progress**

The Schedule of Funding Progress and Schedule of Employer Contributions, presented as required supplementary information immediately following the County Notes to the Financial Statements (on page 101), presents multi-year trend regarding liabilities, funding, and payroll. The data also reflects whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This information includes the current and past three actuarial valuations and seven years of funding data.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**E. Actuarial Methods and Assumptions - Continued**

The actuarial methods are:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll projected to grow 4% per year
Amortization period (closed)	14 years
Asset valuation method	Market Value

The actuarial assumptions are:

Investment rate of return	6.0%	(net administrative expenses)
Projected annual salaries increase	4.0%-9.47%	(dependent on years of service and age)
Healthcare cost trend rate	8.5%	(decreasing ½% each year & thereafter to the ultimate value of 5.28%)
Inflation rate	3%	

**NOTE 16 - OPERATING LEASES**

The Board has entered into noncancelable operating leases, both as lessor and lessee. Lease terms vary from 1 to 99 years. Lease revenues totaled \$620,669 and lease expenditures totaled \$81,163 for the year ended September 30, 2014. The Board also leases other equipment and office facilities as both lessor and lessee on a month-to-month basis.

**C. Future Minimum Lease Receipts**

Year	Amount
2015	\$ 626,153
2016	622,429
2017	613,113
2018	602,889
2019	621,023
2020-2024	2,805,324
2025-2029	1,037,328
2030-2034	450,507
2035-2038	108,800
Total future minimum receipts:	\$ 7,487,566

The property being leased is reported in the financial statements of County and has a cost of \$29,219,029, and a carrying value of \$19,972,847. Current year depreciation on property being leased was \$492,950.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 16 - OPERATING LEASES - Continued**

**B. Future Minimum Lease Payments**

The following is a schedule, by years, of minimum future rentals to be paid by the Board for various noncancelable operating leases as of September 30, 2014:

Year	Amount
2015	\$ 83,371
2016	84,809
2017	43,696
2018	43,696
2019	43,696
2020-2024	7,500
2025-2029	7,500
2030-2034	7,500
2035-2039	5,700
2040-2044	4,500
2045-2049	3,900
2050-2054	3,000
2055-2059	1,800
2060-2064	1,500
2065-2069	1,500
2070-2074	1,500
2075-2076	600
Total future minimum lease payments:	<u>\$ 345,768</u>

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**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 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:

***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**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**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, 2014, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 5,100,000	\$ 5,100,000	\$ 10,200,000
Transportation Fund	750,000	750,000	1,500,000
Emergency Services District Fund	1,400,000	1,400,000	2,800,000
Total	<u>\$ 7,250,000</u>	<u>\$ 7,250,000</u>	<u>\$ 14,500,000</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.

**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**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 18 - FUND BALANCE DEFICIT**

The following funds had a deficit in fund balance at September 30, 2014:

Fund	Deficit
Nonmajor Governmental Funds:	
Metropolitan Planning Organization Fund	\$ 155,018
Community Development Block Grant NSP3 Grant Fund	39,369
Total Deficit	<u>\$ 194,387</u>

The deficits for these two funds will be eliminated by grant proceeds in fiscal year 2015.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 19 - RISK MANAGEMENT**

**General Liability, Property, Worker's Compensation and Medical**

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

	10/01/08 to 4/30/2011	05/01/11 to 9/30/2013	10/01/13 to 9/30/2014
Worker's Compensation	\$ 350,000	\$ 350,000	\$ 500,000
General Liability	250,000	200,000	200,000
Auto Liability	250,000	200,000	200,000
Property Damage	250,000	200,000	200,000
Error or Omissions	250,000	200,000	200,000
Annual Aggregate	2,000,000	2,000,000	2,000,000
Liquor Liability	1,000,000	1,000,000	1,000,000

The Board purchases excess insurance to cover claims in excess of the liability coverage listed above. There is a 5% deductible per location for property damages arising due to a hurricane under the reinsurance policy. All departments of the Board participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience and actual estimates of the amounts needed to pay current year claims. The Board has received three workers compensation reimbursements totaling \$125,213 in fiscal year 2014. The Board received two workers compensation reimbursements totaling \$108,123 in fiscal year 2013 and one in fiscal year 2012 totaling \$134,020.

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 \$250,000 per occurrence. The Board has purchased a reinsurance policy to cover claims in excess of these limits. There were six medical claim reimbursements in excess of the \$250,000 limit for fiscal year 2014 totaling \$335,641. In fiscal year 2013, there were six totaling \$285,689 and in fiscal year 2012, there were none.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 19 - RISK MANAGEMENT - Continued**

**General Liability, Property, Worker's Compensation and Medical – Continued**

The claims liability of \$8,226,545 reported at September 30, 2014, 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, 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, \$3,181,891 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
2010-2011	\$ 7,899,000	\$ 12,901,425	\$ (12,923,425)	\$ 7,877,000
2011-2012	7,877,000	13,967,831	(13,770,831)	8,074,000
2012-2013	8,074,000	14,396,726	(14,396,726)	8,074,000
2013-2014	8,074,000	16,860,869	(16,708,324)	8,226,545

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined; and at September 30, 2014, unrestricted net position of \$23,730,587 has been designated for this purpose. The Board has elected to accrue the larger of the discounted liability or undiscounted liability. At September 30, 2014, the undiscounted liability was the greater of the two amounts. The discount rate used in the calculation was 2.5 percent.

**NOTE 20 - 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.

**Indian River County, Florida**  
Board of County Commissioners  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 20 - COMMITMENTS AND CONTINGENCIES - Continued**

**B. Contracts and Other Commitments**

The Board has various contracts and commitments outstanding at September 30, 2014. In the General Fund, contracts are for janitorial services, beach park landscape and custodial maintenance, legislative consulting services and external auditing services. In the Special Revenue Funds, contracts are for the Sector 3 Dune Repair-Post Sandy, Oslo Road Widening from 58th Avenue to 43rd Avenue (Phase III), 66th Avenue Roadway Improvements, Old Dixie Highway resurfacing, as well as a variety of other road paving and drainage projects. In the Capital Projects Fund, contracts are for the South County Regional Park Intergenerational Recreation Facility, PC South Algal Turf Scrubber Nutrient Recovery System, 12th Street and 27th Avenue intersection improvements and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for the Reverse Osmosis Lime Slurry Injection Project, Golf Course Dunes Irrigation project, South County Brine Disposal project and various other water and sewer projects.

