

Indian River County Florida



Comprehensive Annual Financial Report

For the Fiscal Year

October 1, 2014 through September 30, 2015

The cover features a picture of the par 4-14th hole of the Lakes Course at Sandridge Golf Club. Sandridge Golf Club is owned and operated by Indian River County. The facility consists of two 18-hole championship layouts designed by Ron Garl. The first course is the Dunes Course, which opened to the public in 1987. This classic layout winds around an old ridge that runs up the East Coast of Florida and was once used for mining operations. The second course is the Lakes Course, which opened to the public in 1992. For over 20 years, both golf courses have been maintained with an unmatched passion and love for the classic game of golf. Dedication to the sport has earned Sandridge a reputation as one of the finest public golf destinations in the state of Florida and has been rated four-and-a-half stars by Golf Digest and regularly earns a spot on the magazine's "Places to Play List".



In 2015, the Dunes course underwent a \$1.18 million irrigation system replacement.



INDIAN RIVER COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR
OCTOBER 1, 2014
THROUGH
SEPTEMBER 30, 2015**

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, 2015

Board of County Commissioners as of September 30, 2015

Wesley S. Davis
Chairman
Bob Solari
Vice-Chairman

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

Current Board of County Commissioners (effective November 17, 2015)

Bob Solari
Chairman
Joseph E. Flescher
Vice-Chairman

Wesley S. Davis
Peter D. O'Bryan
Tim Zorc

Constitutional Officers as of September 30, 2015

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

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Fiscal Year Ended September 30, 2015

INTRODUCTORY SECTION

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Impact Fees Fund	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Secondary Roads Construction Fund	35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -Transportation Fund	36
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Emergency Services District Fund	37
Statement of Fund Net Position - Proprietary Funds	39

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS - CONTINUED
Fiscal Year Ended September 30, 2015

**Page
Number**

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	40
Statement of Cash Flows - Proprietary Funds	42
Statement of Fiduciary Net Position - Fiduciary Funds	46
Statement of Changes in Fiduciary Net Position - Other Postemployment Benefits Trust Fund	47
Notes to the Financial Statements	49

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the County's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Defined Benefit Pension Plan	114
Schedule of the County's Proportionate Share of the Net Pension Liability - Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan	114
Schedule of the County's Contributions - FRS Defined Benefit Pension Plan	115
Schedule of the County's Contributions - HIS Defined Benefit Pension Plan	115
Schedule of Funding Progress - Other Postemployment Benefits Plan	116
Schedule of Employer Contributions - Other Postemployment Benefits Plan	116

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:

Combining Balance Sheet - Nonmajor Governmental Funds	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	130
Budgetary Comparison Schedules	138
Combining Statement of Net Position - Internal Service Funds	170
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	171
Combining Statement of Cash Flows - Internal Service Funds	172
Combining Statement of Changes in Assets and Liabilities - Agency Fund	176

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2015

STATISTICAL SECTION

	Page Number
SCHEDULE 1 Net Position by Component - Last Ten Fiscal Years	178
SCHEDULE 2 Changes in Net Position - Last Ten Fiscal Years	180
SCHEDULE 3 Fund Balances, Governmental Funds - Last Ten Fiscal Years	184
SCHEDULE 4 Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	186
SCHEDULE 5 Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	188
SCHEDULE 6 Assessed Value and Actual Values of Taxable Property - Last Ten Fiscal Years	189
SCHEDULE 7 Property Tax Rates - Direct and Overlapping Tax Rates - Last Ten Fiscal Years	190
SCHEDULE 8 Principal Property Taxpayers - Year 2015 and Year 2006	192
SCHEDULE 9 Property Tax Levies and Collections - Last Ten Fiscal Years	193
SCHEDULE 10 Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	194
SCHEDULE 11 Ratio of Net General Bonded Debt Outstanding to Taxable Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	196
SCHEDULE 12 Computation of Legal Debt Margin	197
SCHEDULE 13 Direct and Overlapping Governmental Activities Debt	198
SCHEDULE 14 Pledged Revenue Coverage - Water and Sewer Revenue Bonds - Last Ten Fiscal Years	200

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2015

		Page Number
SCHEDULE 15	Demographic and Economic Statistics - Last Ten Years	202
SCHEDULE 16	Principal Employers - Year 2015 and Year 2006	203
SCHEDULE 17	Building Permits - Last Ten Fiscal Years	204
SCHEDULE 18	Operating Indicators by Function/Program - Last Ten Fiscal Years	206
SCHEDULE 19	Full Time Equivalent County Government Employees by Function/Program - Last Ten Fiscal Years	210
SCHEDULE 20	Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	212
SCHEDULE 21	Department of Utility Services - Historical Rate Structure - Last Ten Fiscal Years	216
SCHEDULE 22	Water and Wastewater Customers - Last Ten Fiscal Years	217
SCHEDULE 23	Top 10 High Volume Customers of Utility Services	218
SCHEDULE 24	Capacity Charges - Utilities Department - Last Ten Fiscal Years	219
SCHEDULE 25	Pledged Revenues for Spring Training Facility Revenue Bonds, Series 2001- Last Ten Fiscal Years	220

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2015

COMPLIANCE SECTION

**Page
Number**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	221
County Management Letter	223
Independent Accountants' Report	225
Federal and State Grants:	
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards and State Projects Required by OMB Circular A-133 and Chapter 10.550, <i>Rules of the Auditor General</i>	226
Schedule of Expenditures of Federal Awards and State Projects	227
Notes to Schedule of Expenditures of Federal Awards and State Projects	232
Independent Auditors' Report on Compliance 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, <i>Rules of the Auditor General</i>	234
Schedule of Findings and Questioned Costs	236
Summary Schedule of Prior Audit Findings	238
Impact Fee Affidavit	239

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS- CONTINUED
Fiscal Year Ended September 30, 2015

AUDITOR GENERAL REPORTS SECTION

**Page
Number**

BOARD OF COUNTY COMMISSIONERS

Independent Auditors' Report	242
Fund Financial Statements	244
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	317
Management Letter	319
Independent Accountants' Report	321

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

Independent Auditors' Report	324
Fund Financial Statements	326
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 <i>Government Auditing Standards</i>	338
Management Letter	340
Independent Accountants' Report	342

PROPERTY APPRAISER

Independent Auditors' Report	344
Fund Financial Statements	346
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 <i>Government Auditing Standards</i>	354
Schedule of Findings and Responses	356
Management Letter	359
Independent Accountants' Report	361

Indian River County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS-CONTINUED
Fiscal Year Ended September 30, 2015

**Page
Number**

SHERIFF

Independent Auditors' Report	364
Fund Financial Statements	366
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 <i>Government Auditing Standards</i>	377
Management Letter	379

SUPERVISOR OF ELECTIONS

Independent Auditors' Report	382
Fund Financial Statements	384
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 <i>Government Auditing Standards</i>	394
Management Letter	396

TAX COLLECTOR

Independent Auditors' Report	400
Fund Financial Statements	402
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 <i>Government Auditing Standards</i>	414
Management Letter	416
Independent Accountants' Report	418



JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of Circuit Court & Comptroller

1801 27th Street

Vero Beach, FL 32960

Telephone: (772) 226-1945



May 26, 2016

To the Citizens of Indian River County:

The Comprehensive Annual Financial Report of Indian River County, Florida for the fiscal year ended September 30, 2015, 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 unmodified opinion of the auditors (Rehmann Robson LLC, Certified Public Accountants) on the County's financial statements for the year ended September 30, 2015 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. The Board then holds public workshops to review the tentative budget by fund on a departmental level.

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

This Comprehensive Annual Financial Report (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 estimated population of 143,326 was a 1.68% 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 25-54 now make up the largest percentage of residents in the County, followed by persons aged 65+, 0-17, 55-64, and 18-24 respectively. The median age of Indian River County is 50.5 which is 22.3% above the State median age of 41.3 and 34.3% above the national median age of 37.6.

Historically, Indian River County's economy was made up of agriculture (citrus and cattle) and tourism. Those industries have 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 employed persons are the School District, Indian River County Government and Indian River Medical Center. The unemployment rate decreased from 7.9% in 2014 to 7.2% in 2015.

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 operates 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 \$12.8 billion in 2014 to \$13.4 billion in 2015. Construction activity saw a significant increase with 20% more building permits issued for additions and alterations in 2015 over 2014. Please see Statistical Schedules 6 and 17 for more information.

Although Indian River County is a major producer of citrus with approximately 34,151 acres dedicated to citrus production, production has decreased by 13% from 7.8 million boxes in 2014 to 6.9 million in 2015.

Long Term Financial Planning and Major Initiatives

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

Intergenerational Recreation Facility at South County Regional Park

Construction is well underway for the 40,000 square foot intergenerational recreation facility at the South County Regional Park. The facility will be used to accommodate indoor community exhibits and events, sports activities, programs for senior citizens, a multi-purpose gymnasium and various office and meeting rooms. The building includes modern tilt-up wall construction and standing seam roof construction. Site work includes asphalt parking areas and drives, drainage improvements including retention pond, water and sewer improvements, landscaping and irrigation. The estimated cost of \$11 million will be funded by impact fees and optional one cent sales tax.

45th Street Beautification Project

This project consists of the milling and resurfacing of 45th Street from 43rd Avenue to east of 24th Avenue. Included in this project is the construction of new five foot wide paved shoulders, sidewalk enhancements, curb and gutter, pavement markings and extensive landscape improvements. Funding of \$1.9 million will be derived from gas tax and optional one cent sales tax.

20th Avenue and 16th Street Intersection Improvements

This project will include the re-alignment of 20th Avenue at 16th Street as well as the addition of left turn lanes to 20th Avenue and the extension of concrete box culverts in the Indian River Farms Water Control District Lateral "E" Canal. Optional one cent sales tax will provide the \$1.1 million funding.

Old Dixie Highway Resurfacing from 71st Avenue to County Road 510

The \$2.5 million improvements to Old Dixie Highway consist of pavement reconstruction (full depth reclamation) a distance of two miles from 71st Street to County Road 510. Four foot wide paved shoulders, asphalt surface and structural courses, drainage improvements, utility adjustments, signage and pavements markings will be completed. This project is funded by an F.D.O.T. Small County Outreach Program (SCOP) grant and gas taxes.

1st Street SW and 43rd Avenue Intersection Improvements

Improvements to this intersection will consist of the reconstruction of a portion of 1st Street SW with the addition of left turn lanes in the east and west bound direction. 43rd Avenue will be milled and resurfaced within the intersection. Concrete pipe will be installed in the Indian River Farms Water Control District Canal. The work will also include a traffic signal, four foot wide paved shoulders, curbing and five foot wide sidewalk. Costs are estimated to be \$2.2 million and will be funded by optional one cent sales tax.

The following major capital projects were completed in FY 2015:

- **Fire Rescue/EMS Station #13** - \$2.2 million station located in the southern part of the County with operating expenses of approximately \$1.8 million per year
- **Osprey Marsh** - \$8.6 million algal turf scrubber system for the South Relief Canal which removes dissolved nitrogen and phosphorous from the water and returns the treated water back to the Indian River Lagoon.
- **66th Avenue Roadway Improvements from State Road 60 to 49th Street** - \$23 million dollar road widening project to enhance one of the few main arterials connecting the north and south county areas.

Relevant Financial Policies

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

On September 23, 2008, the County established the OPEB (Other PostEmployment Benefits) Trust. An OPEB investment policy was approved by the Board of County Commissioners in February 2009. The objective 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 County's policy is to fund the annual OPEB obligation monthly.

The County's goal is to maintain an overall fund balance equal to 30% of the annual budget in all of its taxing funds, which provides a three month cushion for operating expenses. The three month reserve is necessary due to the timing of property tax levies in the State of Florida. Although the fiscal year begins in October, property tax monies are not typically received until mid to late December, which would require the County to operate in a deficit position for the first two months of the fiscal year without this reserve. Reserve funds are needed in order to allow the County to respond to events without facing serious financial burdens. County policy is to maintain fund balance levels and prohibit the use of fund balance to fund recurring expenditures. Information on the County's fund balance policy can be found in County Note 18.

In fiscal year 2015, the County advance refunded \$19,075,000 of Limited General Obligation Bonds, Series 2006, which saved approximately \$217,000 in annual debt service payments and resulted in a net present value savings of \$1.2 million. The bonds were refunded by a 1.66% Limited General Obligation Refunding Note, Series 2015. The Board also approved paying off the outstanding balance on the Water and Sewer Revenue Refunding Bonds, Series 2005. Half of the outstanding principal (\$7.1 million) was refunded from available utility reserves and the remaining half was refunded by a 1.65% Water and Sewer Revenue Refunding Note, Series 2015. The cash funding of \$7.1 million in principal results in a reduction of approximately \$1.2 million in annual debt service payments and an estimated net savings of \$1.1 million over the remaining life of the bonds.

In January 2015, Fitch Rating Service affirmed the County's "AAA" rating for the Water and Sewer Revenue Refunding Bonds, Series 2009.

During fiscal year 2015, the County implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of the Statement is to improve accounting and financial reporting by state and local governments for pensions. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. The County now includes in the government-wide statements its proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position. Implementation resulted in a restatement of beginning net position as illustrated in Note 20.

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, 2014. This was the 32nd 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 2014-2015 fiscal year. This was the 24th 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.

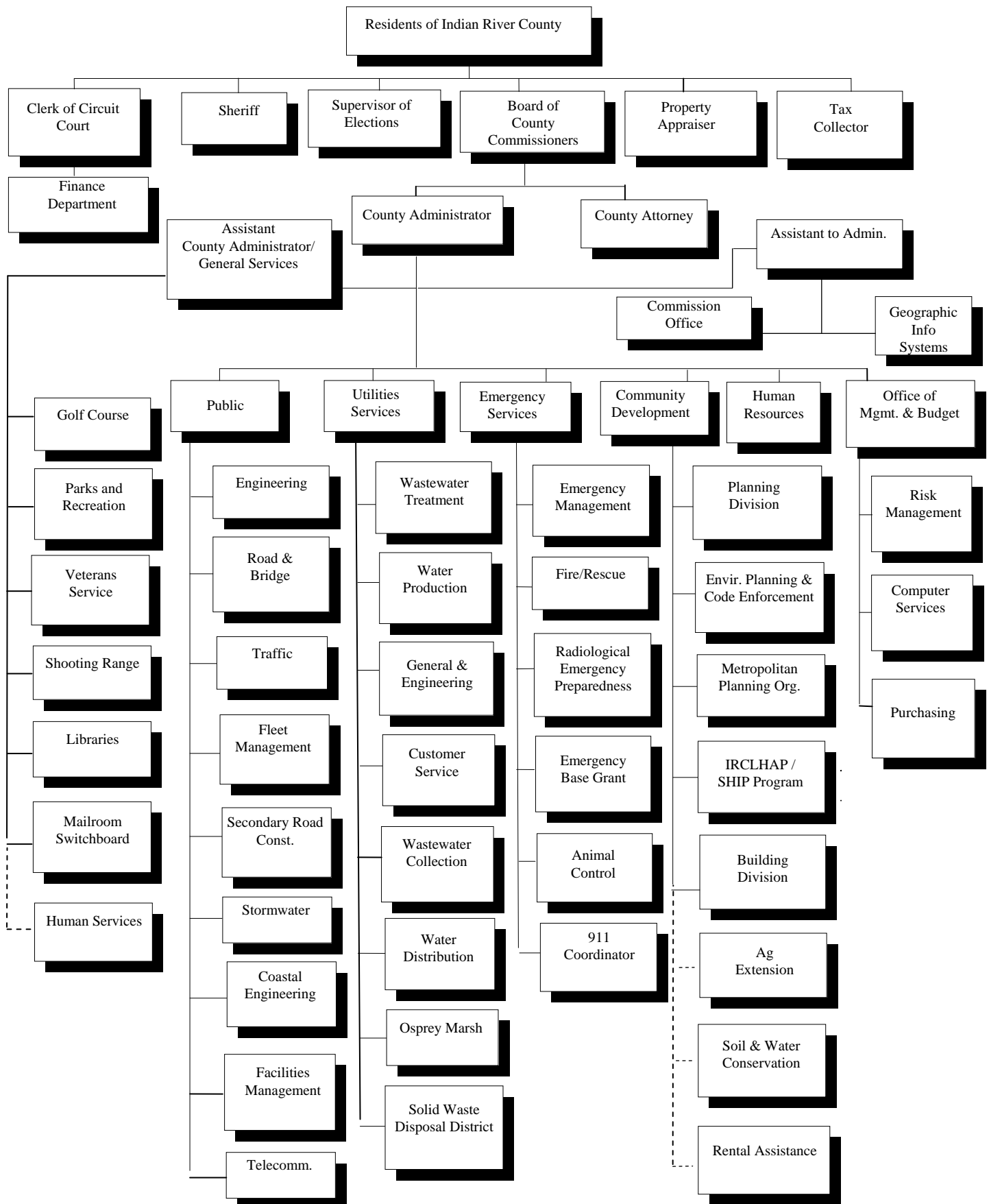
I would like to thank the entire staff of the Finance Department for their invaluable assistance in the preparation of this report. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and support in planning and 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 letters of the first and last names being capitalized and prominent.

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, 2014

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

May 25, 2016

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, 2015, 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, 2015, 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.

Implementation of GASB Statement No. 68

As described in Note 15, the County implemented the provisions of GASB Statement No. 68, *Financial Reporting for Pension Plans*, in the current year. Accordingly, beginning net position of governmental and business-type activities was restated. 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 schedules for the pension and other post employment benefit plans, as listed in the table of contents, 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 May 25, 2016, 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 Lobson LLC



**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

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, 2015. 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 2014.
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows by \$960.1 million (net position). Of this amount, \$98.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$43.8 million or 4.3%. Governmental activities accounted for \$47.9 million of this decrease which was offset by a \$4.1 million increase in business-type activities. This decrease is primarily due to the restatement of net position per Governmental Accounting Standards Board (GASB) Statement No. 68. Further information can be found on page 10.
- Governmental activities expenses reflected a 2.4% increase (\$147.6 million in 2014 to \$151.2 million in 2015) and business-type activities expenses reflected a 1.0% increase (\$51.0 million in 2014 to \$51.5 million in 2015). Further information can be found on page 10.
- Unassigned fund balance for the general fund was \$47.7 million, or a 1.2% decrease from the prior year general fund unassigned balance of \$48.3 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected grant revenue and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related functions. The major business-type activities include a water and sewer utility, a solid waste disposal district, a golf course, and a building department.

The government-wide financial statements include not only the Board of County Commissioners (BCC), but also the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The government-wide financial statements can be found on pages 23 and 25 of this report.

Fund financial statements

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

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

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

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015

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.

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 117-167 of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 26-37 of this report.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, solid waste disposal district, golf course, and building department, which are considered to be major funds of the County. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements behind the notes to the financial statements on pages 169-173 of this report. The basic proprietary fund financial statements can be found on pages 39-45 of this report.