A summary of these projects at September 30, 2014, is as follows:

	Total Contract Price	Total Paid as of September 30, 2014	Remaining Balance at September 30, 2014
General	\$ 1,022,490	\$ (414,497)	\$ 607,993
Special Revenue	42,450,585	(27,854,250)	14,596,335
Capital Projects	7,055,871	(5,965,418)	1,090,453
Enterprise	12,779,653	(8,438,093)	4,341,560
Internal Service	30,000	-	30,000
Total	<u>\$ 63,338,599</u>	<u>\$ (42,672,258)</u>	<u>\$ 20,666,341</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 21 - SUBSEQUENT EVENTS**

On February 17, 2015, the Board approved appropriating \$2.7 million from General Fund reserves to fund legal action against the All Aboard Florida railway project. Funding is anticipated to be \$0.5 million in fiscal year 2015 and \$1.1 million in fiscal years 2016 and 2017.

**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 4, 2015

The Honorable Board of County Commissioners  
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the *Indian River County, Florida Board of County of Commissioners* (the "Board"), as of and for the year ended September 30, 2014, which collectively comprise the Board's fund financial statements and have issued our report thereon dated March 4, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Lobson LLC". The signature is written in a cursive, flowing style.

## MANAGEMENT LETTER

March 4, 2015

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, 2014 and have issued our report thereon dated March 4, 2015.

### Auditor's 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reports and Schedule

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*; 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, Section 601*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 4, 2015, 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.



## Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

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

## INDEPENDENT ACCOUNTANTS' REPORT

March 4, 2015

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 Section 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use 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 Robson LLC*

**CLERK OF THE CIRCUIT COURT AND  
COMPTROLLER**

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

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 accompanying fund financial statements of each major fund and the aggregate remaining fund information of the *Indian River County, Florida Clerk of Court* (the "Clerk"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's fund financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Clerk as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the Indian River County, Florida Clerk of Court and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015 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 Clerk's internal control over financial reporting and compliance.

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

**Indian River County, Florida**  
**Clerk of the Circuit Court and Comptroller**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,952	\$ 2,027,585	\$ 2,042,537
Accounts receivable	139,336	-	139,336
Prepaid items	43,478	11,916	55,394
Due from other governments	229,101	-	229,101
Total assets	<u>\$ 426,867</u>	<u>\$ 2,039,501</u>	<u>\$ 2,466,368</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 12,163	\$ -	\$ 12,163
Due to other governments	352,056	-	352,056
Unearned revenues	62,648	-	62,648
Total liabilities	<u>426,867</u>	<u>-</u>	<u>426,867</u>
Fund Balances:			
Nonspendable:			
Prepaid items	43,478	11,916	55,394
Restricted for:			
Court-related costs and improvements	-	2,027,585	2,027,585
Unassigned	(43,478)	-	(43,478)
Total fund balances	<u>-</u>	<u>2,039,501</u>	<u>2,039,501</u>
Total liabilities fund balances	<u>\$ 426,867</u>	<u>\$ 2,039,501</u>	<u>\$ 2,466,368</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, 2014**

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Intergovernmental	\$ 294,764	\$ -	\$ 294,764
Charges for services	4,220,116	371,545	4,591,661
Judgments, fines and forfeits	-	195,435	195,435
Interest	3,588	2,374	5,962
Total revenues	<u>4,518,468</u>	<u>569,354</u>	<u>5,087,822</u>
<b>EXPENDITURES</b>			
General government	1,776,738	535,640	2,312,378
Court related	3,592,917	219,646	3,812,563
Total expenditures	<u>5,369,655</u>	<u>755,286</u>	<u>6,124,941</u>
Excess of revenues over (under) expenditures	<u>(851,187)</u>	<u>(185,932)</u>	<u>(1,037,119)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Board of County Commissioners	902,281	-	902,281
Transfer to Board of County Commissioners	<u>(51,094)</u>	<u>-</u>	<u>(51,094)</u>
Total other financing sources (uses)	<u>851,187</u>	<u>-</u>	<u>851,187</u>
Net change in fund balances	-	(185,932)	(185,932)
Fund balances at beginning of year	<u>-</u>	<u>2,225,433</u>	<u>2,225,433</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,039,501</u></u>	<u><u>\$ 2,039,501</u></u>

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

**Indian River County, Florida**  
**Clerk of the Circuit Court and Comptroller**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2014**

	<b>Budgeted Amount</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 33,488	\$ 152,048	\$ 294,764	\$ 142,716
Charges for services	4,357,299	4,352,074	4,220,116	(131,958)
Interest	-	-	3,588	3,588
Total revenues	<u>4,390,787</u>	<u>4,504,122</u>	<u>4,518,468</u>	<u>14,346</u>
<b>EXPENDITURES</b>				
General government	1,835,587	1,812,661	1,776,738	35,923
Court related	<u>3,457,481</u>	<u>3,593,742</u>	<u>3,592,917</u>	<u>825</u>
Total expenditures	<u>5,293,068</u>	<u>5,406,403</u>	<u>5,369,655</u>	<u>36,748</u>
Excess of revenues over (under) expenditures	(902,281)	(902,281)	(851,187)	51,094
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Board of County Commissioners	902,281	902,281	902,281	-
Transfers to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(51,094)</u>	<u>(51,094)</u>
Total other financing sources (uses)	<u>902,281</u>	<u>902,281</u>	<u>851,187</u>	<u>(51,094)</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**  
**Clerk of the Circuit Court and Comptroller**  
**Statement of Fiduciary Net Position**  
**Agency Fund**  
**September 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 6,668,162
Total assets	<u>\$ 6,668,162</u>

**LIABILITIES**

Due to other governments	\$ 746,346
Escrow deposits	<u>5,921,816</u>
Total liabilities	<u>\$ 6,668,162</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, 2014

**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 Corporation. Non-court expenditures are funded by the Board of County Commission 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.

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds from recording fees to be used for modernizing the Clerk's public records systems, subsidizing court-related operational needs and program enhancements, and adding access to public records (by charging a computer usage fee).

Fiduciary Fund

Agency Fund – The Agency Fund is used to account for assets held by the Clerk in a trustee capacity or as an agent. These funds cannot be used to support the Clerk's own programs.