Fiduciary funds. Fiduciary funds 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 46-47 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-113 of this report.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015

Other information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning Indian River County's progress in funding its obligations to provide other postemployment benefits to its employees, as well as information regarding the County's proportionate share of its pension liability. Required supplementary information can be found on pages 114-116 of this report.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$960.1 million at the close of the fiscal year.

Indian River County Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 228.4	\$ 221.0	\$ 113.9	\$ 107.5	\$ 342.3	\$ 328.5
Capital assets	550.4	549.1	240.0	248.9	790.4	798.0
Total assets	<u>778.8</u>	<u>770.1</u>	<u>353.9</u>	<u>356.4</u>	<u>1,132.7</u>	<u>1,126.5</u>
Deferred outflows of resources	<u>12.7</u>	<u>-</u>	<u>2.1</u>	<u>2.2</u>	<u>14.8</u>	<u>2.2</u>
Other liabilities	9.7	10.0	5.8	6.7	15.5	16.7
Long-term liabilities	<u>111.2</u>	<u>56.3</u>	<u>45.1</u>	<u>51.8</u>	<u>156.3</u>	<u>108.1</u>
Total liabilities	<u>120.9</u>	<u>66.3</u>	<u>50.9</u>	<u>58.5</u>	<u>171.8</u>	<u>124.8</u>
Deferred inflows of resources	<u>14.7</u>	<u>-</u>	<u>0.9</u>	<u>-</u>	<u>15.6</u>	<u>-</u>
Net position:						
Net investment in capital assets	520.2	514.7	213.1	211.7	733.3	726.4
Restricted	128.6	116.2	-	-	128.6	116.2
Unrestricted	<u>7.1</u>	<u>72.9</u>	<u>91.1</u>	<u>88.4</u>	<u>98.2</u>	<u>161.3</u>
Total net position	<u>\$ 655.9</u>	<u>\$ 703.8</u>	<u>\$ 304.2</u>	<u>\$ 300.1</u>	<u>\$ 960.1</u>	<u>\$ 1,003.9</u>

The decrease in unrestricted net position and increase in deferred outflows of resources, long-term liabilities, and deferred inflows of resources was mainly due to the implementation of GASB Statement No. 68 which required the County to report its proportionate share of the net pension liability.

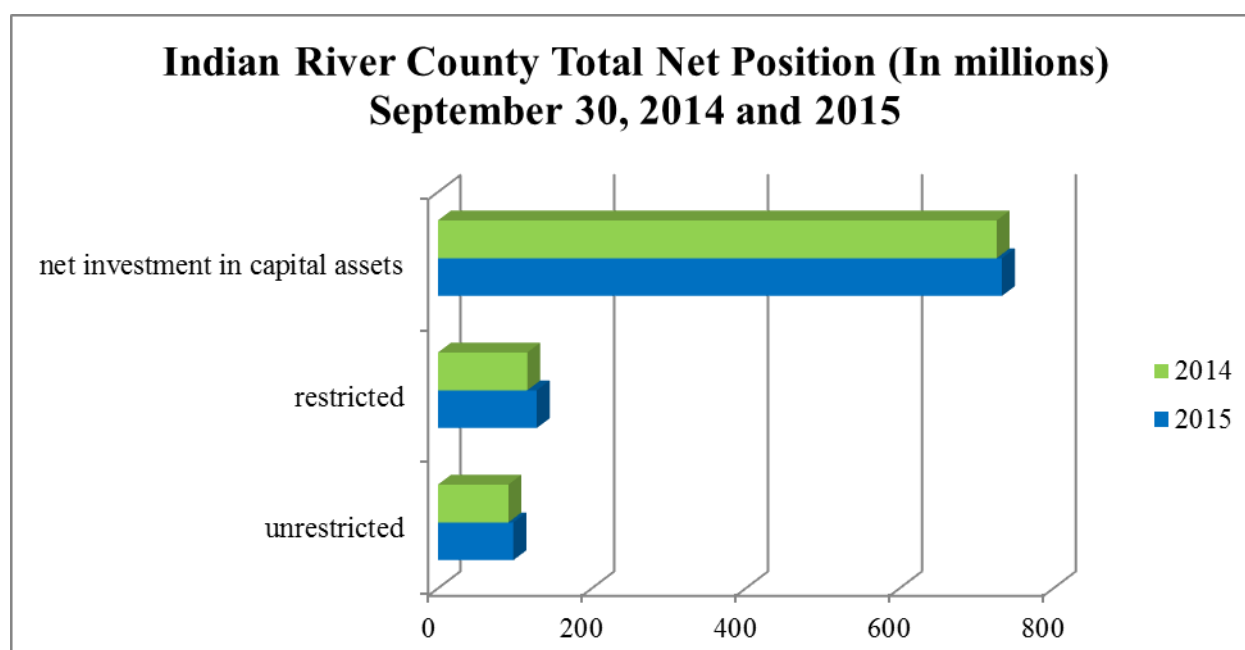
**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

Governmental Activities

In governmental activities, the increase in restricted net position was mainly due to reduced expenses from the one cent sales proceeds for capital projects budgeted in future fiscal years. The increase in net investment in capital assets was a result of increased construction projects and decreased outstanding debt.

Business-type Activities

In business-type activities, the increase in unrestricted net position was mainly due to reimbursement from FEMA for expenses previously disallowed and required to return in fiscal year 2014 (\$2.7 million) and a grant reimbursement for the Osprey Marsh project (\$1.6 million).



By far, the largest portion of the County's net position (76% or \$733.3 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.

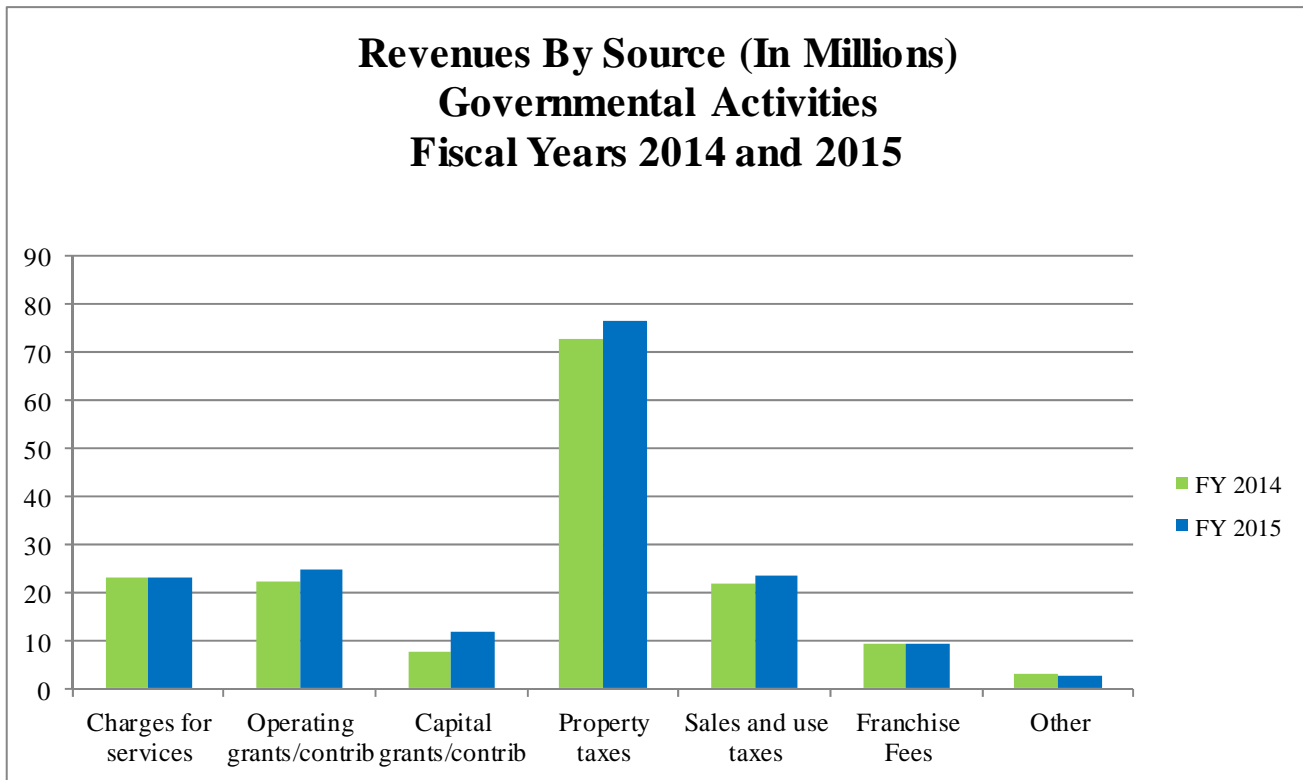
A portion of the County's net position (13% or \$128.6 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position (\$98.2 million) may be used to meet the government's ongoing obligations to citizens and creditors.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015

Indian River County Changes in Net Position (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 22.9	\$ 23.0	\$ 47.7	\$ 45.3	\$ 70.6	\$ 68.3
Operating grants/contributions	24.9	22.2	-	-	24.9	22.2
Capital grants/contributions	11.7	7.5	8.6	5.0	20.3	12.5
General revenues:						
Property taxes	76.6	72.7	-	-	76.6	72.7
Sales taxes	23.5	21.9	-	-	23.5	21.9
Franchise fees	9.2	9.3	-	-	9.2	9.3
Other	2.8	3.0	0.7	0.4	3.5	3.4
Total revenues	<u>171.6</u>	<u>159.6</u>	<u>57.0</u>	<u>50.7</u>	<u>228.6</u>	<u>210.3</u>
Expenses:						
General government	24.7	23.0	-	-	24.7	23.0
Public safety	66.4	66.9	-	-	66.4	66.9
Physical environment	1.6	1.0	-	-	1.6	1.0
Transportation	26.0	23.6	-	-	26.0	23.6
Economic environment	0.4	1.1	-	-	0.4	1.1
Human services	7.4	7.1	-	-	7.4	7.1
Culture/recreation	17.0	16.6	-	-	17.0	16.6
Court related	6.7	6.4	-	-	6.7	6.4
Interest and fiscal charges	1.0	1.9	-	-	1.0	1.9
Water and sewer	-	-	35.2	35.8	35.2	35.8
Solid waste	-	-	11.7	10.8	11.7	10.8
Golf course	-	-	2.5	2.6	2.5	2.6
Building	-	-	2.1	1.8	2.1	1.8
Total expenses	<u>151.2</u>	<u>147.6</u>	<u>51.5</u>	<u>51.0</u>	<u>202.7</u>	<u>198.6</u>
Increase (decrease) in net position before transfers	20.4	12.0	5.5	(0.3)	25.90	11.7
Transfers	<u>(3.1)</u>	<u>(0.04)</u>	<u>3.1</u>	<u>0.04</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	17.3	11.9	8.6	(0.2)	25.9	11.7
Net position – beginning	703.8	691.9	300.1	300.3	1,003.9	992.2
Restatement to implement GASB 68	<u>(65.2)</u>	<u>-</u>	<u>(4.5)</u>	<u>-</u>	<u>(69.7)</u>	<u>-</u>
Net position - ending	<u>\$ 655.9</u>	<u>\$ 703.8</u>	<u>\$ 304.2</u>	<u>\$ 300.1</u>	<u>\$ 960.1</u>	<u>\$ 1,003.9</u>

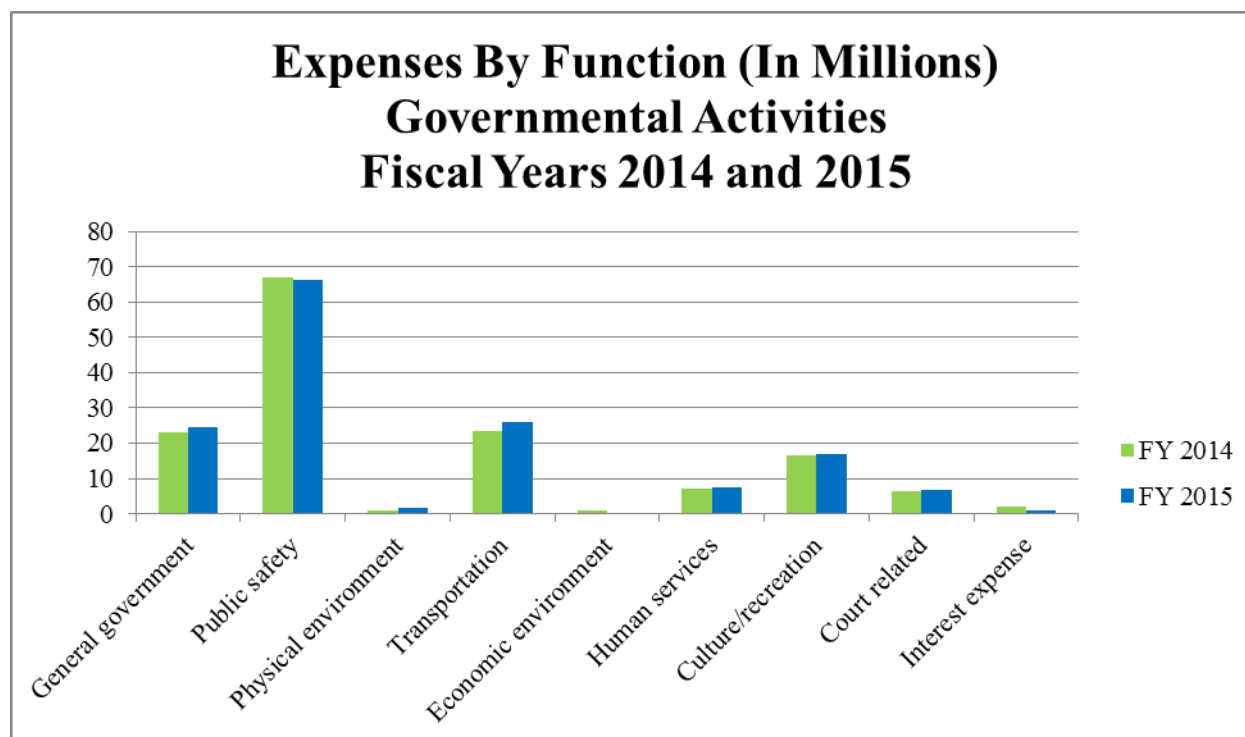
**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**



Governmental Activities

- Overall program revenues increased \$6.8 million.
 - 1) Operating grants and contributions increased \$2.7 million due to reimbursement from the Department of Transportation for several road resurfacing projects in the County.
 - 2) Capital grants and contributions increased \$4.2 million due to the reimbursement from Department of Environmental Protection for a beach restoration project.
- Overall general revenues increased by \$5.2 million mainly due to increased property tax values and tax rates (increase of \$3.9 million or 5%) and an increase in sales taxes (\$1.6 million or 7%).

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**



- The governmental activities expenses were \$3.6 million higher in 2015 than in 2014. Major increases included: \$1.7 million in general government expenses mainly due to legal expenses for the All Aboard Florida train expansion and the Florida Municipal Power Agency electric issue and \$2.4 million in transportation expenses due to road construction and maintenance projects. These major increases were offset by a \$0.9 million decrease in interest and fiscal charges expenses due to decreased debt service costs for refunded bonds and early payoff in current and prior fiscal years.
- Governmental activities expenses were credited \$4.3 million for their related share of overall pension expense as calculated by the Florida Retirement System. The reduction in expense was allocated to the following functions: general government \$0.6 million, public safety \$3.1 million, physical environment \$0.01 million, transportation \$0.2 million, economic environment \$0.04 million, human services \$0.01 million, culture and recreation \$0.2 million, and court related \$0.2 million.

Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015

Business-type Activities

Business-type activities net position increased by \$8.6 million. Key elements of this increase are as follows:

- Overall program revenues increased \$6.0 million
 - 1) Charges for services increased by \$2.4 million or 5%. A gradual improvement in the local economy has attributed to the following increases over 2014 revenues: water and sewer charges increased by \$0.5 million or 2%, solid waste revenues increased \$1.2 million or 12%, and the building revenues increased by \$0.5 million or 22%.
 - 2) Capital grants and contributions were \$3.6 million higher in 2015 than in 2014, an overall increase of 72%. This was mainly due to grant reimbursements for the Osprey Marsh project and previously deobligated FEMA grant funds for the Rockridge Sewer Project.
- Overall expenses were \$0.5 million or 1% higher in 2015 than in 2014. The water and sewer utilities expenses were \$0.6 million or 2% lower in 2015 than in 2014 due to the recording of pension expense and a decrease in renewal and replacement costs. The solid waste expenses were \$0.9 million or 8% higher in 2015 than in 2014 due to increased engineering and depreciation costs. The golf course had \$0.1 million or 4% lower expenses in 2015 than in 2014 due to decreased depreciation costs. The building department had \$0.3 million or 17% higher expenses in 2015 than in 2014 due to staffing increases.
- Business-type activities expenses were credited \$0.3 million for their related share of overall pension expense as calculated by the Florida Retirement System. The reduction in expense was allocated to the following activities: water and sewer \$0.2 million, solid waste \$0.02 million, golf course \$0.02 million, and building \$0.04 million.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

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 26% of this total amount (\$47.3 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 (\$0.6 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 (\$121.5 million), 3) a committed category for constraints imposed by approval of ordinances and contracts by Board of County Commissioners (\$2.6 million), and 4) an assigned category for constraints by the County's intent to use for specific purposes (\$7.1 million).