**Indian River County, Florida**  
**Clerk of the Circuit Court and Comptroller**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Accounting, Measurement Focus and Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, 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. 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 his 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 June 1 of each year (for consolidation to the Florida Legislative Budget Commission by August 1). The budget relating to the requirements of the Clerk as Clerk to the Board of County Commissioners is prepared prior to May 1 and is reviewed, modified if required, and approved by the Board by October 1. Both budgets are adopted on a basis consistent with generally accepted accounting principles.

The budget legally adopted by the Clerk must be balanced; that is, the total of estimated receipts, including funding from the Board, shall equal the total estimated expenditures. Management is authorized to transfer budgeted amounts between objects and departments in any fund as long as management does not exceed the total appropriations of a fund.

**D. Cash and Cash Equivalents**

Cash and cash equivalents include deposits 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.

**Indian River County, Florida**  
**Clerk of the Circuit Court and Comptroller**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**G. Compensated Absences**

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk does not, nor is he 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 subsequent Note 6.

**H. Transfer In**

The non-court operations (finance function and board meeting recordings) were funded by the Board of County Commissioners in the amount of \$902,281.

**I. Transfer Out**

In accordance with Florida Statutes, all non-court-related revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners before November 1. On October 27, 2014, \$51,094 was returned to the Board. This transfer is included in the amount Due to Other Governments on the balance sheet.

**J. Fund Balance**

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

**Indian River County, Florida**  
**Clerk of the Circuit Court and Comptroller**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH AND CASH EQUIVALENTS**

**A. Deposits**

At September 30, 2014, the carrying value of the Clerk's deposits was \$4,351,241 and the bank balance was \$5,855,816. 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. Cash on hand at September 30, 2014 was \$1,925.

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 cash equivalents for the definition of custodial credit risk.

**B. Investments**

As of September 30, 2014, the Clerk had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (In Years)	Portfolio Percentage
Bank United Public Funds Money Market	\$ 1,202,770	0.08	28 %
Florida Community Bank Public Funds Money Market	\$ 1,502,500	0.08	34
Harbor Community Bank Money Market	\$ 1,652,263	0.08	38
Total Fair Value	<u>\$ 4,357,533</u>		<u>100 %</u>

**Interest Rate Risk**

The Clerk adopted an 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 updated on April 24, 2014 to increase individual money market allocations from 35% to 40%.

The policy included 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, 2014

**NOTE 2 - CASH AND CASH EQUIVALENTS**

**B. Investments - Continued**

**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 (FLGIT),
- 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, FS),
- Money market funds registered with the Securities and Exchange Commission (with the highest quality rating from a nationally recognized rating agency),
- Derivatives are prohibited.

**Concentration Risk**

The following limits on portfolio composition 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.

**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. 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, 2014 were: regular class 7.37%, senior class 21.14%, DROP class 12.28%, and elected official class 43.24%.

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**  
**Clerk of the Circuit Court and Comptroller**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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.

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.

Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013 and 2014, were equal to 5.21%, 5.24%, and 9.81% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013 and 2014 were \$186,001, \$183,360, and \$350,544 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013 and 2014 were \$91,895, \$93,110 and \$97,090 respectively. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS**

The Clerk participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Clerk's 2014 annual contribution of \$166,560 was funded by the Board of County Commissioners in the amount of \$24,479; non-court revenue in the amount of \$22,671; court-related State expenditures in the amount of \$116,303; and the public modernization trust fund in the amount of \$3,107. This contribution was considered part of a total contribution determined by the IRCOT actuary. Further information on the IRCOT 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, 2014

**NOTE 5 – RISK MANAGEMENT**

Indian River County maintains a risk management program that provides for coverage of risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions, injuries to employees, natural disasters, and medical and life insurance coverage for employees and their eligible dependents. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the Self-insurance Fund. The Clerk participated in the County's self-insurance program during the fiscal year at an annual cost of approximately \$670,490. 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, 2014:

	Beginning Balance 10/01/13	Additions	Deletions	Ending Balance 9/30/14
Accrued Compensated Absences	<u>\$ 301,525</u>	<u>\$ 324,560</u>	<u>\$ 398,099</u>	<u>\$ 227,986</u>

Of the \$227,986 liability for accrued compensated absences, management estimates that \$75,000 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since they are not payable from available spendable resources. They are reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.



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

March 4, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the *Indian River County, Florida Clerk of Court* (the "Clerk"), as of and for the year ended September 30, 2014, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated March 4, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

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

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

**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,

The Honorable Jeffrey R. Smith  
Clerk of the Circuit Court and Comptroller  
March 4, 2015  
Page 2

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Lobson LLC". The signature is written in a cursive, flowing style.

## MANAGEMENT LETTER

March 4, 2015

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

### Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the *Indian River County, Florida Clerk of Court* (the "Clerk"), as of and for the year ended September 30, 2014, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated March 4, 2015.

### Auditor's 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 Florida Auditor General*.

### Other Reports and Schedule

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, Section 601*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 4, 2015, 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.

## Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

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

## INDEPENDENT ACCOUNTANTS' REPORT

March 4, 2015

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 Court and Comptroller* (the "Clerk") with Sections 218.415, 28.35 and 28.36, Florida Statutes, during the year ended September 30, 2014. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use 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.





# **PROPERTY APPRAISER**

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

The Honorable David Nolte  
Property Appraiser  
Indian River County, Florida

### Report on the Financial Statements

We have audited the accompanying fund financial statements of the major fund information of the *Indian River County, Florida Property Appraiser* (the "Property Appraiser"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Property Appraiser's fund financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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



### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fund of the Property Appraiser as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the Indian River County, Florida Property Appraiser and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Property Appraiser's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

**Indian River County, Florida**  
**Property Appraiser**  
**Balance Sheet**  
**General Fund**  
**September 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 55,143
Accounts receivable	3,385
Total assets	<u>\$ 58,528</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	\$ 20,547
Due to other governments	32,939
Other deposits	5,042
Total liabilities	<u>58,528</u>

Fund Balances:

Unassigned	<u>-</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 58,528</u>
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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, 2014**

	<b>Budgeted Amount</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 3,112,273	\$ 3,118,234	\$ 3,125,718	\$ 7,484
Interest	-	-	762	762
Total revenues	<u>3,112,273</u>	<u>3,118,234</u>	<u>3,126,480</u>	<u>8,246</u>
<b>EXPENDITURES</b>				
General government	<u>3,112,273</u>	<u>3,118,234</u>	<u>3,096,697</u>	<u>21,537</u>
Total expenditures	<u>3,112,273</u>	<u>3,118,234</u>	<u>3,096,697</u>	<u>21,537</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>29,783</u>	<u>29,783</u>
<b>OTHER FINANCING USES</b>				
Transfers to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(29,783)</u>	<u>(29,783)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(29,783)</u>	<u>(29,783)</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, 2014

**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**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, 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.

**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.

**Indian River County, Florida**  
**Property Appraiser**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

**D. Capital Assets**

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Property Appraiser in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for capitalization threshold, depreciation methodology and useful lives.

**E. Compensated Absences**

The Property Appraiser accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Property Appraiser does not, nor is he legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported on the Property Appraiser's financial statements. Additional information on the liability is reflected in subsequent Note 6.

**F. Transfer Out**

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners and other governments. These "excess fees" totaled \$32,939 at September 30, 2014 and are included as due to other governments on the balance sheet. Of this amount, \$29,783 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.

**G. Fund Balance**

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

**NOTE 2 - CASH**

**Deposits**

At September 30, 2014, the carrying amount of the Property Appraiser's deposits was \$55,073 and the bank balance was \$129,853. 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 cash equivalents for the definition of custodial credit risk. Cash on hand at September 30, 2014 was \$70.

**Indian River County, Florida**  
**Property Appraiser**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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. 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 (regular class 7.37%, senior class 21.14%, DROP class 12.28%, and elected official class 43.24%).

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.

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.

Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014, were equal to 5.41%, 6.64%, and 10.13% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, 2014 were \$102,232, \$123,913, and \$199,217 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013 and 2014 were \$52,696, \$51,583, and \$52,723 respectively. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS**

The Property Appraiser participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Property Appraiser's 2014 annual contribution of \$67,788 was funded by the Board of County Commissioners as part of a total contribution determined by the IRCOT actuary. Further information on the IRCOT can be found in the County-wide financial statements and in the County notes.

**Indian River County, Florida**  
**Property Appraiser**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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 2014 at an annual cost of approximately \$266,282. Further details on the self-insurance program are discussed in the County-wide financial statements and County notes.

**NOTE 6 – LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

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

	Beginning Balance 10/01/13	Additions	Deletions	Ending Balance 09/30/14
Accrued Compensated Absences	<u>\$ 21,366</u>	<u>\$ 115,372</u>	<u>\$ 115,555</u>	<u>\$ 21,183</u>

Of the \$21,183 liability for accrued compensated absences, management estimates that \$10,000 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 – COMMITMENTS AND CONTINGENCIES**

**Litigation**

Various suits and claims are currently pending against the Property Appraiser. It is impossible for the Property Appraiser 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 Property Appraiser 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 Property Appraiser.

**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 4, 2015

The Honorable David Nolte  
Property Appraiser  
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 Property Appraiser** (the "Property Appraiser"), as of and for the year ended September 30, 2014, which comprises the Property Appraiser's fund financial statements and have issued our report thereon dated March 4, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of



laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser' 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 4, 2015

The Honorable David Nolte  
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, 2014, which comprises the Property Appraiser's fund financial statements and have issued our report thereon dated March 4, 2015.

### Auditor's 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 Florida Auditor General*.

### Other Reports and Schedule

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, Section 601*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 4, 2015, 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.

## Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Rehmann Johnson LLC*

## INDEPENDENT ACCOUNTANTS' REPORT

March 4, 2015

The Honorable David Nolte  
Property Appraiser  
Indian River County, Florida

We have examined the compliance of *Indian River County, Florida Property Appraiser* (the "Property Appraiser") with Section 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, include examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use 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.



**SHERIFF**

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

The Honorable Deryl Loar  
Sheriff  
Indian River County, Florida

### Report on the Financial Statements

We have audited the accompanying fund financial statements of each major fund and the aggregate remaining fund information of the *Indian River County, Florida Sheriff* (the "Sheriff"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's fund financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Sheriff as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the Indian River County, Florida Sheriff and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sheriff's internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

**Indian River County, Florida**  
**Sheriff**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**

	<b>General</b>	<b>Nonmajor Fund Special Revenue</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,438,214	\$ 1,644,317	\$ 3,082,531
Accounts receivable - net	73,707	23,364	97,071
Inventories	48,388	19,688	68,076
Prepaid items	22,455	-	22,455
Total assets	<u>\$ 1,582,764</u>	<u>\$ 1,687,369</u>	<u>\$ 3,270,133</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,425,100	\$ 17,723	\$ 1,442,823
Due to other governments	157,664	21,579	179,243
Total liabilities	<u>1,582,764</u>	<u>39,302</u>	<u>1,622,066</u>
Fund Balances:			
Nonspendable:			
Inventories	48,388	19,688	68,076
Prepaid items	22,455	-	22,455
Restricted for:			
Law enforcement/public safety	-	1,164,575	1,164,575
Committed to:			
Law enforcement/public safety	-	360,194	360,194
Assigned to:			
Law enforcement/public safety	-	103,610	103,610
Unassigned	(70,843)	-	(70,843)
Total fund balances	<u>-</u>	<u>1,648,067</u>	<u>1,648,067</u>
Total liabilities and fund balances	<u>\$ 1,582,764</u>	<u>\$ 1,687,369</u>	<u>\$ 3,270,133</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, 2014**

	<b>General</b>	<b>Nonmajor Fund Special Revenue</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 60,318	\$ 60,318
Charges for services	-	405,629	405,629
Judgments, fines and forfeits	-	199,380	199,380
Miscellaneous	56,738	114,172	170,910
Total revenues	<u>56,738</u>	<u>779,499</u>	<u>836,237</u>
<b>EXPENDITURES</b>			
Public safety	36,440,220	1,240,581	37,680,801
Court related	1,939,357	12,412	1,951,769
Total expenditures	<u>38,379,577</u>	<u>1,252,993</u>	<u>39,632,570</u>
Excess of revenues over (under) expenditures	(38,322,839)	(473,494)	(38,796,333)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Board of County Commissioners	38,477,987	165,459	38,643,446
Transfers to Board of County Commissioners	(155,148)	(21,579)	(176,727)
Total other financing sources	<u>38,322,839</u>	<u>143,880</u>	<u>38,466,719</u>
Net change in fund balances	-	(329,614)	(329,614)
Fund balances at beginning of year	<u>-</u>	<u>1,977,681</u>	<u>1,977,681</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,648,067</u></u>	<u><u>\$ 1,648,067</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, 2014**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 66,408	\$ 56,738	\$ (9,670)
Total revenues	-	66,408	56,738	(9,670)
<b>EXPENDITURES</b>				
Public safety	35,465,454	36,571,869	36,440,220	131,649
Court related	1,972,527	1,972,527	1,939,357	33,170
Total expenditures	37,437,981	38,544,396	38,379,577	164,819
Excess of revenues over (under) expenditures	(37,437,981)	(38,477,988)	(38,322,839)	155,149
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Board of County Commissioners	37,437,981	38,477,988	38,477,987	(1)
Transfers to Board of County Commissioners	-	-	(155,148)	(155,148)
Total other financing sources	37,437,981	38,477,988	38,322,839	(155,149)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances at beginning of year			-	
Fund balances at end of year			\$ -	