The two largest restricted amounts are in the Impact Fees Fund with a \$14.2 million restricted fund balance and the Optional Sales Tax Fund with a \$64.1 million restricted fund balance. Sixty percent of the Impact Fees Fund (\$8.5 million) and twenty-five percent (\$16.3 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 \$179.1 million, which is an increase of \$5.7 million over the prior year of \$173.4 million. Contributing factors to the \$5.7 million increase in fund balance are:

- Fund balance in the General Fund decreased by \$1.4 million. This decrease was due to an increase in legal services mainly related to the All Aboard Florida train expansion and the Florida Municipal Power Agency electric matter.
- In the Impact Fees Fund, fund balance decreased \$0.9 million. This was largely due to the \$5.1 million in transportation spending for major road construction and right-of-way purchases.
- In the Transportation Fund, fund balance decreased \$1.0 million due to the purchase of numerous replacement vehicles, including dump trucks and front end loaders.
- Fund balance in the Emergency Services District Fund decreased by \$2.4 million due to the construction of Fire Station #13.
- Fund balance in the Optional Sales Tax Fund increased by \$10.1 million mainly due to an \$8.5 million decrease in expenditures for road construction.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

Proprietary funds

Unrestricted net position at the end of the year amounted to \$13.4 million in the Solid Waste Disposal District (SWDD) Fund, (\$1.3) million in the Golf Course Fund, \$5.4 million in the County Building Fund, and \$73.6 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 \$10.1 million increase in operating appropriations between the original and final amended budget. The main components of the increase are as follows:

- \$5.8 million grants appropriations and prior year rollovers for the Senior Resource Association (SRA) to provide County-wide public transportation.
- \$0.5 million in FEMA de-obligated projects
- \$1.4 million for All Aboard Florida and FMPA legal and professional services
- \$0.3 million for Sheriff's roof repair
- \$0.5 million in roof repairs and air conditioning and carpeting replacements at the health department and north county library and aquatic center
- \$0.3 million cost of living increases

Actual expenditures were \$5.1 million lower than anticipated for the following reasons:

- \$2.0 million in SRA grant costs not yet expended
- \$1.0 million lower than expected Sheriff expenses
- \$0.4 million in unspent salary and benefits expenditures
- \$0.5 million in unspent capital and maintenance costs

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

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

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, 2015, amounts to \$790.4 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 about 1%.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 133.7	\$ 133.3	\$ 27.5	\$ 27.5	\$ 161.2	\$ 160.8
Right-of-way	57.4	56.8	-	-	57.4	56.8
Buildings and improvements	147.8	151.4	206.0	205.8	353.8	357.2
Equipment	13.8	12.7	2.6	2.4	16.4	15.1
Intangibles	2.4	2.4	2.0	1.9	4.4	4.3
Infrastructure	145.0	149.0	-	-	145.0	149.0
Construction in progress	50.3	43.5	1.9	11.3	52.2	54.8
Total	<u>\$ 550.4</u>	<u>\$ 549.1</u>	<u>\$ 240.0</u>	<u>\$ 248.9</u>	<u>\$ 790.4</u>	<u>\$ 798.0</u>

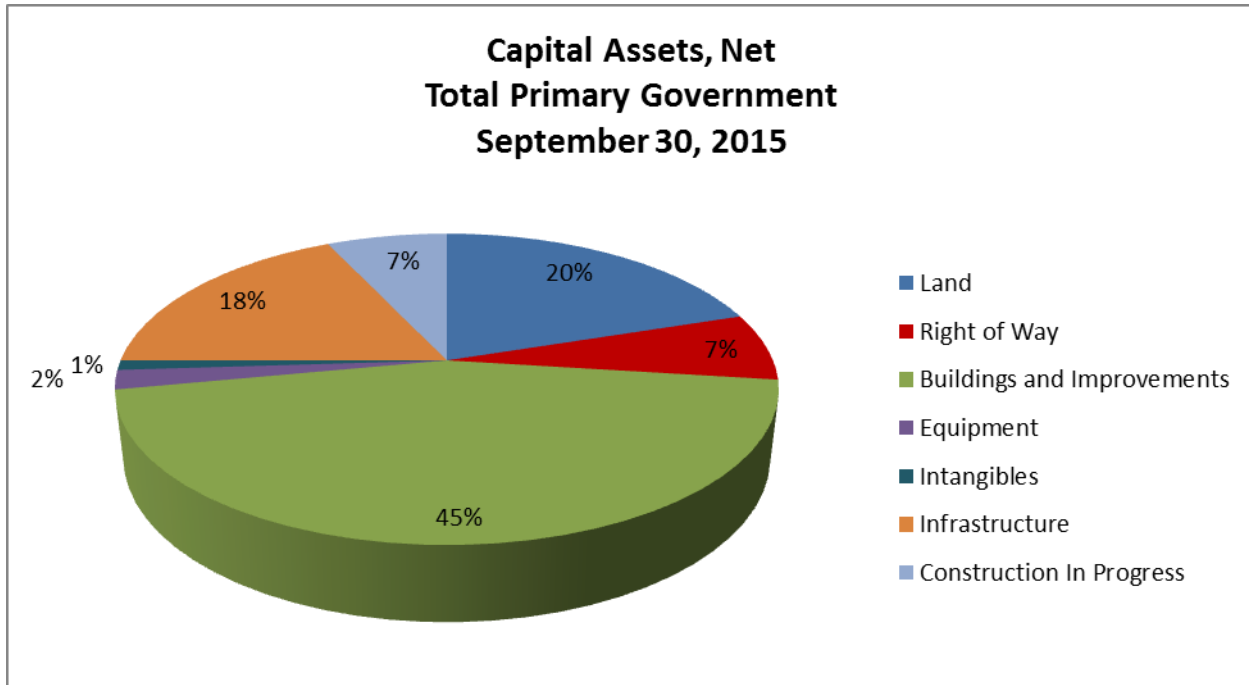
Governmental activities had the following major increases during the fiscal year:

- An increase in construction in progress primarily due to the following continuing project costs: 66th Avenue road expansion project from SR60 to 49th Street (\$3.4 million), the South County Intergenerational Facility (\$2.4 million) and the Sector 3 Beach restoration (\$3.4 million), with these amounts offset by the removal from construction in progress of the following projects: the Oslo Road/43rd-58th Avenue road project (\$4.1 million).

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

Business-type activities had the following major decreases during the fiscal year:

- A decrease in construction in progress due to the completion of the Osprey Marsh project (\$6.7 million) and the R/O Plants lime slurry injection project (\$2.7 million).



Additional information on the County's capital assets can be found in Note 6 on pages 73-75 of this report.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

Debt Administration – Long-term debt

At the end of the current fiscal year, the County had total bonded debt outstanding of \$59.1 million. Of this amount, \$23.6 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	
	2015	2014	2015	2014	2015	2014
<u>General Obligation Debt:</u>						
Limited General Oblig. Bonds, Series 2006	\$ 3.5	\$ 26.6	\$ -	\$ -	\$ 3.5	\$ 26.6
Limited General Oblig. Note, Series 2015	20.1	-	-	-	20.1	-
<u>Revenue Bonds/Notes:</u>						
Spring Training Facility, Series 2001	7.2	7.7	-	-	7.2	7.7
Water and Sewer Ref. Rev., Series 2005	-	-	-	16.3	-	16.3
Water and Sewer Rev Note, Series 2015	-	-	7.2	-	7.2	-
Water and Sewer Ref. Rev., Series 2009	-	-	21.1	23.1	21.1	23.1
Total	<u>\$ 30.8</u>	<u>\$ 34.3</u>	<u>\$ 28.3</u>	<u>\$ 39.4</u>	<u>\$ 59.1</u>	<u>\$ 73.7</u>

Additional information on the County's long-term debt can be found in Note 12 on pages 81-89 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County taxroll has begun to recover following a significant drop during the "Great Recession". For FY 15/16, the taxroll is increasing by approximately 7.1% from last year. This follows smaller increases over the last two years. During the downturn, significant cuts were made to adjust for a 31% taxroll drop while avoiding millage rate increases. 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.

For FY 2014/2015, the County embarked on a catch-up plan for needed capital equipment replacement. Staff is recommending a continuation of that plan with moderate increases in capital equipment funding in FY 2015/2016.

The total proposed budget for FY 2015/2016 is \$279,943,033, a decrease of \$34,497,691 or 11.0% from the prior year. This is still 40.7% below the approved FY 2006/2007 amount of \$472,420,328.

**Indian River County, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2015**

The County-wide millage rate is decreasing slightly. This is due to a 0.7% increase in the General Fund rate combined with a 10.3% decrease in Land Acquisition Bond millage. The Municipal Service Taxing Unit Fund millage rate remains the same as the current year. The Emergency Services District millage is increasing 13.9% due primarily to the addition of a new fire rescue station, along with capital replacement and salary increases. The Solid Waste Disposal District assessment rate is increasing by 28.4% for residential customers and 4.4% for commercial customers. The residential increase is due mainly to the cost of single stream recycling and recycling market fluctuations.

The single greatest individual expense in the budget is Personnel Services. In total, thirty-one (31) additional full-time (FT) positions are proposed for FY 15/16. BCC departments are increasing by thirty (30) full-time positions, while Constitutional Officers show a net increase of one (1) position. This results in an additional cost of \$1,796,886 (BCC only). The majority of these positions (20) are needed to staff the new fire station.

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 27th Street
Vero Beach, FL 32960



BASIC FINANCIAL STATEMENTS



Indian River County, Florida
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 205,933,166	\$ 54,767,056	\$ 260,700,222
Accounts receivable - net	2,070,558	2,494,679	4,565,237
Internal balances	901,730	(901,730)	-
Due from other governments	10,837,610	1,569,630	12,407,240
Interest receivable	288,536	536,917	825,453
Inventories	283,531	970,107	1,253,638
Prepaid expenses	1,170,524	144,112	1,314,636
Current restricted assets:			
Cash and cash equivalents	5,737,623	48,771,439	54,509,062
Total current assets	227,223,278	108,352,210	335,575,488
Non-current assets:			
Net other postemployment benefits asset	914,909	-	914,909
Capital assets - non-depreciable	246,063,152	31,009,856	277,073,008
Capital assets - depreciable	603,837,506	461,282,506	1,065,120,012
Capital assets - accumulated depreciation	(299,450,714)	(252,312,540)	(551,763,254)
Non-current restricted assets:			
Special assessments receivable	203,815	563,099	766,914
Impact fees receivable	-	683,286	683,286
Liens receivable	-	4,328,447	4,328,447
Total non-current assets	551,568,668	245,554,654	797,123,322
Total assets	778,791,946	353,906,864	1,132,698,810
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,120,345	711,023	12,831,368
Deferred amounts on refunding	588,058	1,386,691	1,974,749
Total deferred outflows of resources	12,708,403	2,097,714	14,806,117
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	7,113,297	2,465,516	9,578,813
Retainage payable	-	38,880	38,880
Claims payable	3,289,891	-	3,289,891
Due to other governments	603,570	32,596	636,166
Other deposits held in escrow	33,378	1,000	34,378
Unearned revenues	505,172	29,673	534,845
Accrued compensated absences	5,823,510	642,659	6,466,169
Pollution remediation costs payable	104,453	-	104,453
Current liabilities (payable from current restricted assets):			
Accounts payable	-	22,849	22,849
Retainage payable	1,354,623	31,833	1,386,456
Accrued interest payable	-	91,433	91,433
Customer deposits	97,259	3,065,717	3,162,976
Net pension liability	3,368,794	230,487	3,599,281
Notes payable	343,000	973,000	1,316,000
Closure and maintenance costs payable	-	4,630,451	4,630,451
Bonds payable	4,040,000	1,905,000	5,945,000
Total current liabilities	26,676,947	14,161,094	40,838,041
Non-current liabilities:			
Accrued compensated absences	5,277,004	249,063	5,526,067
Pollution remediation costs payable	2,446,747	-	2,446,747
Claims payable	4,887,629	-	4,887,629
Net pension liability	54,989,825	3,787,601	58,777,426
Notes payable	19,706,000	6,198,000	25,904,000
Due to other governments	158,086	-	158,086
Closure and maintenance costs payable	-	7,379,285	7,379,285
Bonds payable, net of premium and discount	6,735,000	19,176,234	25,911,234
Total non-current liabilities	94,200,291	36,790,183	130,990,474
Total liabilities	120,877,238	50,951,277	171,828,515
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	14,670,135	881,674	15,551,809
NET POSITION			
Net investment in capital assets	520,214,002	213,114,279	733,328,281
Restricted for:			
Transportation/road projects	24,968,396	-	24,968,396
Public safety	13,271,766	-	13,271,766
Court related costs	2,885,644	-	2,885,644
Housing assistance	785,826	-	785,826
Capital projects	65,881,779	-	65,881,779
Beach renourishment	10,079,407	-	10,079,407
Culture/recreation	6,312,321	-	6,312,321
Debt service	2,914,453	-	2,914,453
Environmental conservation/preservation	139,188	-	139,188
Special assessment projects	1,341,307	-	1,341,307
Unrestricted	7,158,887	91,057,348	98,216,235
Total net position	\$ 655,952,976	\$ 304,171,627	\$ 960,124,603

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



Indian River County, Florida
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 24,732,636	\$ 6,641,363	\$ 13,733,340	\$ 200,692	\$ (4,157,241)	\$ -	\$ (4,157,241)
Public safety	66,364,113	6,457,584	1,387,529	36,800	(58,482,200)	-	(58,482,200)
Physical environment	1,636,749	-	12,750	861,359	(762,640)	-	(762,640)
Transportation	25,992,461	4,273,591	5,988,824	3,321,440	(12,408,606)	-	(12,408,606)
Economic environment	421,057	-	-	-	(421,057)	-	(421,057)
Human services	7,352,777	277,279	3,405,126	-	(3,670,372)	-	(3,670,372)
Culture/recreation	17,011,188	1,941,993	91,615	7,250,794	(7,726,786)	-	(7,726,786)
Court related	6,677,054	3,308,235	253,550	-	(3,115,269)	-	(3,115,269)
Interest and fiscal charges	1,013,527	-	-	-	(1,013,527)	-	(1,013,527)
Total governmental activities	151,201,562	22,900,045	24,872,734	11,671,085	(91,757,698)	-	(91,757,698)
Business-type activities:							
Water and sewer	35,223,882	30,089,101	-	8,616,416	-	3,481,635	3,481,635
Solid waste	11,708,383	11,455,302	-	-	-	(253,081)	(253,081)
Golf course	2,498,397	3,235,879	-	-	-	737,482	737,482
Building	2,085,190	2,958,488	-	-	-	873,298	873,298
Total business-type activities	51,515,852	47,738,770	-	8,616,416	-	4,839,334	4,839,334
Total primary government	\$ 202,717,414	\$ 70,638,815	\$ 24,872,734	\$ 20,287,501	(91,757,698)	4,839,334	(86,918,364)
General revenues:							
Property taxes, levied for general purposes					71,825,109	-	71,825,109
Property taxes, levied for debt service					4,795,927	-	4,795,927
Sales and use taxes					23,549,042	-	23,549,042
Franchise fees, levied on gross receipts					9,180,652	-	9,180,652
Interest earnings					1,051,822	625,525	1,677,347
Miscellaneous					1,799,538	56,887	1,856,425
Transfers					(3,057,421)	3,057,421	-
Total general revenues and transfers					109,144,669	3,739,833	112,884,502
Change in net position					17,386,971	8,579,167	25,966,138
Net position - beginning, as restated (Note 20B)					638,566,005	295,592,460	934,158,465
Net position - ending					\$ 655,952,976	\$ 304,171,627	\$ 960,124,603

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

Indian River County, Florida
Balance Sheet
Governmental Funds
September 30, 2015

	General	Impact Fees	Secondary Roads Construction
ASSETS			
Cash and cash equivalents	\$ 51,578,753	\$ 13,645,387	\$ 14,022,401
Accounts receivable	844,121	-	-
Special assessments receivable	-	-	-
Due from other funds	1,204,593	-	-
Due from other governments	3,125,852	1,356,406	802,393
Interest receivable	16,826	3,862	3,799
Inventories	112,307	-	-
Prepaid items	134,739	-	-
Advances to other funds	212,500	-	-
Total assets	\$ 57,229,691	\$ 15,005,655	\$ 14,828,593
LIABILITIES			
Accounts payable	\$ 3,542,596	\$ 144,443	\$ 737,347
Retainage payable	-	411,244	28,657
Due to other funds	547,115	-	-
Due to other governments	324,513	98,588	-
Unearned revenues	467,501	-	-
Other deposits	114,613	-	-
Total liabilities	4,996,338	654,275	766,004
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	1,954,123	158,631	382,633
Total deferred inflows of resources	1,954,123	158,631	382,633
FUND BALANCES			
Nonspendable:			
Inventories	112,307	-	-
Prepaid items	134,739	-	-
Advances to other funds	212,500	-	-
Restricted for:			
Transportation/road improvements	-	8,549,530	13,679,956
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	778,375	-
Fire/emergency services	-	437,657	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	992,276	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Capital projects	-	786,025	-
Dodgertown repairs/improvements	-	-	-
Parks/recreational projects	1,000,000	2,648,886	-
Committed to:			
Economic incentives	1,035,240	-	-
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	1,179	-	-
Parks/recreational projects	56,156	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Transportation/road improvements	-	-	-
Unassigned	47,727,109	-	-
Total fund balances	50,279,230	14,192,749	13,679,956
Total liabilities, deferred inflows and fund balances	\$ 57,229,691	\$ 15,005,655	\$ 14,828,593

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

Transportation	Emergency Services District	Optional Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 7,174,425	\$ 7,751,956	\$ 63,684,706	\$ 23,297,090	\$ 181,154,718
636	917,873	-	8,522	1,771,152
203,815	-	-	-	203,815
-	260,235	16,456	160,061	1,641,345
247,073	-	2,915,521	2,354,666	10,801,911
147,386	2,488	18,390	5,443	198,194
-	-	-	22,906	135,213
-	9,568	-	37,433	181,740
-	-	-	-	212,500
<u>\$ 7,773,335</u>	<u>\$ 8,942,120</u>	<u>\$ 66,635,073</u>	<u>\$ 25,886,121</u>	<u>\$ 196,300,588</u>
\$ 384,729	\$ 870,200	\$ 709,606	\$ 542,050	\$ 6,930,971
1,306	-	829,713	83,703	1,354,623
-	-	-	405,000	952,115
-	-	-	38,406	461,507
1,636	12,514	-	23,521	505,172
-	-	-	-	114,613
<u>387,671</u>	<u>882,714</u>	<u>1,539,319</u>	<u>1,092,680</u>	<u>10,319,001</u>
349,176	-	-	-	349,176
-	916,751	-	-	916,751
-	-	988,841	2,146,707	5,630,935
<u>349,176</u>	<u>916,751</u>	<u>988,841</u>	<u>2,146,707</u>	<u>6,896,862</u>
-	-	-	22,906	135,213
-	9,568	-	37,433	181,740
-	-	-	-	212,500
-	-	-	-	22,229,486
-	-	-	2,856,617	2,856,617
-	-	-	784,620	784,620
-	-	-	3,439,787	4,218,162
-	7,133,087	-	-	7,570,744
-	-	-	382,136	382,136
-	-	-	8,301,356	8,301,356
-	-	-	1,155,120	1,155,120
-	-	-	10,741	1,003,017
-	-	-	126,438	126,438
-	-	-	1,341,307	1,341,307
-	-	-	3,528	3,528
-	-	-	2,914,453	2,914,453
-	-	64,106,913	-	64,892,938
-	-	-	102,510	102,510
-	-	-	-	3,648,886
-	-	-	-	1,035,240
-	-	-	1,168,885	1,168,885
-	-	-	335,506	336,685
-	-	-	-	56,156
-	-	-	102,870	102,870
7,036,488	-	-	-	7,036,488
-	-	-	(439,479)	47,287,630
<u>7,036,488</u>	<u>7,142,655</u>	<u>64,106,913</u>	<u>22,646,734</u>	<u>179,084,725</u>
<u>\$ 7,773,335</u>	<u>\$ 8,942,120</u>	<u>\$ 66,635,073</u>	<u>\$ 25,886,121</u>	<u>\$ 196,300,588</u>

Indian River County, Florida
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
September 30, 2015

Total governmental fund balances:	\$ 179,084,725
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	550,034,807
Long-term liabilities, including bonds payable (\$10,186,942), notes payable (\$20,049,000), accrued compensated absences (\$10,985,483), medicaid settlement funds payable (\$316,173), and accrued pollution remediation costs (\$2,551,200) are not due and payable in the current period and, therefore, are not reported in the funds.	(44,088,798)
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits. On the statement of net position, the County's proportionate share of the net pension liability (\$57,823,885) of the cost-sharing defined benefit pension plans in which the County participates is reported. Additionally, deferred outflows (\$12,025,719) and deferred inflows (\$14,552,801) related to pensions are also reported in accordance with GASB Statement No. 68.	(60,350,967)
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.	6,896,862
Accrued interest is not recognized in the current period because the resources are not available and, therefore, not reported in the funds.	70,531
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.	23,390,907
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.	914,909
Net position of governmental activities	\$ <u>655,952,976</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, 2015