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

**Indian River County, Florida**  
**Sheriff**  
**Statement of Fiduciary Net Position**  
**Agency Fund**  
**September 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 29,637
Total assets	<u>\$ 29,637</u>

**LIABILITIES**

Escrow deposits	\$ 29,637
Total liabilities	<u>\$ 29,637</u>

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

**Indian River County, Florida**  
**Sheriff**  
Notes To Financial Statements  
Year Ended September 30, 2014

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

The Sheriff is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. The Sheriff is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Sheriff only. The format of the Sheriff's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

**A. Description of Funds**

For reporting purposes, the accounting records are organized into the following two fund types: governmental funds and a fiduciary fund.

Governmental Funds

General Fund – The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Sheriff, which are not accounted for in another fund. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted, committed or assigned for public safety such as police education, special purpose equipment, jail commissary, and special law enforcement activities.

Fiduciary Fund

Agency Fund – The Agency Fund is used to account for assets held by the Sheriff in a trustee capacity or as an agent. Funds are for the employee cafeteria plan.

**B. Basis of Accounting, Measurement Focus and Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. The fiduciary fund is reported on an accrual basis. Under the modified accrual basis, 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**  
**Sheriff**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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 he 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 he 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 7.

**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, 2014 amount totaled \$155,148 and was reported as a transfer to the Board of County Commissioners at year end. This transfer is also included in the due to other governments amount reported on the balance sheet.

**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.

**Indian River County, Florida**  
**Sheriff**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH**

**Deposits**

At September 30, 2014, the carrying amount of the Sheriff's deposits was \$3,111,493, and the bank balance was \$4,450,360. 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. Cash on hand at September 30, 2014 was \$675.

The Sheriff's office elected not to adopt a formal investment policy and selects the alternative investment guidelines as provided by Florida Statutes 218.415, subsection 17. Refer to the County-wide note on cash and cash equivalents for the definition of custodial credit risk.

**NOTE 3 – CAPITAL ASSETS**

Tangible personal property used by the Sheriff in operations is reported in the financial statements of the County. State law requires the Sheriff to account for all tangible property used by the Sheriff. A summary of changes in capital assets is as follows:

	Beginning Balance 10/01/13	Additions	Deletions	Ending Balance 09/30/14
Tangible Personal Property	<u>\$ 19,890,327</u>	<u>\$ 1,980,675</u>	<u>\$ 848,014</u>	<u>\$ 21,022,988</u>

Refer to the County-wide note on capital assets for capitalization threshold, depreciation 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.

**Indian River County, Florida**  
**Sheriff**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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. 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 (regular class 7.37%, special risk 19.82%, senior class 21.14%, DROP class 12.28%, and elected official class 43.24%).

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.

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.

Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014 were equal to 11.30%, 12.70%, and 15.35% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, 2014 were \$2,544,542, \$2,835,772, and \$3,490,547 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013 and 2014 were \$629,659, \$615,894, and \$606,411 respectively. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS**

The Sheriff participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Sheriff's 2014 annual contribution of \$1,101,833 was funded by the Board of County Commissioners as part of a total contribution determined by the IRCOT actuary. Further information on the IRCOT 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, 2014

**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 2014 at an annual cost of approximately \$3,688,506. 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, 2014:

	<u>Beginning Balance 10/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 09/30/14</u>
Accrued Compensated Absences	<u>\$ 6,606,399</u>	<u>\$ 2,822,313</u>	<u>\$ 3,494,997</u>	<u>\$ 5,933,715</u>

Of the \$5,933,715 liability for accrued compensated absences, management estimates that \$3,301,137 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 – OPERATING LEASES**

The Sheriff has entered into noncancelable operating leases as lessee of a building, hangar, mail machine, and copiers. Lease expenditures totaled \$105,404 for the year ended September 30, 2014.

The following is a schedule by years of minimum future rentals to be paid by the Sheriff for noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2015	\$ 84,943
2016	78,412
2017	75,421
2018	<u>2,861</u>
Total Future Minimum Lease Payments	<u>\$ 241,637</u>



**Indian River County, Florida**  
**Sheriff**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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 4, 2015

The Honorable Deryl Loar  
Sheriff  
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2014, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated March 4, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-002 to be a significant deficiency.

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Indian River County, Florida Sheriff's Response to Findings

The Sheriff's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Sheriff's responses were not subjected to the audit of the financial statements and, accordingly, we express no opinion on them.

### 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.

*Rehmann Lohman LLC*

# INDIAN RIVER COUNTY, FLORIDA SHERIFF

## Schedule of Findings and Responses

For the Year Ended September 30, 2014

### 2014-001 - Material Audit Adjustments

**Finding Type.** Material Weakness in Internal Control over Financial Reporting.

**Criteria.** Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

**Condition.** During our audit, we identified and proposed material adjustments (which were approved and posted by management) to adjust the Sheriff's accounting records. Also, management identified and posted many smaller adjustments to a wide variety of funds and accounts throughout the audit process that collectively had a material effect on the Sheriff's financial reporting process.

**Cause.** During the past year, the Sheriff's finance department has experienced turnover in staff. These changes have placed a significant burden on the year-end close process, and has resulted in adjustments not being posted timely.

**Effect.** As a result of this condition, the Sheriff's financial information was initially misstated by amounts that were deemed to be quantitatively material and numerous account balances were not adjusted timely throughout the year. Correcting entries were subsequently posted by management to the Sheriff's records and the appropriate balances are presented in the audited financial statements.