	General	Impact Fees	Secondary Roads Construction
REVENUES			
Taxes	\$ 52,293,726	\$ -	\$ 3,672,972
Permits, fees and special assessments	9,401,418	5,280,765	157,165
Intergovernmental	15,112,212	1,630,482	1,018,540
Charges for services	11,800,763	-	-
Judgments, fines and forfeits	452,930	-	-
Interest	321,515	50,096	59,487
Miscellaneous	1,282,177	109,895	32,177
Total revenues	<u>90,664,741</u>	<u>7,071,238</u>	<u>4,940,341</u>
EXPENDITURES			
General government	20,596,696	368,903	-
Public safety	40,610,717	816,387	-
Physical environment	249,263	-	-
Transportation	4,837,336	5,101,408	4,890,907
Economic environment	426,790	-	-
Human services	3,535,915	-	-
Culture/recreation	8,461,822	1,689,872	-
Court related	6,080,880	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Capital projects	-	-	-
Total expenditures	<u>84,799,419</u>	<u>7,976,570</u>	<u>4,890,907</u>
Excess of revenues over (under) expenditures	5,865,322	(905,332)	49,434
OTHER FINANCING SOURCES (USES)			
Transfers in	1,467,494	57,075	-
Issuance of refunding notes	-	-	-
Transfers out	(8,732,451)	(79,687)	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>(7,264,957)</u>	<u>(22,612)</u>	<u>-</u>
Net change in fund balances	(1,399,635)	(927,944)	49,434
Fund balances at beginning of year	<u>51,678,865</u>	<u>15,120,693</u>	<u>13,630,522</u>
Fund balances at end of year	<u>\$ 50,279,230</u>	<u>\$ 14,192,749</u>	<u>\$ 13,679,956</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
\$ -	\$ 20,945,872	\$ 16,190,352	\$ 7,067,156	\$ 100,170,078
190,379	-	80,542	457,462	15,567,731
2,880,033	51,600	317,741	11,055,213	32,065,821
107,104	5,215,964	-	1,434,351	18,558,182
-	13,400	-	431,530	897,860
46,242	65,691	267,178	84,496	894,705
541,899	31,413	8,460	464,532	2,470,553
3,765,657	26,323,940	16,864,273	20,994,740	170,624,930
320,974	-	-	1,670,538	22,957,111
-	28,267,599	-	2,008,545	71,703,248
729,305	-	-	76,453	1,055,021
12,137,157	-	-	978,761	27,945,569
-	-	-	9,530	436,320
-	-	-	3,983,841	7,519,756
-	-	-	5,568,015	15,719,709
-	-	-	597,029	6,677,909
-	-	-	4,180,000	4,180,000
-	-	-	1,266,070	1,266,070
-	-	5,309,597	-	5,309,597
13,187,436	28,267,599	5,309,597	20,338,782	164,770,310
(9,421,779)	(1,943,659)	11,554,676	655,958	5,854,620
8,573,172	-	-	1,043,282	11,141,023
-	-	-	20,369,000	20,369,000
(150,990)	(460,942)	(1,453,500)	(476,949)	(11,354,519)
-	-	-	(20,340,959)	(20,340,959)
8,422,182	(460,942)	(1,453,500)	594,374	(185,455)
(999,597)	(2,404,601)	10,101,176	1,250,332	5,669,165
8,036,085	9,547,256	54,005,737	21,396,402	173,415,560
\$ 7,036,488	\$ 7,142,655	\$ 64,106,913	\$ 22,646,734	\$ 179,084,725

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, 2015

Net change in fund balances - total governmental funds \$ 5,669,165

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	22,533,416	
Less current year loss on assets	(302,864)	
Less current year depreciation	<u>(20,914,788)</u>	1,315,764

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	4,180,000	
Bond refunding proceeds and payment to escrow agent	(20,369,000)	
Payment to refunded escrow agent	20,340,959	
Medicaid settlement	158,087	
Pollution remediation costs	<u>120,600</u>	4,430,646

Changes in accrued compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (462,116)

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/deferred amount on refunding amortization expense	252,543	
Accrued OPEB expense	<u>119,542</u>	372,085

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

However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liabilities and is reported as part of deferred outflows of resources. 2,080,801

In the statement of activities, pension expense is recorded for the County's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the County participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. 2,246,632

Internal service funds are used by management to charge the costs of insurance, fleet and information technology services to individual funds. The net costs of the internal service funds are reported in governmental activities. (2,059,915)

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. 3,772,053

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. 21,856

Change in net position of governmental activities \$ 17,386,971

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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 51,504,439	\$ 51,504,439	\$ 52,293,726	\$ 789,287
Permits, fees and special assessments	8,774,200	8,774,200	9,401,418	627,218
Intergovernmental	11,527,062	17,195,229	15,112,212	(2,083,017)
Charges for services	11,803,503	11,337,227	11,800,763	463,536
Judgments, fines and forfeits	322,525	322,525	452,930	130,405
Interest	181,902	181,902	321,515	139,613
Miscellaneous	727,896	1,005,113	1,282,177	277,064
Total revenues	84,841,527	90,320,635	90,664,741	344,106
EXPENDITURES				
General government	18,759,938	21,631,755	20,596,696	1,035,059
Public safety	41,501,356	41,843,633	40,610,717	1,232,916
Physical environment	253,717	267,099	249,263	17,836
Transportation	1,021,481	6,894,934	4,837,336	2,057,598
Economic environment	421,679	453,575	426,790	26,785
Human services	3,652,937	3,687,307	3,535,915	151,392
Culture/recreation	8,391,055	9,173,837	8,461,822	712,015
Court related	5,816,241	5,956,681	6,080,880	(124,199)
Total expenditures	79,818,404	89,908,821	84,799,419	5,109,402
Excess of revenues over (under) expenditures	5,023,123	411,814	5,865,322	5,453,508
OTHER FINANCING SOURCES (USES)				
Transfers in	860,315	1,583,596	1,467,494	(116,102)
Transfers out	(8,232,532)	(8,732,532)	(8,732,451)	81
Total other financing sources (uses)	(7,372,217)	(7,148,936)	(7,264,957)	(116,021)
Net change in fund balances	(2,349,094)	(6,737,122)	(1,399,635)	\$ 5,337,487
Fund balances at beginning of year	2,349,094	6,737,122	51,678,865	
Fund balances at end of year	\$ -	\$ -	\$ 50,279,230	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Permits, fees and special assessments	\$ 2,398,750	\$ 2,398,750	\$ 5,280,765	\$ 2,882,015
Intergovernmental	-	265,000	1,630,482	1,365,482
Interest	49,500	47,500	50,096	2,596
Miscellaneous	146	146	109,895	109,749
Total revenues	<u>2,448,396</u>	<u>2,711,396</u>	<u>7,071,238</u>	<u>4,359,842</u>
EXPENDITURES				
General government	232,593	676,841	368,903	307,938
Public safety	190,000	869,800	816,387	53,413
Physical environment	-	1,000	-	1,000
Transportation	5,405,000	10,837,000	5,101,408	5,735,592
Culture/recreation	200,000	3,297,635	1,689,872	1,607,763
Total expenditures	<u>6,027,593</u>	<u>15,682,276</u>	<u>7,976,570</u>	<u>7,705,706</u>
Excess of revenues under expenditures	(3,579,197)	(12,970,880)	(905,332)	12,065,548
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,076	57,075	(1)
Transfers out	-	(273,355)	(79,687)	193,668
Total other financing sources (uses)	<u>-</u>	<u>(216,279)</u>	<u>(22,612)</u>	<u>193,667</u>
Net change in fund balances	(3,579,197)	(13,187,159)	(927,944)	<u>\$ 12,259,215</u>
Fund balances at beginning of year	<u>3,579,197</u>	<u>13,187,159</u>	<u>15,120,693</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,192,749</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,044,750	\$ 3,044,750	\$ 3,672,972	\$ 628,222
Permits, fees and special assessments	-	-	157,165	157,165
Intergovernmental	-	2,663,423	1,018,540	(1,644,883)
Interest	19,000	19,000	59,487	40,487
Miscellaneous	439	30,439	32,177	1,738
Total revenues	<u>3,064,189</u>	<u>5,757,612</u>	<u>4,940,341</u>	<u>(817,271)</u>
EXPENDITURES				
Transportation	<u>5,512,591</u>	<u>10,010,374</u>	<u>4,890,907</u>	<u>5,119,467</u>
Total expenditures	<u>5,512,591</u>	<u>10,010,374</u>	<u>4,890,907</u>	<u>5,119,467</u>
Net change in fund balances	(2,448,402)	(4,252,762)	49,434	<u>\$ 4,302,196</u>
Fund balances at beginning of year	<u>2,448,402</u>	<u>4,252,762</u>	<u>13,630,522</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,679,956</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Permits, fees and special assessments	\$ 171,000	\$ 171,000	\$ 190,379	\$ 19,379
Intergovernmental	2,446,250	2,642,425	2,880,033	237,608
Charges for services	92,150	92,150	107,104	14,954
Interest	28,500	28,500	46,242	17,742
Miscellaneous	800,924	425,924	541,899	115,975
Total revenues	<u>3,538,824</u>	<u>3,359,999</u>	<u>3,765,657</u>	<u>405,658</u>
EXPENDITURES				
General government	277,078	333,366	320,974	12,392
Physical environment	603,516	859,498	729,305	130,193
Transportation	<u>11,725,814</u>	<u>13,149,312</u>	<u>12,137,157</u>	<u>1,012,155</u>
Total expenditures	<u>12,606,408</u>	<u>14,342,176</u>	<u>13,187,436</u>	<u>1,154,740</u>
Excess of revenues under expenditures	(9,067,584)	(10,982,177)	(9,421,779)	1,560,398
OTHER FINANCING SOURCES (USES)				
Transfers in	8,073,172	8,573,172	8,573,172	-
Transfers out	<u>(150,990)</u>	<u>(150,990)</u>	<u>(150,990)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,922,182</u>	<u>8,422,182</u>	<u>8,422,182</u>	<u>-</u>
Net change in fund balances	(1,145,402)	(2,559,995)	(999,597)	<u>\$ 1,560,398</u>
Fund balances at beginning of year	<u>1,145,402</u>	<u>2,559,995</u>	<u>8,036,085</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,036,488</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 20,687,270	\$ 20,687,270	\$ 20,945,872	\$ 258,602
Intergovernmental	42,750	67,798	51,600	(16,198)
Charges for services	5,289,426	5,289,426	5,215,964	(73,462)
Judgments, fines and forfeits	10,450	10,450	13,400	2,950
Interest	35,625	35,625	65,691	30,066
Miscellaneous	76,126	79,223	31,413	(47,810)
Total revenues	<u>26,141,647</u>	<u>26,169,792</u>	<u>26,323,940</u>	<u>154,148</u>
EXPENDITURES				
Public safety	<u>25,893,680</u>	<u>32,635,956</u>	<u>28,267,599</u>	<u>4,368,357</u>
Total expenditures	<u>25,893,680</u>	<u>32,635,956</u>	<u>28,267,599</u>	<u>4,368,357</u>
Excess of revenues under expenditures	247,967	(6,466,164)	(1,943,659)	4,522,505
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(475,367)</u>	<u>(476,290)</u>	<u>(460,942)</u>	<u>15,348</u>
Total other financing sources (uses)	<u>(475,367)</u>	<u>(476,290)</u>	<u>(460,942)</u>	<u>15,348</u>
Net change in fund balances	(227,400)	(6,942,454)	(2,404,601)	<u>\$ 4,537,853</u>
Fund balances at beginning of year	<u>227,400</u>	<u>6,942,454</u>	<u>9,547,256</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,142,655</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, 2015

	Business-type Activities - Enterprise funds					Governmental
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 11,358,443	\$ 5,384	\$ 37,273,275	\$ 6,129,954	\$ 54,767,056	\$ 30,516,071
Accounts receivable - net	107,314	-	2,387,365	-	2,494,679	299,406
Due from other funds	110,363	-	-	-	110,363	-
Due from other governments	-	10,800	1,558,830	-	1,569,630	35,699
Interest receivable	10,535	228	521,943	4,211	536,917	19,811
Inventories	-	94,916	875,191	-	970,107	148,318
Prepaid items	1,136	-	141,918	1,058	144,112	988,784
Current restricted assets:						
Cash and cash equivalents	15,297,593	-	33,473,846	-	48,771,439	-
Total current assets	26,885,384	111,328	76,232,368	6,135,223	109,364,303	32,008,089
Non-current assets:						
Capital assets - non-depreciable	13,680,803	6,606,283	10,722,770	-	31,009,856	-
Capital assets - depreciable	31,380,967	3,576,454	425,855,236	469,849	461,282,506	2,543,668
Capital assets - accumulated depreciation	(11,622,681)	(2,090,461)	(238,256,043)	(343,355)	(252,312,540)	(2,128,531)
Non-current restricted assets:						
Special assessments receivable	-	-	563,099	-	563,099	-
Impact fees receivable	-	-	683,286	-	683,286	-
Liens receivable	-	-	4,328,447	-	4,328,447	-
Total non-current assets	33,439,089	8,092,276	203,896,795	126,494	245,554,654	415,137
Total assets	60,324,473	8,203,604	280,129,163	6,261,717	354,918,957	32,423,226
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	39,927	36,881	539,966	94,249	711,023	94,626
Deferred amounts on refundings	-	-	1,386,691	-	1,386,691	-
Total deferred outflows of resources	39,927	36,881	1,926,657	94,249	2,097,714	94,626
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	1,092,183	42,215	1,267,577	78,978	2,480,953	182,326
Retainage payable	-	-	38,880	-	38,880	-
Due to other funds	-	799,593	-	-	799,593	-
Claims payable	-	-	-	-	-	3,289,891
Due to other governments	-	6,635	-	25,961	32,596	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	29,673	-	-	29,673	-
Accrued compensated absences	45,970	15,462	507,565	73,662	642,659	72,314
Total current liabilities (payable from current assets)	1,138,153	894,578	1,814,022	178,601	4,025,354	3,544,531
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	7,412	-	7,412	-
Retainage payable	-	-	31,833	-	31,833	-
Accrued interest payable	-	-	91,433	-	91,433	-
Closure and maintenance costs payable	4,630,451	-	-	-	4,630,451	-
Net pension liability	12,943	11,955	175,037	30,552	230,487	30,673
Notes payable	-	-	973,000	-	973,000	-
Bonds payable	-	-	1,905,000	-	1,905,000	-
Customer deposits	135,126	-	2,930,591	-	3,065,717	-
Total current liabilities (payable from restricted assets)	4,778,520	11,955	6,114,306	30,552	10,935,333	30,673
Total current liabilities	5,916,673	906,533	7,928,328	209,153	14,960,687	3,575,204
Non-current liabilities:						
Accrued compensated absences	-	48,124	192,021	8,918	249,063	42,717
Advance from other funds	-	212,500	-	-	212,500	-
Claims payable	-	-	-	-	-	4,887,629
Closure and maintenance costs payable	7,379,285	-	-	-	7,379,285	-
Net pension liability	212,686	196,463	2,876,388	502,064	3,787,601	504,061
Notes payable	-	-	6,198,000	-	6,198,000	-
Bonds payable - net of unamortized discount/premium	-	-	19,176,234	-	19,176,234	-
Total non-current liabilities	7,591,971	457,087	28,442,643	510,982	37,002,683	5,434,407
Total liabilities	13,508,644	1,363,620	36,370,971	720,135	51,963,370	9,009,611
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	49,510	45,732	669,562	116,870	881,674	117,334
NET POSITION						
Net investment in capital assets	33,439,089	8,092,276	171,456,420	126,494	213,114,279	415,137
Unrestricted	13,367,157	(1,261,143)	73,558,867	5,392,467	91,057,348	22,975,770
Total net position	\$ 46,806,246	\$ 6,831,133	\$ 245,015,287	\$ 5,518,961	\$ 304,171,627	\$ 23,390,907

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, 2015

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 11,455,302	\$ 3,235,879
Charges for services pledged as security for revenue bonds	-	-
Total operating revenues	11,455,302	3,235,879
OPERATING EXPENSES		
Personal services	543,085	505,367
Material, supplies, services and other operating	9,999,165	1,806,504
Depreciation	1,166,133	152,698
Total operating expenses	11,708,383	2,464,569
Operating income (loss)	(253,081)	771,310
NONOPERATING REVENUES (EXPENSES)		
Interest income	179,092	3,191
Interest income pledged as security for revenue bonds	-	-
Gain on disposal of equipment	-	3,702
Interest expense	-	(33,828)
Bond amortization expense	-	-
Loss on disposal of equipment	-	-
Total nonoperating revenues (expenses)	179,092	(26,935)
Income (loss) before transfers and capital grants and contributions	(73,989)	744,375
Capital grants	-	-
Capital contributions	-	-
Transfers	24,990	-
Change in net position	(48,999)	744,375
Total net position - beginning, as restated (Note 20B)	46,855,245	6,086,758
Total net position - ending	\$ 46,806,246	\$ 6,831,133

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

Enterprise Funds			Governmental
County	County		Activities -
Utilities	Building	Total	Internal
			Service Funds
\$ -	\$ 2,958,488	\$ 17,649,669	\$ 22,125,803
30,089,101	-	30,089,101	-
30,089,101	2,958,488	47,738,770	22,125,803
7,401,773	1,360,766	9,810,991	2,487,906
10,939,066	705,284	23,450,019	21,820,391
14,854,818	19,140	16,192,789	125,198
33,195,657	2,085,190	49,453,799	24,433,495
(3,106,556)	873,298	(1,715,029)	(2,307,692)
-	26,231	208,514	135,261
417,011	-	417,011	-
53,185	-	56,887	-
(2,004,297)	-	(2,038,125)	-
(22,133)	-	(22,133)	-
(1,795)	-	(1,795)	-
(1,558,029)	26,231	(1,379,641)	135,261
(4,664,585)	899,529	(3,094,670)	(2,172,431)
1,558,830	-	1,558,830	-
10,014,027	-	10,014,027	-
75,990	-	100,980	112,516
6,984,262	899,529	8,579,167	(2,059,915)
238,031,025	4,619,432	295,592,460	25,450,822
\$ 245,015,287	\$ 5,518,961	\$ 304,171,627	\$ 23,390,907