**Recommendation.** Management has already taken appropriate corrective action by posting correcting journal entries. However, we recommend that the Sheriff critically assess the staffing in its Finance Department to ensure that there are an appropriate number of qualified/trained individuals available throughout the year to maintain the Sheriff's books and records in accordance with GAAP.

#### **View of Responsible Officials.**

I have instituted procedures which include a system of Internal Controls to insure that Sheriff's Office books and records are correctly reported in accordance with GAAP. I continually assess the Finance Section, as I do all departments within the Sheriff's Office, to insure that the staffing is appropriate and training is continually available to the individuals responsible for keeping accurate and timely accounting books and records. As your letter indicates, the case of many of the adjustments not being posted timely was due to unexpected staff turnover.

# INDIAN RIVER COUNTY, FLORIDA SHERIFF

## Schedule of Findings and Responses

For the Year Ended September 30, 2014

### 2014-002 - Journal Entry Review and Support

**Finding Type.** Significant Deficiency in Internal Control over Financial Reporting.

**Criteria.** Journal entries represent an area of significant risk in the financial statements. They provide a mechanism by which financial statements can be altered outside of standard transaction processes. For this reason, internal control practices require that journal entries be reviewed by someone other than the individual who prepares and posts the entry.

**Condition.** Through the audit process, we identified inconsistency in the review and approval of journal entries. Additionally, source documentation was not consistently housed with the journal entry forms.

**Cause.** During FY14, there was an initiative toward automation and a more paperless environment. While these are worthwhile endeavors, the result was that review and approval of journal entries and maintenance of related documentation were not consistent.

**Effect.** As a result of this condition, the Sheriff experienced an increased risk that misstatements in the accounting records, whether caused by error or fraud, would not be detected and corrected on a timely basis.

**Recommendation.** We recommend that the Sheriff establish a journal entry approval procedure to ensure that every journal entry is reviewed and approved prior to posting, and that impacted accounts are reconciled after posting. Additionally we recommend that the Sheriff create an electronic file where all journal entries and original source documents are housed.

#### **View of Responsible Officials.**

As I indicated above, I have established a system of Internal Controls over Financial Reporting which includes a process to review and approve journal entries prior to posting in the accounting records. As a natural evolution of this procedure, not only accounts affected by journal entries, but all relevant general ledger accounts will be reconciled periodically.

■ ■ ■ ■ ■

## MANAGEMENT LETTER

March 4, 2015

The Honorable Deryl Loar  
Sheriff  
Indian River County, Florida

### Report on the Financial Statements

We have audited the fund financial statements of the major fund and the aggregate remaining fund information of the *Indian River County, Florida Sheriff* (the "Sheriff"), as of and for the year ended September 30, 2014, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated March 4, 2015.

### Auditor's 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 Florida Auditor General.

### Other Reports and Schedule

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*. Disclosures in that report, which is dated March 4, 2015, 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.

## Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we make the following recommendations:

2014-001 - We recommend that the Sheriff critically assess the staffing in its Finance Department to ensure that there are an appropriate number of qualified/trained individuals available throughout the year to maintain the Sheriff's books and records in accordance with GAAP.

2014-002 - We recommend that the Sheriff establish a journal entry approval procedure to ensure that every journal entry is reviewed and approved prior to posting, and that impacted accounts are reconciled after posting. Additionally we recommend that the Sheriff create an electronic file where all journal entries and original source documents are housed.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, 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 4, 2015

The Honorable Leslie Swan  
Supervisor of Elections  
Indian River County, Florida

### Report on the Financial Statements

We have audited the accompanying fund financial statements of 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, 2014, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' fund financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Independent Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Supervisor of Elections as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the Indian River County, Florida Supervisor of Elections and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Supervisor of Elections' internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

**Indian River County, Florida**  
**Supervisor of Elections**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 25,490	\$ 18,510	\$ 44,000
Prepaid items	1,809	-	1,809
Total assets	<u>\$ 27,299</u>	<u>\$ 18,510</u>	<u>\$ 45,809</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 22,042	\$ -	\$ 22,042
Due to other governments	5,257	-	5,257
Unearned revenues	-	16,158	16,158
Total liabilities	<u>27,299</u>	<u>16,158</u>	<u>43,457</u>
Fund Balances:			
Nonspendable:			
Prepaid items	1,809	-	1,809
Restricted for:			
Voting/election activities	-	2,352	2,352
Unassigned	(1,809)	-	(1,809)
Total fund balances	<u>-</u>	<u>2,352</u>	<u>2,352</u>
Total liabilities and fund balances	<u>\$ 27,299</u>	<u>\$ 18,510</u>	<u>\$ 45,809</u>

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

**Indian River County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2014**

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Charges for services	\$ 3,494	\$ -	\$ 3,494
Miscellaneous	53,592	-	53,592
Total revenues	<u>57,086</u>	<u>-</u>	<u>57,086</u>
<b>EXPENDITURES</b>			
General government	1,129,013	-	1,129,013
Total expenditures	<u>1,129,013</u>	<u>-</u>	<u>1,129,013</u>
Excess of revenues over (under) expenditures	(1,071,927)	-	(1,071,927)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Board of County Commissioners	1,079,536	-	1,079,536
Transfers from other funds	-	2,352	2,352
Transfers to Board of County Commissioners	(5,257)	-	(5,257)
Transfers to other funds	(2,352)	-	(2,352)
Total other financing sources (uses)	<u>1,071,927</u>	<u>2,352</u>	<u>1,074,279</u>
Net change in fund balances	-	2,352	2,352
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 2,352</u>	<u>\$ 2,352</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, 2014**

	<b>Budgeted Amount</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 3,494	\$ 3,494
Miscellaneous	-	53,592	53,592	-
Total revenues	-	53,592	57,086	3,494
<b>EXPENDITURES</b>				
General government	1,075,927	1,130,776	1,129,013	1,763
Total expenditures	1,075,927	1,130,776	1,129,013	1,763
Excess of revenues over (under) expenditures	(1,075,927)	(1,077,184)	(1,071,927)	5,257
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Board of County Comissioners	1,079,536	1,079,536	1,079,536	-
Transfers to Board of County Comissioners	-	-	(5,257)	(5,257)
Transfers to other funds	(3,609)	(2,352)	(2,352)	-
Total other financing sources (uses)	1,075,927	1,077,184	1,071,927	(5,257)
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, 2014

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

The Supervisor of Elections is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor of Elections does not meet the definition of a legally separate organization and is not considered to be a component unit. The Supervisor of Elections is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Supervisor of Elections only. The format of the Supervisor of Elections' statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

**A. Description of Funds**

The accounting records are organized for reporting purposes on the basis of governmental funds.