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 11,451,556	\$ 3,232,781
Cash paid to suppliers for goods and services	(9,418,532)	(1,813,914)
Cash paid to employees for services	(562,753)	(517,248)
Net cash provided by (used in) operating activities	<u>1,470,271</u>	<u>901,619</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	24,990	-
Proceeds from advances from other funds	-	135,000
Payments on advances from other funds	-	(600,000)
Net cash provided by (used in) noncapital financing activities	<u>24,990</u>	<u>(465,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	-
Payments on defeasance of debt	-	-
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(33,828)
Payments on advances from other funds	-	(265,195)
Proceeds from sales of capital assets	-	3,702
Purchase of capital assets	(282,449)	(147,597)
Bond paying agent fees	-	-
Debt issuance costs	-	-
Capital contributed by others	-	-
Net cash flows provided by (used in) capital and related financing activities	<u>(282,449)</u>	<u>(442,918)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	<u>176,484</u>	<u>3,155</u>
Net cash provided by investing activities	<u>176,484</u>	<u>3,155</u>
Net increase (decrease) in cash and cash equivalents	1,389,296	(3,144)
Cash and cash equivalents at beginning of year	<u>25,266,740</u>	<u>8,528</u>
Cash and cash equivalents at end of year	<u>\$ 26,656,036</u>	<u>\$ 5,384</u>
Classified as:		
Current assets	\$ 11,358,443	\$ 5,384
Restricted assets	<u>15,297,593</u>	<u>-</u>
Total	<u>\$ 26,656,036</u>	<u>\$ 5,384</u>

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

Enterprise Funds			Governmental
County	County	Total	Activities -
Utilities	Building		Internal
			Service Funds
\$ 30,324,101	\$ 2,958,488	\$ 47,966,926	\$ 22,185,025
(11,619,376)	(683,463)	(23,535,285)	(21,712,701)
(7,596,683)	(1,395,674)	(10,072,358)	(2,517,991)
11,108,042	879,351	14,359,283	(2,045,667)
75,990	-	100,980	112,516
-	-	135,000	-
-	-	(600,000)	(7,000)
75,990	-	(364,020)	105,516
7,171,000	-	7,171,000	-
(14,205,000)	-	(14,205,000)	-
(3,485,000)	-	(3,485,000)	-
(1,852,421)	-	(1,886,249)	-
-	-	(265,195)	-
53,185	-	56,887	-
(2,587,403)	(109,418)	(3,126,867)	(155,795)
(1,900)	-	(1,900)	-
(34,512)	-	(34,512)	-
5,415,726	-	5,415,726	-
(9,526,325)	(109,418)	(10,361,110)	(155,795)
421,250	24,928	625,817	132,161
421,250	24,928	625,817	132,161
2,078,957	794,861	4,259,970	(1,963,785)
68,668,164	5,335,093	99,278,525	32,479,856
\$ 70,747,121	\$ 6,129,954	\$ 103,538,495	\$ 30,516,071
\$ 37,273,275	\$ 6,129,954	\$ 54,767,056	\$ 30,516,071
33,473,846	-	48,771,439	-
\$ 70,747,121	\$ 6,129,954	\$ 103,538,495	\$ 30,516,071

Continued

Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities -	
	Solid Waste Disposal District	Golf Course
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (253,081)	\$ 771,310
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	1,166,133	152,698
WIP reclassified as expense	-	-
(Increase) Decrease in assets:		
Accounts receivable	15,649	-
Due from other funds	(20,895)	-
Due from other governments	-	-
Inventories	-	(37,125)
Impact fees receivable	-	-
Special assessments receivable	-	-
Liens receivable	-	-
Prepaid expenses	(1,136)	395
Increase (Decrease) in liabilities:		
Accounts payable	81,769	28,830
Due to other governments	-	490
Retainage payable	-	-
Customer deposits	1,500	-
Closure and maintenance costs payable	500,000	-
Pollution remediation costs payable	-	-
Net pension liability	(16,819)	(15,537)
Unearned revenues	-	(3,098)
Claims payable	-	-
Accrued compensated absences	(2,849)	3,656
Total adjustments	1,723,352	130,309
Net cash provided by (used in) operating activities	\$ 1,470,271	\$ 901,619
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in fair value of investments	\$ 17,129	\$ 371
Contributed property, infrastructure, and equipment	\$ -	\$ -
Capital assets purchased through accounts payable	\$ 135,407	\$ -

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

Enterprise Funds			Governmental
County	County	Total	Activities -
Utilities	Building		Internal
			Service Funds
\$ (3,106,556)	\$ 873,298	\$ (1,715,029)	\$ (2,307,692)
14,854,818	19,140	16,192,789	125,198
68,824	-	68,824	-
(4,290)	-	11,359	25,048
-	-	(20,895)	-
-	-	-	34,174
21,588	-	(15,537)	41,450
(426,401)	-	(426,401)	-
414,951	-	414,951	-
129,034	-	129,034	-
18,920	(87)	18,092	161,029
(743,145)	14,737	(617,809)	(45,764)
-	7,171	7,661	-
(34,997)	-	(34,997)	-
121,706	-	123,206	-
-	-	500,000	-
(11,500)	-	(11,500)	-
(227,472)	(39,704)	(299,532)	(39,863)
-	-	(3,098)	-
-	-	-	(49,025)
32,562	4,796	38,165	9,778
14,214,598	6,053	16,074,312	262,025
\$ 11,108,042	\$ 879,351	\$ 14,359,283	\$ (2,045,667)

\$ 73,485	\$ 6,847	\$ 97,832	\$ 32,210
\$ 6,157,131	\$ -	\$ 6,157,131	\$ -
\$ 151,974	\$ -	\$ 287,381	\$ -

Indian River County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2015

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash and cash equivalents	\$ 10,242,685	\$ -
Investments, at fair value:		
Index funds	-	7,075,339
U.S. government securities funds	-	6,436,903
Primary money market fund	-	1,337,914
Total assets	<u>\$ 10,242,685</u>	<u>\$ 14,850,156</u>
LIABILITIES		
Due to other governments	4,493,810	-
Other deposits held in escrow	5,748,875	-
Total liabilities	<u>\$ 10,242,685</u>	<u>-</u>
NET POSITION		
Assets held in trust for other postemployment benefits		14,850,156
Total net position		<u>\$ 14,850,156</u>

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

Indian River County, Florida
Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Fund
For the Year Ended September 30, 2015

ADDITIONS

Employer contributions	\$ 2,977,075
Investment loss	(218,173)
Investment expense	(3,045)
Total additions	<u>2,755,857</u>

DEDUCTIONS

Benefits payments	<u>1,944,533</u>
Total deductions	<u>1,944,533</u>

Change in net position	811,324
Net position - beginning	<u>14,038,832</u>
Net position - ending	<u><u>\$ 14,850,156</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, 2015

<u>Note</u>	<u>Page</u>	<u>Note</u>	<u>Page</u>
1 Summary of Significant Accounting Policies	50	5 Property Tax Revenues	72
Reporting Entity	50	6 Capital Assets	73
Measurement Focus and Basis of Accounting	51	7 Restricted Cash and Cash Equivalents and Investments	76
Basis of Presentation	54	8 Interfund Balances	77
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances	56	9 Interfund Transfers	78
Cash and Cash Equivalents	56	10 Due from Other Governments	79
Investments	56	11 Accounts Payable	80
Allowance for Doubtful Accounts	57	12 Long-term Liabilities	81
Receivables and Payables	57	Changes in Long-term Liabilities	81
Inventories	57	Governmental Activities	82
Prepaid Items	57	Annual Debt Service Payments	82
Restricted Net Position	57	Limited General Obligation Bonds	83
Capital Assets	58	Spring Training Facility Rev Bonds	83
Capitalization of Interest	59	Limited General Obligation Ref Note	86
Deferred Inflows/Outflows of Resources	59	Business-type Activities	87
Pensions/Net Pension Liability	60	Annual Debt Service Payments	87
Change in Accounting Principle/New Accounting Pronouncement	60	Water and Sewer Revenue Refunding Note, Series 2015	88
Unearned Revenues	60	Water and Sewer Revenue Refunding Bonds, Series 2009	88
Accrued Compensated Absences	61	Compensated Absences	89
Obligation for Bond Arbitrage Rebate	61	13 Provision for Closure Costs	90
Landfill Closure Costs	61	14 Pollution Remediation	91
Unamortized Bond Discounts and Premiums	61	15 Retirement Plan - Florida Retirement System	92
Capital Contributions	61	16 Other Postemployment Benefits Plan	103
2 Reconciliation of Government-wide and Fund Financial Statements	62	17 Operating Leases	106
3 Stewardship, Compliance and Accountability	66	18 Fund Balance	108
Budget and Budgetary Accounting	66	19 Fund Balance Deficit	110
4 Cash and Cash Equivalents	67	20 Net Position	110
Deposits	67	21 Risk Management	111
Accrued Interest	67	22 Commitments and Contingencies	112
Investments	67	Litigation	112
OPEB Trust Investments	71	Contracts and Other Commitments	112
		Grants	113

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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 143,326. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with state statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

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

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity’s financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. 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, 2015

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, 2015

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, 2015

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 special assessment receivables are offset by deferred inflows of resources.

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

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

Proprietary Funds

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

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

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Measurement Focus and Basis of Accounting - Continued

2. Fund Financial Statements - 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.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Presentation - Continued

1. Governmental Major Funds - Continued

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.

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, 2015

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, certificates of deposit, Florida PRIME Fund (formerly known as the Local Government Surplus Funds Trust Fund Investment (SBA) Fund A), the Florida Trust Day to Day Fund, 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, 2015

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, 2015, the allowance for water and sewer services was \$424,493 and the allowance for ambulance services was \$1,116,986. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectible as reported at September 30, 2015.

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 20.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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, 2015

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 \$1,974,749 in this category on the government-wide statement of net position. A deferred charge on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, unavailable revenue, which arises under the modified accrual basis of accounting and is reported on the governmental funds balance sheet in the total amount of \$6,896,862. 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.

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

Detail on the composition of the deferred inflows and outflows related to pensions are further discussed in Note 15.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

11. Pensions/Net Pension Liability

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

The net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees. The benefit payments are attributable to those employees past periods of service, less the amount of the cost-sharing pension plans' fiduciary net position. See Note 15 for additional information.

12. Change in Accounting Principles/New Accounting Pronouncement

As a participating employer in the FRS, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the pension plans. The requirements of this Statement are being implemented prospectively, with the County reporting at October 1, 2014 its proportionate share of the actuarially determined liabilities for governmental activities of \$36,285,228, deferred outflows of resources related to pensions of \$6,763,726 and deferred inflows of resources related to pensions of \$35,754,203. The net adjustment to beginning net position of the governmental activities was \$65,275,705. For business-type activities, the County reported its proportionate share of the actuarially determined liabilities at October 1, 2014 of \$2,572,977 deferred outflows of resources related to pensions of \$391,891, and deferred inflows of resources related to pensions of \$2,307,185. The net adjustment to beginning net position of the business-type activities was \$4,488,271. See Note 20B for further explanation.

13. Unearned Revenues

Unearned revenues represent revenues, which are available but unearned. At September 30, 2015, the total amount of unearned revenues reported on the statement of net position for the governmental activities is \$505,172 and for the business-type activities is \$29,673.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

14. 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.

15. 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, 2015.

16. 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.

17. 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.

18. 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, 2015

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, \$179,084,725 differs from “net position” of governmental activities, \$655,952,976, 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	\$ 847,356,990
Accumulated depreciation	<u>(297,322,183)</u>
Net Total	<u>\$ 550,034,807</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, 2015 were:

Bonds payable:	
Limited General Obligation Bonds, Series 2006	\$ (3,545,000)
Spring Training Facility Bonds, Series 2001	(7,230,000)
Notes payable:	
Limited General Obligation Refunding	(20,049,000)
Deferred Amount on Refunding - Limited GO Bonds	588,058
Medicaid settlement payable	(316,173)
Pollution remediation payable	(2,551,200)
Compensated absences	(10,985,483)
Total	<u>\$ (44,088,798)</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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>6,896,862</u>
----------------------	---------------------

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>23,390,907</u>
------------------------	----------------------

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>70,531</u>
---------------------------	------------------

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>914,909</u>
------------	-------------------

Net Pension Liability

The net pension liability is not reported at the governmental fund level; however, the County's proportionate share of the net pension liability, and related deferred inflows and outflows of resources, of the cost-sharing defined benefit pension plan is reported on the Statement of Net Position

	\$ <u>(60,350,967)</u>
--	------------------------

Elimination of interfund receivables/payables

Interfund receivables and payables in the amount of \$952,115 between governmental funds must be eliminated for the statement of net position.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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, \$5,669,165, differs from the “change in net position” for governmental activities, \$17,386,971 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	\$ 22,495,325
Depreciation expense	(20,914,788)
Loss on assets	(264,773)
Difference	<u>\$ 1,315,764</u>

Long-term debt transactions

Payments of bond principal, bond premium, notes payable, medicaid 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. The issuance of debt is reported as an other financing source in the governmental funds, and, thus, has the effect of increasing fund balance. However, the issuance increases and 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	\$ 4,180,000
Bond refunding payment to escrow agent	20,340,959
Note issuance proceeds	(20,369,000)
Medicaid settlement costs	158,087
Pollution remediation costs	120,600
Total	<u>\$ 4,430,646</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 bond interest expense	\$ 252,543
Net accrued OPEB expense	<u>119,542</u>
Total	<u>\$ 372,085</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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 \$ (462,116)

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 \$ (2,059,915)

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 \$ 3,772,053

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 \$ 21,856

Pension and Retirement Contribution Expense

Governmental funds report contributions in defined benefit plans as expenditures. However, in the Statement of Activities, this amount reduces future net pension liabilities and is recorded as a deferred outflow of resources. In addition, the County's share of pension expense is required to be amortized in accordance with GASB Statement No. 68

Net pension and retirement contribution expense \$4,327,433

Reclassification and Eliminations

The governmental funds recognize revenues in the amount of \$2,806,485 for the general administrative charges to the general government, public safety, transportation, economic environment, human services, 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 \$11,141,023 between governmental activities should be eliminated. Capital projects costs in the amount of \$5,309,597 must be distributed to the related expenditure functions.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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. Unexpected ongoing project costs may be appropriated in the new fiscal year through a budget amendment.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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, 2015, the carrying amount of the primary government's deposits was \$36,423,253 and the bank balance was \$38,874,596. 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, 2015 was \$30,345.

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, 2015, accrued interest for the County's portfolio totaled \$200,383. The remaining accrued interest is reflected in utilities and road paving assessments.

C. Investments

On April 23, 2015, the County updated its investment policy to increase the limit on certificates of deposit. On October 22, 2015, the Board of County Commissioners updated its investment policy to exclude SBA pools from the list of authorized investments, to specify money manager's performance benchmarks, and to clarify the Clerk of Circuit Court and Comptroller's (Clerk) role in bank and investment agreements.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 - CASH AND CASH EQUIVALENTS - Continued

C. Investments - Continued

As of September 30, 2015, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Portfolio Percentage	Credit Risks*
Fixed Rate Debt Instruments:				
U.S. Treasuries	\$ 100,045,921	0.89	34.62 %	N/A
U.S. Agencies:***				
Federal Farm Credit Bureau	19,999,962	0.81	6.92	AA+
Federal Home Loan Bank	20,521,606	1.41	7.10	AA+
Federal Home Loan Mortgage	40,960,658	1.02	14.17	AA+
Federal National Mortgage Assoc.	5,995,309	0.39	2.07	AA+
Other Fixed Rate Instruments:				
Certificate of Deposit-Oculina Bank	1,003,428	1.61	0.35	N/A
Certificate of Deposit-TD Bank	6,021,585	1.60	2.08	N/A
Certificate of Deposit-National Bank of Commerce	6,014,005	0.61	2.08	N/A
Certificate of Deposit-Harbor Community	253,287	0.80	0.09	N/A
Certificate of Deposit-Harbor Community	258,040	0.32	0.09	N/A
Certificate of Deposit-Harbor Community	3,042,693	0.35	1.05	N/A
Other Market Rate Investments:				
Florida PRIME (Formerly Fund A)	1,018	0.08	-	AAAm
Florida Local Government Investment Trust Fund	11,984,722	0.08	4.15	AAAf and S-1**
Florida Trust Day to Day Fund	25,326	0.08	0.01	AAAm
Regions Bank Money Market	21,144,688	0.08	7.32	N/A
TD Bank Money Market	20,079,162	0.08	6.95	N/A
Harbor Community Bank Money Market	1,658,055	0.08	0.57	N/A
Florida Community Bank Money Market	1,508,521	0.08	0.52	N/A
BankUnited Money Market	24,376,193	0.08	8.43	N/A
W&S Sinking Fund Reserve:				
U.S. Treasuries	4,104,192	1.24	1.43	N/A
Total Fair Value	\$ 288,998,371		100 %	
Weighted Average Maturity of Investments		0.71		

* 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, 2015

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, 2015

NOTE 4 - CASH AND CASH EQUIVALENTS - Continued

C. Investments - Continued

Credit Risk

Florida Statutes Section 218.415 limits 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 \$6 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, 2015

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, 2015, 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, 2015

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 \$2.98 million for the year ended September 30, 2015 was invested in the various funds listed below. As of September 30, 2015, 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	\$ 4,862	0.11	0.03 %	AAAm
<u>Long-Term Portion:</u>				
Vanguard 500 Index	3,161,492	N/A	21.29	N/A
Vanguard All World Ex-US	2,839,805	N/A	19.12	N/A
Vanguard Mid Cap Index	729,129	N/A	4.91	N/A
Vanguard Small Cap Index	344,913	N/A	2.32	N/A
Vanguard Short-Term Treasury	4,653,186	2.40	31.33	N/A
Vanguard Intermediate Treasury	1,573,207	5.70	10.59	N/A
Vanguard Prime Money Market	1,337,914	0.12	9.02	N/A
Vanguard Federal Money Market	205,648	0.13	1.39	N/A
Total Fair Value	\$ <u>14,850,156</u>		<u>100 %</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 2014-2015 fiscal year were levied in October 2014. 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, 2015

NOTE 6 - CAPITAL ASSETS

A. Governmental Activities

Primary Government Governmental activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 133,274,798	\$ 388,213	\$ -	\$ 133,663,011
Construction in progress	43,462,054	19,158,201	(12,276,920)	50,343,335
Right-of-way	56,840,008	559,028	-	57,399,036
Intangibles	995,554	87,149	-	1,082,703
Infrastructure	3,575,067	-	-	3,575,067
Total capital assets, not being depreciated	<u>238,147,481</u>	<u>20,192,591</u>	<u>(12,276,920)</u>	<u>246,063,152</u>
Capital assets, being depreciated:				
Buildings and improvements	211,079,877	2,275,536	(518,585)	212,836,828
Equipment	58,864,775	5,931,832	(2,755,856)	62,040,751
Intangibles	4,072,701	216,959	(20,647)	4,269,013
Infrastructure	318,510,419	6,349,215	(168,720)	324,690,914
Total capital assets, being depreciated	<u>592,527,772</u>	<u>14,773,542</u>	<u>(3,463,808)</u>	<u>603,837,506</u>
Less accumulated depreciation for:				
Buildings and improvements	(59,700,365)	(5,847,905)	496,250	(65,052,020)
Equipment	(46,179,433)	(4,642,869)	2,617,333	(48,204,969)
Intangibles	(2,629,921)	(366,182)	20,647	(2,975,456)
Infrastructure	(173,061,953)	(10,183,030)	26,714	(183,218,269)
Total accumulated depreciation	<u>(281,571,672)</u>	<u>(21,039,986)</u>	<u>3,160,944</u>	<u>(299,450,714)</u>
Total capital assets, being depreciated, net	<u>310,956,100</u>	<u>(6,266,444)</u>	<u>(302,864)</u>	<u>304,386,792</u>
Governmental activities capital assets, net	<u>\$ 549,103,581</u>	<u>\$ 13,926,147</u>	<u>\$ (12,579,784)</u>	<u>\$ 550,449,944</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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	\$ 2,747,303
Public safety	4,013,891
Physical environment	613,608
Transportation	6,527,142
Economic environment	298
Human service	123,870
Culture/recreation	6,595,961
Court related	292,715
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>125,198</u>
Total depreciation expense – governmental activities	<u><u>\$ 21,039,986</u></u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 6 - CAPITAL ASSETS – Continued