Governmental Funds

General Fund – The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Special Revenue Fund – The Special Revenue Fund accounts for the grant proceeds from the State and matching funds from the County. These funds are legally restricted for voter education and poll worker recruitment and training.

**B. Basis of Accounting, Measurement Focus and Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, 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.

**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 she 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.

**Indian River County, Florida**  
**Supervisor of Elections**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D. Prepaid Items**

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

**E. Capital Assets**

Acquisitions of equipment are recorded as expenditures at the time of purchase for governmental fund financial statements. Tangible personal property used by the Supervisor of Elections in operations is reported in the financial statements of the County. Refer to the County-wide note on capital assets for the capitalization threshold, depreciation methodology and useful lives.

**F. Unearned Revenues**

Unearned revenues reported on the Supervisor of Election's balance sheet represent revenues which are available but not earned.

**G. Compensated Absences**

The Supervisor of Elections accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Supervisor of Elections does not, nor is she 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 \$5,257 and was reported as transfers out. 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.



**Indian River County, Florida**  
**Supervisor of Elections**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH**

**Deposits**

At September 30, 2014, the carrying amount of the Supervisor of Elections' deposits was \$43,975, and the bank balance was \$176,020. 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. Cash on hand at September 30, 2014 was \$25.

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 cash equivalents 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. 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 (regular class 7.37%, senior class 21.14%, DROP class 12.28%, and elected official class 43.24%). 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.

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.

**Indian River County, Florida**  
**Supervisor of Elections**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 3 – PENSION PLAN - Continued**

**Florida Retirement System - Continued**

Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014, were equal to 6.19%, 7.46%, and 13.78% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, 2014 were \$28,013, \$33,448 and \$64,389 respectively. Employee contributions for the fiscal years ended September 30, 2012, 2013 and 2014 were \$13,585, \$12,975, and \$12,269 respectively. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS**

The Supervisor of Elections participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Supervisor of Election's 2014 annual contribution of \$15,064 was funded by the Board of County Commissioners as part of a total contribution determined by the IRCOT actuary. Further information on the IRCOT 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 2014 at an annual cost of approximately \$53,120.

**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, 2014:

	Beginning Balance 10/01/13	Additions	Deletions	Ending Balance 09/30/14
Accrued Compensated Absences	<u>\$ 30,010</u>	<u>\$ 26,905</u>	<u>\$ 30,244</u>	<u>\$ 26,671</u>

Of the \$26,671 liability for accrued compensated absences, management estimates that \$11,018 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.

**Indian River County, Florida**  
**Supervisor of Elections**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 7 – OPERATING LEASES**

The Supervisor of Elections has entered into noncancelable operating leases as lessee for a mail machine and letter opener. Lease expenditures totaled \$6,672 for the year ended September 30, 2014.

The following is a schedule by years of minimum future rentals to be paid by the Supervisor of Elections for the noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2015	\$ 6,672
2016	6,672
2017	5,004
Total Future Minimum Lease Payments	<u>\$ 18,348</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 4, 2015

The Honorable Leslie Swan  
Supervisor of Elections  
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Supervisor of Elections** (the "Supervisor of Elections"), as of and for the year ended September 30, 2014, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated March 4, 2015.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

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

### Compliance and Other Matters

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

### Purpose of this Report

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

*Rehmann Lohman LLC*

## MANAGEMENT LETTER

March 4, 2015

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, 2014, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated March 4, 2015.

### Auditor's 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 Florida Auditor General.

### Other Reports and Schedule

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*. Disclosures in that report, which is dated March 4, 2015, 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.

## Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

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





# **TAX COLLECTOR**

## INDEPENDENT AUDITORS' REPORT

March 4, 2015

The Honorable Carole Jean Jordan  
Tax Collector  
Indian River County, Florida

### Report on the Financial Statements

We have audited the accompanying fund financial statements of 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, 2014, and the related notes to the financial statements, which collectively comprise the Tax Collector's fund financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the funds of the Tax Collector as of September 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Reporting Entity*

As discussed in Note 1, the financial statements referred to above present only the Indian River County, Florida Tax Collector and do not purport to, and do not, present fairly the financial position of Indian River County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tax Collector's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

**Indian River County, Florida**  
**Tax Collector**  
**Balance Sheet**  
**General Fund**  
**September 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 1,578,217
Investments	881,718
Accounts receivable	102,398
Inventories	1,561
Prepaid items	1,176
Total assets	<u>\$ 2,565,070</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	\$ 206,517
Due to other governments	2,335,121
Unearned revenues	23,278
Other deposits	154
Total liabilities	<u>2,565,070</u>

Fund Balances:

Nonspendable:	
Inventories	1,561
Prepaid items	1,176
Unassigned	<u>(2,737)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 2,565,070</u>
-------------------------------------	---------------------

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, 2014**

	<b>Budgeted Amount</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 5,391,700	\$ 5,391,700	\$ 5,523,481	\$ 131,781
Interest	8,500	8,500	8,180	(320)
Total revenues	5,400,200	5,400,200	5,531,661	131,461
<b>EXPENDITURES</b>				
General government	3,274,255	3,480,711	3,437,822	42,889
Total expenditures	3,274,255	3,480,711	3,437,822	42,889
Excess of revenues over (under) expenditures	2,125,945	1,919,489	2,093,839	174,350
<b>OTHER FINANCING USES</b>				
Transfers to Board of County Commissioners	(2,125,945)	(1,919,489)	(2,093,839)	(174,350)
Total other financing uses	(2,125,945)	(1,919,489)	(2,093,839)	(174,350)
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  
Tax Collector  
Statement of Fiduciary Net Position  
Agency Fund  
September 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 4,166,929
Total assets	<u>\$ 4,166,929</u>

**LIABILITIES**

Due to other governments	\$ 4,166,929
Total liabilities	<u>\$ 4,166,929</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, 2014

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

The Tax Collector is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector does not meet the definition of a legally separate organization and is not considered to be a component unit. The Tax Collector is considered to be a part of the primary government of Indian River County. The financial statements contained herein represent the financial transactions of the Tax Collector only. The format of the Tax Collector's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

**A. Description of Funds**

The accounting records are organized for reporting purposes on the basis of governmental funds and a fiduciary fund.