B. Business-type Activities

Primary Government	Beginning			Ending
Business-type activities:	Balance	Additions	Deletions	Balance
Capital assets, not being depreciated:				
Land, Improvements to Land	\$ 27,492,902	\$ -	\$ -	27,492,902
Intangibles	1,496,780	164,233	-	1,661,013
Construction in progress	11,319,754	1,888,200	(11,352,013)	1,855,941
Total capital assets, not being depreciated	<u>40,309,436</u>	<u>2,052,433</u>	<u>(11,352,013)</u>	<u>31,009,856</u>
Capital assets, being depreciated:				
Buildings, distribution systems, & improvements	429,647,450	15,639,844	(1,010,120)	444,277,174
Intangibles	1,084,879	62,825	-	1,147,704
Equipment	14,965,608	923,036	(31,016)	15,857,628
Total capital assets, being depreciated	<u>445,697,937</u>	<u>16,625,705</u>	<u>(1,041,136)</u>	<u>461,282,506</u>
Less accumulated depreciation for:				
Buildings, distribution systems, & improvements	(223,898,124)	(15,369,097)	1,010,002	(238,257,219)
Intangibles	(648,253)	(116,238)	-	(764,491)
Equipment	(12,612,715)	(707,454)	29,339	(13,290,830)
Total accumulated depreciation	<u>(237,159,092)</u>	<u>(16,192,789)</u>	<u>1,039,341</u>	<u>(252,312,540)</u>
Total capital assets, being depreciated, net	<u>208,538,845</u>	<u>432,916</u>	<u>(1,795)</u>	<u>208,969,966</u>
Business-type activities capital assets, net	<u>\$ 248,848,281</u>	<u>\$ 2,485,349</u>	<u>\$ (11,353,808)</u>	<u>\$ 239,979,822</u>

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

Solid Waste Disposal District	\$ 1,166,133
Golf Course	152,698
County Utilities	14,854,818
County Building	<u>19,140</u>

Total depreciation expense – business-type activities \$ 16,192,789

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

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	\$ -	\$ 4,435,459	\$ 4,435,459
Renewal and replacement	3,152,731	3,485,928	6,638,659
Customer deposits	135,126	2,930,591	3,065,717
Capital construction	-	22,621,868	22,621,868
Closure and maintenance costs	12,009,736	-	12,009,736
Total	<u>\$ 15,297,593</u>	<u>\$ 33,473,846</u>	<u>\$ 48,771,439</u>

Cash totaling \$5,737,623 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 and notes payable.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 8 - INTERFUND BALANCES

Interfund balances at September 30, 2015, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 405,000
General Fund	Golf Course Enterprise Fund	799,593
		<u>\$ 1,204,593</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. In September 2015, the General Fund loaned the Golf Course Fund \$135,000 as a short-term cash loan to be repaid within the next twelve months. 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 2016. The remaining amount due from the Golf Course Fund is reported as an interfund advance. The amounts due from the Nonmajor Governmental Funds represent short-term cash loans that 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	\$ 260,235
Optional Sales Tax Fund	General Fund	16,456
		<u>\$ 276,691</u>
Major Enterprise Fund:		
Solid Waste Disposal District Fund	General Fund	<u>\$ 110,363</u>
Nonmajor Governmental Funds:		
Land Acquisition Bonds Fund	General Fund	\$ 59,608
Street Lighting Districts Fund	General Fund	2,565
Clerk Special Revenue Fund	General Fund	94,913
Vero Lake Estates Fund	General Fund	2,962
East Gifford Stormwater Fund	General Fund	13
Total Nonmajor Governmental Funds		<u>\$ 160,061</u>
	Total	<u>\$ 547,115</u>

Amounts due from the General Fund represent excess fees and payments of the constitutional officers remitted to various funds subsequent to September 30, 2015.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 8 - INTERFUND BALANCES - Continued

Interfund advances at September 30, 2015, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	<u>\$ 212,500</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 9 - INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2015, consisted of the following:

Transfers Out:	Transfers In:						Total
	General Fund	Impact Fees Fund	Transportation Fund	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 8,573,172	\$ 121,763	\$ -	\$ 37,516	\$ 8,732,451
Impact Fees Fund	-	-	-	54,697	24,990	-	79,687
Transportation Fund	-	-	-	-	75,990	75,000	150,990
Emergency Services District Fund	460,942	-	-	-	-	-	460,942
Optional Sales Tax Fund	679,720	-	-	773,780	-	-	1,453,500
Nonmajor Governmental Funds	<u>326,832</u>	<u>57,075</u>	<u>-</u>	<u>93,042</u>	<u>-</u>	<u>-</u>	<u>476,949</u>
Total	<u>\$ 1,467,494</u>	<u>\$ 57,075</u>	<u>\$ 8,573,172</u>	<u>\$ 1,043,282</u>	<u>\$ 100,980</u>	<u>\$ 112,516</u>	<u>\$ 11,354,519</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 impact fee fund revenues to offset portion of landfill improvements, 5) use unrestricted stormwater revenues to offset Egret Marsh employee costs accounted for in the utilities fund, 6) use transportation fund revenues to offset vehicle maintenance costs accounted for in the fleet internal service fund, 7) to use capital project fund revenues for improvements to the Historic Dodgertown facility and County Jail, 8) provide matching funds for grants, 9) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, and 10) to use nonmajor governmental fund revenues to offset prior year expenditures related to a boat ramp project in the impact fees fund.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 – DUE FROM OTHER GOVERNMENTS

Governmental Funds

On November 18, 2008, the County 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 County 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 quarterly installments over a four-year period which began in July 2011. Repayments to the County 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 9/30/2015	(13,986,779)
Balance Due from FDOT SR60 Agreement	442,975
Additional Funds Due from other governments	2,472,546
Total Due from other governments	\$ 2,915,521

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 11 – ACCOUNTS PAYABLE

Payables

Payables at September 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Total Payables
Governmental Activities:			
General	\$ 1,417,246	\$ 2,125,350	\$ 3,542,596
Impact Fees	141,654	2,789	144,443
Secondary Roads Construction	729,282	8,065	737,347
Transportation	172,325	212,404	384,729
Emergency Services	247,104	623,096	870,200
Optional Sales Tax	709,606	-	709,606
Other governmental	641,644	82,732	724,376
Total Governmental Activities	<u>\$ 4,058,861</u>	<u>\$ 3,054,436</u>	<u>\$ 7,113,297</u>
Business-Type Activities:			
Payable from current assets:			
Solid Waste	\$ 1,074,523	\$ 17,660	\$ 1,092,183
Golf Course	29,104	13,111	42,215
Utilities	1,048,775	218,802	1,267,577
Building	33,041	45,937	78,978
Payable from restricted assets:			
Utilities	7,412	-	7,412
Total Business-Type Activities	<u>\$ 2,192,855</u>	<u>\$ 295,510</u>	<u>\$ 2,488,365</u>

Included in salaries and benefits payable is a liability to the Florida Retirement System (FRS) for pension contributions due. The amounts due to FRS at September 30, 2015 are \$170,204 for governmental activities and \$19,289 for business-type activities.

The County has not engaged in any short-term debt activity during fiscal year 2015 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, 2015, the amount due to the State of Florida is \$316,173.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
Limited General Obligation Bonds - Series 2006	\$ 26,010,000	\$ -	\$ 22,465,000	\$ 3,545,000	\$ 3,545,000
Spring Training Facility Revenue Bonds - Series 2001	7,700,000	-	470,000	7,230,000	495,000
Subtotal	33,710,000	-	22,935,000	10,775,000	4,040,000
Add: Unamortized bonds premium	629,265	-	629,265	-	-
Total bonds payable	34,339,265	-	23,564,265	10,775,000	4,040,000
Notes payable:					
Limited General Obligation Refunding	-	20,369,000	320,000	20,049,000	343,000
Other liabilities:					
Pollution remediation	2,671,800	-	120,600	2,551,200	104,453
Claims payable	8,226,545	17,188,927	17,237,952	8,177,520	3,289,891
Due to other governments-Medicaid	474,260	-	158,087	316,173	158,087
Compensated absences	10,628,620	6,575,611	6,103,717	11,100,514	5,823,510
Total notes payable and other liabilities	22,001,225	44,133,538	23,940,356	42,194,407	9,718,941
Governmental activities long-term liabilities	\$ 56,340,490	\$ 44,133,538	\$ 47,504,621	\$ 52,969,407	\$ 13,758,941
Business-type Activities:					
Bonds payable:					
Water & Sewer Refunding Revenue Bonds - Series 2005	\$ 15,875,000	\$ -	\$ 15,875,000	\$ -	\$ -
Series 2009	21,340,000	-	1,815,000	19,525,000	1,905,000
Subtotal	37,215,000	-	17,690,000	19,525,000	1,905,000
Add: Unamortized bonds premium	2,218,889	-	662,655	1,556,234	-
Total bonds payable	39,433,889	-	18,352,655	21,081,234	1,905,000
Notes payable:					
Water & Sewer Revenue Refunding	-	7,171,000	-	7,171,000	973,000
Other liabilities:					
Landfill closure and maintenance costs	11,509,736	500,000	-	12,009,736	4,630,451
Pollution remediation	11,500	-	11,500	-	-
Compensated absences	853,557	753,227	715,062	891,722	642,659
Total notes payable and other liabilities	12,374,793	8,424,227	726,562	20,072,458	6,246,110
Business-type activities long-term liabilities	\$ 51,808,682	\$ 8,424,227	\$ 19,079,217	\$ 41,153,692	\$ 8,151,110

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - 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, 2015, are as follows:

Fiscal Year Ending September 30	Limited General Obligation Bonds Series 2006		Spring Training Facility Revenue Bonds Series 2001		Limited General Obligation Note Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,545,000	\$ 70,900	\$ 495,000	\$ 370,037	\$ 343,000	\$ 332,813
2017	-	-	520,000	344,050	4,053,000	327,119
2018	-	-	550,000	316,750	4,158,000	259,840
2019	-	-	585,000	287,875	4,227,000	190,817
2020	-	-	615,000	257,163	4,298,000	120,649
2021-2025	-	-	1,970,000	893,125	2,970,000	49,302
2026-2030	-	-	2,060,000	427,750	-	-
2031	-	-	435,000	21,750	-	-
Total	3,545,000	70,900	7,230,000	2,918,500	20,049,000	1,280,540
Less:						
Current portion	3,545,000	-	495,000	-	343,000	-
Total	\$ -	\$ 70,900	\$ 6,735,000	\$ 2,918,500	\$ 19,706,000	\$ 1,280,540

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - 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 the sole source of 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. The total tax revenue received was \$4,795,927 of which 100% is pledged for payment of this bond and the refunding 2015 series Note. Total principal and interest paid on this bond was \$4,148,006 and represents 86% of total pledged revenue.

Bonds Issued - At September 30, 2015, Limited General Obligation Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Limited General Obligation Bonds, Series 2006	4.00%-5.00% 1/1 and 7/1	2016	\$ 48,600,000	\$ <u>3,545,000</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 par, together with accrued interest to the redemption date. On April 9, 2015, all eligible outstanding bonds (\$19,075,000) were called early and placed in an escrow account held by Regions Bank. The July 1, 2015 and 2016 principal payments (\$6,935,000) were not included in the redemption. The \$19,075,000 was refunded by a Regions Bank Note discussed in further detail later in this note.

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, 2015

NOTE 12 - 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 \$852,375 represent nine percent of total pledged revenues. All three revenue sources totaled \$8,535,683 for the current fiscal year. The County applied 100% of the state subsidy, 62% 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 \$10,148,500.

Bonds Issued - At September 30, 2015, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Spring Training Facility Revenue Bonds, Series 2001	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	\$ <u>7,230,000</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - 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, 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, 2015

NOTE 12 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Limited General Obligation Refunding Note, Series 2015

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

The aggregate difference in debt service between the 2015 note (\$28,959,008) and the 2006 bonds (\$30,315,331) was \$1,356,323. These amounts include the 7/1/2015 and 7/1/2016 principal and interest payments which were excluded in the refunding. The net economic gain was \$636,694 and is amortized over the life (72 months) of the new debt. The unamortized balance of \$588,058 is reflected as a deferred outflow of resources on the Statement of Net Position. This refinancing lowered the annual debt service by \$150,000.

Pledge of revenues – The principal and interest on the bonds are payable from the sole source of 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. The total tax revenue received was \$4,795,927 of which 100% is pledged for payment of this note and the 2006 bond. Total principal and interest paid on this note was \$397,017 and represents 8% of total pledged revenue.

Maturity and Interest Rate - Interest payments are made semiannually beginning July 1, 2015 through July 1, 2021. Annual principal payments begin July 1, 2015 and end July 1, 2021. The interest rate is fixed at 1.66%. The note may be paid early without a prepayment penalty.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - 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, 2015 are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Note Series 2015		Water and Sewer Revenue Refunding Bonds Series 2009	
	Principal	Interest	Principal	Interest
2016	\$ 973,000	\$ 119,636	\$ 1,905,000	\$ 976,250
2017	992,000	102,267	2,000,000	881,000
2018	1,007,000	85,899	2,100,000	781,000
2019	1,025,000	69,284	2,205,000	676,000
2020	1,042,000	52,371	2,315,000	565,750
2021-2022	2,132,000	52,899	9,000,000	1,046,500
Total	7,171,000	482,356	19,525,000	4,926,500
Less:				
Current portion	973,000	-	1,905,000	-
Add:				
Unamortized bond premium	-	-	1,556,234	-
Total	<u>\$ 6,198,000</u>	<u>\$ 482,356</u>	<u>\$ 19,176,234</u>	<u>\$ 4,926,500</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Water and Sewer Revenue Refunding Note, Series 2015

Purpose - On August 18, 2015, the County voted to early call all of the outstanding Water and Sewer Revenue Refunding 2005 Bonds. The County paid down 50% of the debt (\$7,100,000) with cash and refinanced the remaining 50% (\$7,105,000) with a 7 year note. The total amount borrowed included the cost of issuance and accrued interest totaling \$66,000, for a grand total of \$7,171,000.

The aggregate difference in debt service between the Series 2005 bonds (\$18,866,875) and the Series 2015 note (\$7,653,356), cash contribution and September 1, 2016 principal and interest payment (\$9,162,642) is \$2,050,877. The net economic gain was \$583,991; which included the refinancing, accrued interest, and cash contribution. This lowered the annual debt service by \$1.2 million. The net economic gain is amortized over the 7 year life of the note. The unamortized balance of the deferred amount on the refunding at September 30, 2015 is \$577,038 and is reflected as a deferred outflow of resources on the Statement of Net Position.

Pledge of Revenues – The note is collateralized, for the remaining term of the note, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments. Annual principal and interest payments of \$2,430,867 included principal and interest on the 2005 Water and Sewer Bonds and interest only on the 2015 note. This amount represents approximately seventeen percent of net revenues of \$14,016,407 of the utility system. The total principal and interest remaining to be paid on the 2015 note is \$7,653,356. Refer to Schedule 14 in the statistical section for further detail.

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

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

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, 2015 is \$809,653 and is reflected as a deferred outflow of resources on the Statement of Net Position.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 - LONG-TERM LIABILITIES - Continued

B. Primary Government - Continued

Water and Sewer Revenue Refunding Bonds, Series 2009 - Continued

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 \$2,882,000 represent approximately twenty percent of net revenues of \$14,243,879 of the utility system. Refer to Schedule 14 in the statistical section for further detail. The total principal and interest remaining to be paid on the bonds is \$24,451,500.

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.

Bonds Issued - At September 30, 2015, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Water and Sewer Revenue Refunding Bonds, Series 2009	4-5% 3/1 and 9/1	2024	\$ 26,370,000	\$ <u>19,525,000</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 73 percent, and the Transportation and Emergency Services District funds normally liquidate 7 percent and 18 percent, respectively. The remaining 2 percent is liquidated by other governmental and internal service funds.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - 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 \$2.8 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	68%	2026	\$ 7,701,947
Construction and Demolition - Cell I	90%	2027	1,174,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,938,435
Construction and Demolition - Cell I	N/A	N/A	194,488
Total account balance at 9/30/15:			\$ <u><u>12,009,736</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, 2015, \$11,984,722 was on deposit at the Florida Local Government Investment Trust and \$25,014 was on deposit in the County's Operating account.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - PROVISION FOR CLOSURE COSTS - Continued

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

	Balance 10/1/2014	Deposits	Withdrawals	Balance 09/30/15
Closure and long-term care costs	\$ <u>11,509,736</u>	\$ <u>500,000</u>	\$ <u>-</u>	\$ <u>12,009,736</u>

Of the \$12,009,736 liability for closure and long-term care costs, management estimates that \$4,630,451 will be due and payable within one year.

NOTE 14 – POLLUTION REMEDIATION

In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, a consultant evaluated two sites to assess pollution remediation liabilities. The consultant calculated for each site an expected value (EV) estimate for pollution remediation based on three plausible mitigation scenarios. An obligating event occurred at each of the following two sites requiring the County (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$2,551,200 at September 30, 2015 for the two 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 \$2,530,000 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 \$21,200 and will be paid from the General Fund.

Total Governmental Activities liability: \$2,551,200

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS)

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

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

Pension Plan

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

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

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

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

Benefits Provided, Continued: Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011 and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011 and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions: The State of Florida establishes contribution rates for participating employers and employees in section 121.71 Florida Statutes. Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, special risk 22.04%, special risk administrative support 32.95%, senior management 21.43%, DROP 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%. Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with the 3% employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

The County's contribution to FRS under the Pension and Investment Plans for the year ended September 30, 2015, was \$7,503,166. Employee contributions for September 30, 2015 were \$1,649,124. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pension Plan: At September 30, 2015, the Division of Retirement calculated the County's liability of \$39,616,455 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the County's proportion share was .3067% for the FRS pension plan. This was an increase of 0.0049% from its proportionate share measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized a reduction in pension expense of \$3,431,562. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,182,325	\$ 939,583
Changes in assumptions	2,629,477	-
Net difference between projected and actual earnings on pension plan investments	-	9,459,746
Changes in proportion and differences between County contributions and proportionate share of contributions	1,572,620	4,579,888
County contributions subsequent to the measurement date	1,966,730	-
Total	<u>\$ 10,351,152</u>	<u>\$ 14,979,217</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

The deferred outflows of resources related to the pension plan totaling \$1,966,730 resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u> <u>Recognized</u>
2016	\$ (5,737,628)
2017	(5,737,628)
2018	(5,737,628)
2019	8,573,467
2020	1,648,744
Thereafter	395,698
Total	<u>\$ (6,594,975)</u>

Actuarial Assumptions: The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2015
Measurement date:	June 30, 2015
Discount rate:	7.65%
Long-term expected rate of return:	7.65%, net of pension plan investment expense
Inflation:	2.60%
Salary increase;	3.25%, including inflation
Mortality	Generational RP-2000 with Projections Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total pension liability used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The changes in actuarial assumptions for demographic and economic assumptions (all of the above assumptions except actuarial cost method) correspond to changes in the same assumptions in the FRS actuarial study for funding purposes. These changes were approved by the 2014 and 2015 FRS Actuarial Assumptions Conferences. The changes are explained as follows:

- The discount rate and long-term expected rate of return, net of investment expense were both reduced since the prior actuarial valuation by 0.10 percent from 7.75 percent to 7.65 percent to increase the likelihood that FRS will meet or exceed its assumed investment return in future years.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

- The assumed inflation rate was decreased from 3.00 percent in the July 1, 2013 valuation to 2.60 percent in the July 1, 2014 valuation in order to bring the rate in line with the combined Social Security intermediate long-term and lower near-term assumptions.
- The salary increase assumption, including inflation was decreased by 0.75 percent from 4.00 percent to 3.25 percent. The decrease was due to two factors, a decrease in inflation as previously explained and a decrease in real wage growth. The decrease in real wage growth was made to better align with the trailing 10-year growth in payroll as well as to be in a reasonable range based on observed national data and the Social Security Administration's forward-looking assumption sets.
- The mortality assumption was changed to incorporate Projection Scale BB in the July 1, 2014 actuarial valuation, in place of the Projection Scale AA previously used. The use of Scale BB allowed FRS to use a standard Society of Actuaries mortality table for each membership class/gender group without additional adjustment.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed inflation-mean		2.6%		1.9%

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the County's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the County's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the County's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% <u>Decrease (6.65%)</u>	Current Discount Rate (7.65%)	1% <u>Increase (8.65%)</u>
County's proportionate share of NPL	\$102,655,273	\$39,616,455	\$(12,842,141)

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (844) 377-1888 or (850) 907-6500. This report identifies statements that were prepared in accordance with generally accepted accounting principles, the measurement focus and basis of accounting, various investment valuations, various pension plan benefits, assumptions used, and many other details.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program

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

Benefits Provided: For fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Program is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution rate was 1.26% for October 1, 2014 through June 30, 2015 and 1.66% for July 1, 2015 through September 30, 2015. There are no employee contributions required. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which payments are authorized. The County's contributions to the HIS Program totaled \$918,200 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to HIS Program: At September 30, 2015, the Division of Retirement calculated the County's liability of \$22,760,252 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's proportion of the net pension liability was based on the County's 2014-2015 contributions relative to the 2013-2014 fiscal year contributions of all participating members. At September 30, 2015, the County's proportion share was .2232% for the HIS Program. This was an increase of 0.0046% from its proportionate share measured as of June 30, 2014.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

For the year ended September 30, 2015, the County recognized pension expense of \$1,018,222. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,790,638	\$ -
Net difference between projected and actual earnings on pension plan investments	12,321	-
Changes in proportion and differences between County contributions and proportionate share of contributions	390,499	572,592
County contributions subsequent to the measurement date	286,758	-
Total	<u>\$ 2,480,216</u>	<u>\$ 572,592</u>

The deferred outflows of resources related to HIS totaling \$286,758 resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2016	\$ 280,410
2017	280,410
2018	280,410
2019	277,970
2020	277,006
Thereafter	224,660
	<u>\$ 1,620,866</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Actuarial Assumptions: The total pension liability for the HIS Program in the July 1, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2015
Measurement date:	June 30, 2015
Discount rate:	3.80%
Long-term expected rate of return:	N/A
Municipal bond rate:	3.80%
Inflation:	2.60%
Salary increase;	3.25%, average, including inflation
Mortality	Generational RP-2000 with Projections Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total HIS pension liability used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

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

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the County's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the County's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% <u>Decrease (2.80%)</u>	Current Discount <u>Rate (3.80%)</u>	1% <u>Increase (4.80%)</u>
County's proportionate share of NPL	\$25,934,231	\$22,760,252	\$20,113,603

HIS Plan Fiduciary Net Position: Detailed information regarding the HIS Program's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (844) 377-1888 or (850) 907-6500.

Investment Plan

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

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

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Investment Plan - Continued

Benefits Provided, Continued: For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employees do not return within the five-year period, the employee will forfeit the accumulated account balance. For fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

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

Contributions: Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .04% of payroll and by forfeited benefits of Investment Plan members. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances amount various approved investment choices.

Allocations to the investment member's accounts during the 2014-15 fiscal year are based on a percentage of gross compensation, class as follows: regular class 6.30%, special risk class 14.00%, senior management service class 7.67%, County elected officers' class 11.34%.

The County's Investment Plan contributions and pension expense totaled \$1,310,953 for fiscal year ended September 30, 2015. Employee contributions totaled \$291,718 for the same period.

The pension liability is not reported in the governmental fund financial statements of the County (but are reported in proprietary funds) since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 16 – 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, 2014, range from \$380 for single coverage 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, 2015

NOTE 16 – 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 \$1,646 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 46-47. 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 116.

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, 2015, the County contributed \$2.98 million to the qualifying OPEB Trust. Plan members receiving benefits contributed \$1.94 million, or approximately 66 percent of the total premiums. We anticipate that the OPEB liability will be liquidated in the following manner: General fund 53 percent, Transportation fund 7 percent, Emergency Services District fund 22 percent, enterprise funds 9 percent, internal service funds 7 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. Actual contributions represented 100% of the required contributions at September 30, 2015. 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, 2015

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS PLAN - Continued

C. Annual OPEB Cost and Net OPEB Obligation - Continued

	FY 2014/2015	FY 2013/2014	FY 2012/2013
Annual Required Contribution	\$ 2,977,075	\$ 2,835,072	\$ 2,965,251
Interest on Net OPEB Obligation	(47,722)	(18,036)	(20,909)
Adjustment to Annual Required Contribution	72,521	24,230	26,830
Annual OPEB Cost (expense)	3,001,874	2,841,266	2,971,172
Contributions (net of adjustments)*	(3,121,416)	(3,336,027)	(2,950,097)
Change in Net OPEB Obligation	(119,542)	(494,761)	21,075
Net OPEB Obligation – beginning of year	(795,367)	(300,606)	(321,681)
Net OPEB Obligation – end of year	\$ (914,909)	\$ (795,367)	\$ (300,606)
Percentage of Annual OPEB Cost Contributed	103.98%	117.41%	99.29%

*Retiree adjustments are comprised of the actual amount withdrawn from the Trust plus premiums collected and less claims paid. For fiscal year 2015, these adjustments amounted to \$144,341. For fiscal years 2014 and 2013, these adjustments totaled (\$90,852) and (\$15,154) respectfully.

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	\$ 11,571,968
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 116), 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 four years of funding data.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 16 – 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)	13 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 17 - 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 \$654,176 and lease expenditures totaled \$309,591 for the year ended September 30, 2015. 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
2016	\$ 648,609
2017	629,720
2018	620,603
2019	640,446
2020	660,978
2021-2025	2,582,727
2026-2030	1,003,883
2031-2035	509,475
2036-2040	295,821
2041-2045	259,903
Total future minimum lease receipts:	\$ 7,852,165

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 17 - 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 \$30,019,946 and a carrying value of \$20,242,726. Current year depreciation on property being leased was \$512,147.

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, 2015:

Year	Amount
2016	\$ 305,080
2017	149,853
2018	65,865
2019	43,745
2020	1,500
2021-2025	7,500
2026-2030	7,500
2031-2035	7,500
2036-2040	5,100
2041-2045	4,500
2046-2050	3,600
2051-2055	3,000
2056-2060	1,500
2061-2065	1,500
2066-2070	1,500
2071-2075	1,500
2076	300
Total future minimum lease payments:	<u>\$ 611,043</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 18 - 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, 2015

NOTE 18 - 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, 2015, reserve amounts for those funds were:

	<u>Disaster Relief</u>	<u>Budget Stabilization</u>	<u>Total</u>
General Fund	\$ 5,450,000	\$ 5,450,000	\$ 10,900,000
Transportation Fund	800,000	800,000	1,600,000
Emergency Services District Fund	1,700,000	1,700,000	3,400,000
Total	<u>\$ 7,950,000</u>	<u>\$ 7,950,000</u>	<u>\$ 15,900,000</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, 2015

NOTE 19 - FUND BALANCE DEFICIT

The following funds had a deficit in fund balance at September 30, 2015:

Fund	Deficit
Nonmajor Governmental Funds:	
Metropolitan Planning Organization Fund	\$ 426,554
CDBG NSP3 Grant Fund	5,725
Total Deficit	<u>\$ 432,279</u>

The deficits for these two funds will be eliminated by grant proceeds in fiscal year 2016.

NOTE 20 – NET POSITION

A. Net Position Restricted by Enabling Legislation

The government-wide statement of net position for the primary government reports \$128,580,087 of restricted net position, of which \$97,816,878 is restricted by enabling legislation.

B. Restatement of Beginning Net Position

The County's beginning net position at October 1, 2014 was decreased due to the adoption of the new GASB Statement No. 68 (see County Note 1.D.12 for further explanation). This statement requires the County to recognize its proportionate share of the net position liabilities and operating statement activities related to changes in the pension liabilities of cost-sharing multiple-employer FRS and HIS defined benefit plans. The beginning net position has been adjusted as follows:

	Original 10/1/2014 Net Position	GASB 68 Adjustment	Restated 10/1/2014 Net Position
Governmental-type Activities	\$ 703,841,710	\$ (65,275,705)	\$ 638,566,005
<u>Business-Type Activities</u>			
Solid Waste Disposal District	47,107,276	(252,031)	46,855,245
Golf Course	6,319,564	(232,806)	6,086,758
County Utilities	241,439,518	(3,408,493)	238,031,025
County Building	5,214,373	(594,941)	4,619,432
	<u>300,080,731</u>	<u>(4,488,271)</u>	<u>295,592,460</u>
Total	<u>\$ 1,003,922,441</u>	<u>\$ (69,763,976)</u>	<u>\$ 934,158,465</u>

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 21 - 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:

	05/01/11 to 9/30/2013	10/01/13 to 9/30/2014	10/01/14 to 9/30/2015
Worker's Compensation	\$ 350,000	\$ 500,000	\$ 750,000
General Liability	200,000	200,000	200,000
Auto Liability	200,000	200,000	200,000
Property Damage	200,000	200,000	200,000
Error or Omissions	200,000	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 \$409,914 in fiscal year 2015. The County received three workers compensation reimbursements totaling \$125,213 in fiscal year 2014 and two in fiscal year 2013 totaling \$108,123.

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 four medical claim reimbursements in excess of the \$250,000 limit for fiscal year 2015 totaling \$382,635. In fiscal year 2014 there were six totaling \$335,641 and in fiscal year 2013 there were six totaling \$285,689.

The claims liability of \$8,177,520 reported at September 30, 2015, 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, \$3,289,891 will be liquidated over the next twelve months.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 21 - 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
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
2014-2015	8,226,545	17,188,927	(17,237,952)	8,177,520

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined and at September 30, 2015, unrestricted net position of \$21,730,800 has been designated for this purpose. The County has elected to accrue the larger of the discounted liability or undiscounted liability. At September 30, 2015, the undiscounted liability was the greater of the two amounts. The discount rate used in the calculation was 2.5 percent.

NOTE 22 - 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, 2015. 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, 45th Street Canal Enclosure and Beautification project, Vero Lake Estates asphalt millings, 66th Avenue Roadway Improvements, Fire Rescue Station #13 construction, as well as a variety of other road paving and drainage projects.

Indian River County, Florida
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 22 - 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, Aviation Blvd/20th Avenue intersection improvements, and several sidewalk and road improvement projects throughout the County. In the Enterprise Funds, contracts are for the golf course maintenance, Blue Cypress Lake Wastewater Treatment Facility, US1 widening utility conflicts from Oslo Road to the County line, and various other water and sewer projects. In the Internal Service Funds, contracts are for the Other Postemployment Benefits actuarial valuation services.

A summary of these projects at September 30, 2015, is as follows:

	<u>Total Contract Price</u>	<u>Total Paid as of September 30, 2015</u>	<u>Remaining Balance at September 30, 2015</u>
General	\$ 853,281	\$ (520,194)	\$ 333,087
Special Revenue	25,395,574	(16,931,258)	8,464,316
Capital Projects	26,413,615	(17,677,179)	8,736,436
Enterprise	5,490,098	(2,803,224)	2,686,874
Internal Service	11,000	-	11,000
Total	<u>\$ 58,163,568</u>	<u>\$ (37,931,855)</u>	<u>\$ 20,231,713</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.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2015

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

Fiscal Year Ending September 30,	Plan Sponsor Measurement Date June 30,	County's Proportion of the FRS Net Pension Liability	County's Proportionate Share of the FRS Net Pension Liability	County's Covered Employee Payroll	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2015	2015	0.3067%	\$ 39,616,455	\$ 57,879,163	68.45%	92.00%
2014	2014	0.3018%	\$ 18,416,343	\$ 55,095,601	33.43%	96.09%

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

Fiscal Year Ending September 30,	Plan Sponsor Measurement Date June 30,	County's Proportion of the HIS Net Pension Liability	County's Proportionate Share of the HIS Net Pension Liability	County's Covered Employee Payroll	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2015	2015	0.2232%	\$ 22,760,252	\$ 67,812,302	33.56%	0.50%
2014	2014	0.2186%	\$ 20,441,863	\$ 64,984,255	31.46%	0.99%

The County implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2015

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

Fiscal Year Ending September 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	County's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
2015	\$ 7,503,166	\$ 7,503,166	\$ -	\$ 57,717,461	13.00%
2014	\$ 6,760,058	\$ 6,760,058	\$ -	\$ 56,156,975	11.94%

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

Fiscal Year Ending September 30,	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	County's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
2015	\$ 918,200	\$ 918,200	\$ -	\$ 67,455,498	1.36%
2014	\$ 782,940	\$ 782,940	\$ -	\$ 66,229,010	1.18%

The County implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

Indian River County, Florida
Required Supplementary Information
For the Year Ended September 30, 2015

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%
9/30/2015	\$ 3,001,874	\$ 3,121,416	103.98%

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 16 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.
---------------------	---

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue		
	Court Facilities	Section 8 Rental Assistance	Special Law Enforcement
ASSETS			
Cash and cash equivalents	\$ 718,302	\$ 425,646	\$ 297,099
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	-	22,265	-
Interest receivable	207	-	83
Inventories	-	-	-
Prepaid items	-	1,206	-
Total Assets	<u>\$ 718,509</u>	<u>\$ 449,117</u>	<u>\$ 297,182</u>
LIABILITIES			
Accounts payable	\$ 15,016	\$ 6,924	\$ -
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to other governments	-	21,950	-
Unearned revenues	-	-	-
Total Liabilities	<u>15,016</u>	<u>28,874</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - state and federal grants	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	1,206	-
Restricted for:			
Court-related costs and improvements	703,493	-	-
Housing assistance	-	419,037	-
Law enforcement/public safety	-	-	297,182
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	-	-	-
Committed to:			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>703,493</u>	<u>420,243</u>	<u>297,182</u>
Total Liabilities and Fund Balances	<u>\$ 718,509</u>	<u>\$ 449,117</u>	<u>\$ 297,182</u>

Special Revenue

Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse	State Housing Initiatives Partnership
\$ 334,393	\$ 428,944	\$ 1,519,181	\$ 229,054	\$ 338,494
-	-	-	-	827
-	-	-	-	-
-	-	76,058	5,198	-
96	111	430	65	108
-	-	-	-	-
-	-	-	-	-
<u>\$ 334,489</u>	<u>\$ 429,055</u>	<u>\$ 1,595,669</u>	<u>\$ 234,317</u>	<u>\$ 339,429</u>
\$ -	\$ 46,919	\$ 16,512	\$ 5,198	\$ 17,070
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>46,919</u>	<u>16,512</u>	<u>5,198</u>	<u>17,070</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	322,359
-	-	1,579,157	229,119	-
-	382,136	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
334,489	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>334,489</u>	<u>382,136</u>	<u>1,579,157</u>	<u>229,119</u>	<u>322,359</u>
<u>\$ 334,489</u>	<u>\$ 429,055</u>	<u>\$ 1,595,669</u>	<u>\$ 234,317</u>	<u>\$ 339,429</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue		
	Metropolitan Planning Organization	Multi- Jurisdictional Law Enforcement	Native Uplands Land Acquisition
ASSETS			
Cash and cash equivalents	\$ 1,080	\$ 156,020	\$ 834,157
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	358,658	-	-
Interest receivable	-	-	239
Inventories	-	-	-
Prepaid items	7,200	-	-
Total Assets	<u>\$ 366,938</u>	<u>\$ 156,020</u>	<u>\$ 834,396</u>
LIABILITIES			
Accounts payable	\$ 85,815	\$ -	\$ -
Retainage payable	20,423	-	-
Due to other funds	352,000	-	-
Due to other governments	-	-	-
Unearned revenues	-	-	-
Total Liabilities	<u>458,238</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - state and federal grants	335,254	-	-
Total Deferred Inflows of Resources	<u>335,254</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Prepaid items	7,200	-	-
Restricted for:			
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	156,020	-
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	-	-	-
Committed to:			
Environmental conservation/preservation	-	-	834,396
Law Enforcement/public safety	-	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Unassigned	<u>(433,754)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(426,554)</u>	<u>156,020</u>	<u>834,396</u>
Total Liabilities and Fund Balances	<u>\$ 366,938</u>	<u>\$ 156,020</u>	<u>\$ 834,396</u>