Governmental Fund

General Fund – The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Fiduciary Fund

Fiduciary Fund – The Fiduciary Fund of the Tax Collector is the Agency Fund, which is used to account for assets held by the Tax Collector as an agent. The Agency Fund is custodial in nature and does not involve measurement of results of operations. These funds cannot be used to support the Tax Collector's own programs.

**B. Basis of Accounting, Measurement Focus and Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. The fiduciary fund is reported on an accrual basis. Under the modified accrual basis, 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**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. Budgetary Requirements**

State statutes require the Tax Collector to prepare an annual budget that clearly reflects the revenues available to her 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 Cash Equivalents**

Cash and cash equivalents include deposits 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 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.

**G. Unearned Revenues**

Unearned revenues represent revenues which are available but not earned. The amount reported on the Tax Collector's balance sheet of \$23,278 represents prepaid vehicle registrations.

**H. Compensated Absences**

The Tax Collector accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Tax Collector does not, nor is she 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.



**Indian River County, Florida**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**I. Transfer Out**

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board of County Commissioners and other governments. These “excess fees” totaled \$2,335,121 at September 30, 2014 and are included as due to other governments on the balance sheet.. Of this amount, \$2,093,839 was owed to the Board of County Commissioners and is reported as Transfers to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balances.

**J. Fund Balance**

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

**A. Deposits**

At September 30, 2014, the carrying amount of the Tax Collector’s deposits was \$5,729,646 and the bank balance was \$5,696,233. 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. Cash on hand at September 30, 2014 was \$15,500.

**B. Investments**

The Tax Collector last modified their investment and deposit policy in June 2014. 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 cash equivalents for the definition of custodial credit risk.

**Indian River County, Florida**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH AND CASH EQUIVALENTS - Continued**

**B. Investments - Continued**

At September 30, 2014, the Tax Collector had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity In Years</u>	<u>Portfolio Percentage</u>	<u>Credit Risks</u>
Other Market Rate Investments:				
Florida PRIME (formerly Fund A)	\$ 95,999	0.08	10.89%	AAAm
Florida Trust Day to Day Fund	25,296	0.08	2.87	AAAm
Other Fixed Rate Investments:				
Certificate of Deposit – 12 Month	252,208	0.82	28.60	N/A
Certificate of Deposit – 24 Month	255,857	1.30	29.02	N/A
Certificate of Deposit – 24 Month	<u>252,358</u>	0.74	<u>28.62</u>	N/A
Total Fair Value	<u>881,718</u>		<u>100.00%</u>	
Portfolio weighted average maturity		0.83		

**Concentration Risk**

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

Local Government Surplus Funds Trust Fund	95%
Florida Trust Day to Day Fund	95%
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	50%
United States Government Agencies	25%

The Tax Collector invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "Florida Prime"). The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a-7 like fund. The Tax Collector's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. At September 30, 2014, the Florida PRIME held a rating of AAAM by Standard and Poor's and had a weighted average days to maturity of 39 days.

**Indian River County, Florida**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**NOTE 2 - CASH AND INVESTMENTS - Continued**

**B. Investments - Continued**

**Interest Rate Risk**

The Tax Collector will attempt to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twelve months and funds in excess of current operating needs may have maturities of no longer than twenty-four months.

**Credit Risk**

Florida Statutes authorize investments in certificates of deposit, savings accounts, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and direct obligations of the U.S. Treasury.

**Custodial Credit Risk**

All investments are held in the name of the Tax Collector, by the Tax Collector, with the exception of the Florida Trust Day to Day Fund, which was held by UMB 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.

**Indian River County, Florida**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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. 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 (regular class 7.37%, senior class 21.14%, DROP class 12.28%, and elected official class 43.24%).

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.

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.

Employer contributions to the FRS for the fiscal year ended September 30, 2012, 2013, and 2014, were equal to 5.63%, 7.01%, and 11.3% of the annual covered payroll. Employer contributions to the FRS for the fiscal years ended September 30, 2012, 2013, and 2014 were \$90,405, \$104,670, and \$184,421 respectively. Employee contributions for the fiscal years 2012, 2013 and 2014 were \$45,214, \$42,441 and \$47,465. Both employer and employee contributions were equal to 100% of the required contribution for each year.

**NOTE 5 – OTHER POSTEMPLOYMENT BENEFITS**

The Tax Collector participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Tax Collector paid their 2014 annual contribution of \$82,852 which was their part of the total contribution determined by the IRCOT actuary. Further information on the IRCOT can be found in the County-wide financial statements and County notes.

**Indian River County, Florida**  
**Tax Collector**  
Notes To Financial Statements  
Year Ended September 30, 2014

**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 2014 at an annual cost of approximately \$257,960. Further details of this self-insurance program are discussed in the risk management note in the County-wide financial statements.

**NOTE 7 – LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

The following is a schedule of changes in long-term liabilities as of September 30, 2014:

	<u>Beginning Balance 10/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 09/30/14</u>
Accrued Compensated Absences	<u>\$ 112,797</u>	<u>\$ 37,573</u>	<u>\$ 30,352</u>	<u>\$ 120,018</u>

Of the \$120,018 liability for accrued compensated absences, management estimates that \$12,213 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 – OPERATING LEASES**

The Tax Collector has entered into noncancelable operating leases as lessee for office space and office equipment. Lease expenditures totaled \$102,429 for the fiscal year ended September 30, 2014.

The following is a schedule by years of minimum future rentals to be paid by the Tax Collector for noncancelable operating leases as of September 30:

<u>Year</u>	<u>Amount</u>
2015	\$ 100,221
2016	55,388
2017	2,352
2018	<u>2,352</u>
Total future minimum lease payments	<u>\$ 160,313</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 4, 2015

The Honorable Carole Jean Jordan  
Tax Collector  
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the **Indian River County, Florida Tax Collector** (the "Tax Collector"), as of and for the year ended September 30, 2014, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 4, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

The Honorable Carole Jean Jordan  
Tax Collector  
March 4, 2015  
Page 2

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

## MANAGEMENT LETTER

March 4, 2015

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, 2014, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated March 4, 2015.

### Auditor's 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 Florida Auditor General.

### Other Reports and Schedule

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, Section 601*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 4, 2015, 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.

#### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Rehmann Johnson LLC*

## INDEPENDENT ACCOUNTANTS' REPORT

March 4, 2015

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 Section 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, include examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use 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 Robson LLC*