Special Revenue				
Beach Restoration	CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program	Library Bequests	Disabled Access Program
\$ 8,421,567	\$ 43,211	\$ 1,194,537	\$ 10,738	\$ 65,265
-	-	-	-	-
-	-	-	-	-
1,778,051	-	20,652	-	-
2,423	13	340	3	19
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,202,041</u>	<u>\$ 43,224</u>	<u>\$ 1,215,529</u>	<u>\$ 10,741</u>	<u>\$ 65,284</u>
\$ 96,207	\$ -	\$ 39,757	\$ -	\$ -
26,427	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>122,634</u>	<u>-</u>	<u>39,757</u>	<u>-</u>	<u>-</u>
<u>1,778,051</u>	<u>-</u>	<u>20,652</u>	<u>-</u>	<u>-</u>
<u>1,778,051</u>	<u>-</u>	<u>20,652</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	43,224	-	-	-
-	-	-	-	65,284
-	-	-	-	-
8,301,356	-	-	-	-
-	-	1,155,120	-	-
-	-	-	10,741	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,301,356</u>	<u>43,224</u>	<u>1,155,120</u>	<u>10,741</u>	<u>65,284</u>
<u>\$ 10,202,041</u>	<u>\$ 43,224</u>	<u>\$ 1,215,529</u>	<u>\$ 10,741</u>	<u>\$ 65,284</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue		
	Federal/State Grants	Traffic Education Program	Land Acquisition
ASSETS			
Cash and cash equivalents	\$ 4,819	\$ 33,585	\$ 126,402
Accounts receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	43,229	-	12,750
Interest receivable	-	8	36
Inventories	-	-	-
Prepaid items	-	-	-
Total Assets	<u>\$ 48,048</u>	<u>\$ 33,593</u>	<u>\$ 139,188</u>
LIABILITIES			
Accounts payable	\$ 3,048	\$ -	\$ -
Retainage payable	-	-	-
Due to other funds	45,000	-	-
Due to other governments	-	-	-
Unearned revenues	-	-	-
Total Liabilities	<u>48,048</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - state and federal grants	-	-	12,750
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>12,750</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Restricted for:			
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	33,593	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	-	-
Land acquisition	-	-	126,438
Stormwater, street lighting, and other special assessments	-	-	-
Voting/election activities	-	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
Committed to:			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>-</u>	<u>33,593</u>	<u>126,438</u>
Total Liabilities and Fund Balances	<u>\$ 48,048</u>	<u>\$ 33,593</u>	<u>\$ 139,188</u>

Special Revenue

East Gifford Stormwater	Vero Lakes Estates	Dodgertown Reserve	Clerk Special Revenue	Sheriff Special Revenue
\$ 20,229	\$ 1,026,410	\$ 115,086	\$ 2,058,211	\$ 1,532,960
-	-	-	-	7,695
13	2,962	-	94,913	-
-	-	10,416	-	27,389
6	294	-	-	-
-	-	-	-	22,906
-	-	-	29,027	-
<u>\$ 20,248</u>	<u>\$ 1,029,666</u>	<u>\$ 125,502</u>	<u>\$ 2,182,151</u>	<u>\$ 1,590,950</u>
\$ -	\$ 143,203	\$ 22,992	\$ -	\$ 33,780
-	36,853	-	-	-
-	-	-	-	-
-	-	-	-	16,456
-	-	-	-	-
<u>-</u>	<u>180,056</u>	<u>22,992</u>	<u>-</u>	<u>50,236</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	22,906
-	-	-	29,027	-
-	-	-	2,153,124	-
-	-	-	-	-
-	-	-	-	1,079,432
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,248	849,610	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	102,510	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	335,506
-	-	-	-	102,870
-	-	-	-	-
<u>20,248</u>	<u>849,610</u>	<u>102,510</u>	<u>2,182,151</u>	<u>1,540,714</u>
<u>\$ 20,248</u>	<u>\$ 1,029,666</u>	<u>\$ 125,502</u>	<u>\$ 2,182,151</u>	<u>\$ 1,590,950</u>

Continued

Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue		
	Supervisor of Elections Special Revenue	Street Lighting Districts	CDBG NSP3 Grant
ASSETS			
Cash and cash equivalents	\$ 27,049	\$ 478,354	\$ 2,275
Accounts receivable	-	-	-
Due from other funds	-	2,565	-
Due from other governments	-	-	-
Interest receivable	-	139	-
Inventories	-	-	-
Prepaid items	-	-	-
Total Assets	<u>\$ 27,049</u>	<u>\$ 481,058</u>	<u>\$ 2,275</u>
LIABILITIES			
Accounts payable	\$ -	\$ 9,609	\$ -
Retainage payable	-	-	-
Due to other funds	-	-	8,000
Due to other governments	-	-	-
Unearned revenues	23,521	-	-
Total Liabilities	<u>23,521</u>	<u>9,609</u>	<u>8,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - state and federal grants	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Restricted for:			
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	-	471,449	-
Voting/election activities	3,528	-	-
Debt service	-	-	-
Dodgertown repairs/improvements	-	-	-
Committed to:			
Environmental conservation/preservation	-	-	-
Law Enforcement/public safety	-	-	-
Assigned to:			
Law enforcement/public safety	-	-	-
Unassigned	-	-	(5,725)
Total Fund Balances	<u>3,528</u>	<u>471,449</u>	<u>(5,725)</u>
Total Liabilities and Fund Balances	<u>\$ 27,049</u>	<u>\$ 481,058</u>	<u>\$ 2,275</u>

Debt Service		Total Nonmajor Governmental Funds
Spring Training Facility Bonds	Land Acquisition Bonds	
\$ 1,946,291	\$ 907,731	\$ 23,297,090
-	-	8,522
-	59,608	160,061
-	-	2,354,666
563	260	5,443
-	-	22,906
-	-	37,433
<u>\$ 1,946,854</u>	<u>\$ 967,599</u>	<u>\$ 25,886,121</u>
\$ -	\$ -	\$ 542,050
-	-	83,703
-	-	405,000
-	-	38,406
-	-	23,521
<u>-</u>	<u>-</u>	<u>1,092,680</u>
-	-	2,146,707
<u>-</u>	<u>-</u>	<u>2,146,707</u>
-	-	22,906
-	-	37,433
-	-	2,856,617
-	-	784,620
-	-	3,439,787
-	-	382,136
-	-	8,301,356
-	-	1,155,120
-	-	10,741
-	-	126,438
-	-	1,341,307
-	-	3,528
1,946,854	967,599	2,914,453
-	-	102,510
-	-	1,168,885
-	-	335,506
-	-	102,870
-	-	(439,479)
<u>1,946,854</u>	<u>967,599</u>	<u>22,646,734</u>
<u>\$ 1,946,854</u>	<u>\$ 967,599</u>	<u>\$ 25,886,121</u>

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Special Revenue		
	Court Facilities	Section 8 Rental Assistance	Special Law Enforcement
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	-	2,197,888	-
Charges for services	546,630	117,192	40,819
Judgments, fines and forfeits	-	-	23,253
Interest	3,712	634	1,245
Miscellaneous	-	2,600	-
Total revenues	<u>550,342</u>	<u>2,318,314</u>	<u>65,317</u>
EXPENDITURES			
General government	329,512	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	2,238,163	-
Culture/recreation	-	-	-
Court related	597,029	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>926,541</u>	<u>2,238,163</u>	<u>-</u>
Excess of revenues over (under) expenditures	(376,199)	80,151	65,317
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Issuance of refunding notes	-	-	-
Transfers out	-	-	(73,863)
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(73,863)</u>
Net changes in fund balances	(376,199)	80,151	(8,546)
Fund balances at beginning of year	<u>1,079,692</u>	<u>340,092</u>	<u>305,728</u>
Fund balances at end of year	<u>\$ 703,493</u>	<u>\$ 420,243</u>	<u>\$ 297,182</u>

Special Revenue

Tree Ordinance Fines	Tourist Development	911 Surcharge	Drug Abuse	State Housing Initiatives Partnership
\$ -	\$ 850,163	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	710,278	62,616	291,743
-	-	-	-	160,087
41,700	-	-	7,331	-
1,407	1,525	6,341	987	2,051
-	-	-	-	42,000
43,107	851,688	716,619	70,934	495,881
-	-	-	-	-
-	-	355,659	57,250	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	5,366	887,433
9,635	802,784	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,635	802,784	355,659	62,616	887,433
33,472	48,904	360,960	8,318	(391,552)
-	-	-	-	-
-	-	-	-	-
-	-	(206,062)	-	-
-	-	-	-	-
-	-	(206,062)	-	-
33,472	48,904	154,898	8,318	(391,552)
301,017	333,232	1,424,259	220,801	713,911
<u>\$ 334,489</u>	<u>\$ 382,136</u>	<u>\$ 1,579,157</u>	<u>\$ 229,119</u>	<u>\$ 322,359</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, 2015

	Special Revenue		
	Metropolitan Planning Organization	Multi- Jurisdictional Law Enforcement	Native Uplands Land Acquisition
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	589,677	-	-
Charges for services	25	-	-
Judgments, fines and forfeits	-	58,798	-
Interest	-	583	3,678
Miscellaneous	-	-	-
Total revenues	<u>589,702</u>	<u>59,381</u>	<u>3,678</u>
EXPENDITURES			
General government	861,238	-	-
Public safety	-	-	-
Physical environment	-	-	1,000
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>861,238</u>	<u>-</u>	<u>1,000</u>
Excess of revenues over (under) expenditures	(271,536)	59,381	2,678
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Issuance of refunding notes	-	-	-
Transfers out	-	(22,393)	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(22,393)</u>	<u>-</u>
Net changes in fund balances	(271,536)	36,988	2,678
Fund balances at beginning of year	<u>(155,018)</u>	<u>119,032</u>	<u>831,718</u>
Fund balances at end of year	<u><u>\$ (426,554)</u></u>	<u><u>\$ 156,020</u></u>	<u><u>\$ 834,396</u></u>

Special Revenue				
Beach Restoration	CDBG Neighborhood Stabilization Program	Florida Boating Improvement Program	Library Bequests	Disabled Access Program
\$ 850,163	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
5,471,323	-	70,656	-	-
-	-	-	-	-
-	-	-	-	1,910
22,097	155	5,180	62	284
1,650	45,994	-	-	-
6,345,233	46,149	75,836	62	2,194
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	4,646	-	-	-
-	-	-	-	-
4,198,907	-	75,147	34,037	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,198,907	4,646	75,147	34,037	-
2,146,326	41,503	689	(33,975)	2,194
118,235	-	-	-	-
-	-	-	-	-
-	-	(57,075)	-	-
-	-	-	-	-
118,235	-	(57,075)	-	-
2,264,561	41,503	(56,386)	(33,975)	2,194
6,036,795	1,721	1,211,506	44,716	63,090
\$ 8,301,356	\$ 43,224	\$ 1,155,120	\$ 10,741	\$ 65,284

Continued

Indian River County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Special Revenue		
	Federal/State Grants	Traffic Education Program	Land Acquisition
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	852,879	-	-
Charges for services	-	-	-
Judgments, fines and forfeits	-	31,987	-
Interest	-	60	742
Miscellaneous	-	-	40,294
Total revenues	<u>852,879</u>	<u>32,047</u>	<u>41,036</u>
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	75,453
Transportation	-	6,230	-
Economic environment	-	-	-
Human services	852,879	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	<u>852,879</u>	<u>6,230</u>	<u>75,453</u>
Excess of revenues over (under) expenditures	-	25,817	(34,417)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Issuance of refunding notes	-	-	-
Transfers out	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	25,817	(34,417)
Fund balances at beginning of year	<u>-</u>	<u>7,776</u>	<u>160,855</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 33,593</u></u>	<u><u>\$ 126,438</u></u>

Special Revenue

East Gifford Stormwater	Vero Lakes Estates	Dodgertown Reserve	Clerk Special Revenue	Sheriff Special Revenue
\$ 143	\$ 1,168	\$ -	\$ -	\$ -
961	245,633	-	-	-
-	-	125,000	-	166,991
-	-	-	415,427	154,171
-	-	-	183,726	82,825
88	5,773	-	4,775	-
-	-	-	-	291,026
<u>1,192</u>	<u>252,574</u>	<u>125,000</u>	<u>603,928</u>	<u>695,013</u>
-	-	-	461,278	-
-	-	-	-	1,595,636
-	-	-	-	-
-	767,487	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	447,505	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	<u>767,487</u>	<u>447,505</u>	<u>461,278</u>	<u>1,595,636</u>
1,192	(514,913)	(322,505)	142,650	(900,623)
-	-	128,249	-	793,270
-	-	-	-	-
(54)	(4,280)	-	-	-
-	-	-	-	-
<u>(54)</u>	<u>(4,280)</u>	<u>128,249</u>	<u>-</u>	<u>793,270</u>
1,138	(519,193)	(194,256)	142,650	(107,353)
<u>19,110</u>	<u>1,368,803</u>	<u>296,766</u>	<u>2,039,501</u>	<u>1,648,067</u>
<u>\$ 20,248</u>	<u>\$ 849,610</u>	<u>\$ 102,510</u>	<u>\$ 2,182,151</u>	<u>\$ 1,540,714</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, 2015

	Special Revenue		
	Supervisor of Elections Special Revenue	Street Lighting Districts	CDBG NSP3 Grant
REVENUES			
Taxes	\$ -	\$ 2,817	\$ -
Permits, fees and special assessments	-	210,868	-
Intergovernmental	16,158	-	-
Charges for services	-	-	-
Judgments, fines and forfeits	-	-	-
Interest	-	2,306	-
Miscellaneous	-	2,440	38,528
Total revenues	16,158	218,431	38,528
EXPENDITURES			
General government	18,510	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	205,044	-
Economic environment	-	-	4,884
Human services	-	-	-
Culture/recreation	-	-	-
Court related	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Total expenditures	18,510	205,044	4,884
Excess of revenues over (under) expenditures	(2,352)	13,387	33,644
OTHER FINANCING SOURCES (USES)			
Transfers in	3,528	-	-
Issuance of refunding notes	-	-	-
Transfers out	-	(5,915)	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	3,528	(5,915)	-
Net changes in fund balances	1,176	7,472	33,644
Fund balances at beginning of year	2,352	463,977	(39,369)
Fund balances at end of year	\$ 3,528	\$ 471,449	\$ (5,725)

Debt Service		
Spring Training Facility Bonds	Land Acquisition Bonds	Total Nonmajor Governmental Funds
\$ 566,775	\$ 4,795,927	\$ 7,067,156
-	-	457,462
500,004	-	11,055,213
-	-	1,434,351
-	-	431,530
8,642	12,169	84,496
-	-	464,532
<u>1,075,421</u>	<u>4,808,096</u>	<u>20,994,740</u>
-	-	1,670,538
-	-	2,008,545
-	-	76,453
-	-	978,761
-	-	9,530
-	-	3,983,841
-	-	5,568,015
-	-	597,029
470,000	3,710,000	4,180,000
382,375	883,695	1,266,070
<u>852,375</u>	<u>4,593,695</u>	<u>20,338,782</u>
223,046	214,401	655,958
-	-	1,043,282
-	20,369,000	20,369,000
-	(107,307)	(476,949)
-	(20,340,959)	(20,340,959)
-	(79,266)	594,374
223,046	135,135	1,250,332
<u>1,723,808</u>	<u>832,464</u>	<u>21,396,402</u>
<u>\$ 1,946,854</u>	<u>\$ 967,599</u>	<u>\$ 22,646,734</u>

Indian River County, Florida
Budgetary Comparison Schedule
Court Facilities
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 469,500	\$ 546,630	\$ 77,130
Interest	2,000	3,712	1,712
Total revenues	<u>471,500</u>	<u>550,342</u>	<u>78,842</u>
EXPENDITURES			
General government	552,699	329,512	223,187
Court related	674,899	597,029	77,870
Total expenditures	<u>1,227,598</u>	<u>926,541</u>	<u>301,057</u>
Net change in fund balances	(756,098)	(376,199)	379,899
Fund balances at beginning of year	<u>756,098</u>	<u>1,079,692</u>	<u>323,594</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 703,493</u></u>	<u><u>\$ 703,493</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Section 8 Rental Assistance
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 2,244,160	\$ 2,197,888	\$ (46,272)
Charges for services	-	117,192	117,192
Interest	-	634	634
Miscellaneous	617	2,600	1,983
Total revenues	<u>2,244,777</u>	<u>2,318,314</u>	<u>73,537</u>
EXPENDITURES			
Human services	<u>2,281,506</u>	<u>2,238,163</u>	<u>43,343</u>
Total expenditures	<u>2,281,506</u>	<u>2,238,163</u>	<u>43,343</u>
Net change in fund balances	(36,729)	80,151	116,880
Fund balances at beginning of year	<u>36,729</u>	<u>340,092</u>	<u>303,363</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 420,243</u></u>	<u><u>\$ 420,243</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Special Law Enforcement
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 40,819	\$ 40,819
Judgments, fines and forfeits	-	23,253	23,253
Interest	-	1,245	1,245
Total revenues	<u>-</u>	<u>65,317</u>	<u>65,317</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(73,864)	(73,863)	1
Total other financing sources (uses)	<u>(73,864)</u>	<u>(73,863)</u>	<u>1</u>
Net change in fund balances	(73,864)	(8,546)	65,318
Fund balances at beginning of year	<u>73,864</u>	<u>305,728</u>	<u>231,864</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 297,182</u></u>	<u><u>\$ 297,182</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Tree Ordinance Fines
For the Year Ended September 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Judgments, fines and forfeits	\$ -	\$ 41,700	\$ 41,700
Interest	-	1,407	1,407
Total revenues	<u>-</u>	<u>43,107</u>	<u>43,107</u>
EXPENDITURES			
Culture/recreation	<u>50,000</u>	<u>9,635</u>	<u>40,365</u>
Total expenditures	<u>50,000</u>	<u>9,635</u>	<u>40,365</u>
Net change in fund balances	(50,000)	33,472	83,472
Fund balances at beginning of year	<u>50,000</u>	<u>301,017</u>	<u>251,017</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 334,489</u></u>	<u><u>\$ 334,489</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Tourist Development
For the Year Ended September 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 694,750	\$ 850,163	\$ 155,413
Interest	1,900	1,525	(375)
Total revenues	<u>696,650</u>	<u>851,688</u>	<u>155,038</u>
EXPENDITURES			
Culture/recreation	<u>810,881</u>	<u>802,784</u>	<u>8,097</u>
Total expenditures	<u>810,881</u>	<u>802,784</u>	<u>8,097</u>
Net change in fund balances	(114,231)	48,904	163,135
Fund balances at beginning of year	<u>114,231</u>	<u>333,232</u>	<u>219,001</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 382,136</u></u>	<u><u>\$ 382,136</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
911 Surcharge
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 741,000	\$ 710,278	\$ (30,722)
Interest	-	6,341	6,341
Miscellaneous	293	-	(293)
Total revenues	<u>741,293</u>	<u>716,619</u>	<u>(24,674)</u>
EXPENDITURES			
Public safety	617,209	355,659	261,550
Total expenditures	<u>617,209</u>	<u>355,659</u>	<u>261,550</u>
Excess of revenues over (under) expenditures	124,084	360,960	236,876
OTHER FINANCING SOURCES (USES)			
Transfers out	(206,062)	(206,062)	-
Total other financing sources (uses)	<u>(206,062)</u>	<u>(206,062)</u>	<u>-</u>
Net change in fund balances	(81,978)	154,898	236,876
Fund balances at beginning of year	<u>81,978</u>	<u>1,424,259</u>	<u>1,342,281</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,579,157</u></u>	<u><u>\$ 1,579,157</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Drug Abuse
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 62,616	\$ 62,616	\$ -
Judgments, fines and forfeits	-	7,331	7,331
Interest	-	987	987
Total revenues	<u>62,616</u>	<u>70,934</u>	<u>8,318</u>
EXPENDITURES			
Public safety	57,250	57,250	-
Human services	5,366	5,366	-
Total expenditures	<u>62,616</u>	<u>62,616</u>	<u>-</u>
Net change in fund balances	-	8,318	8,318
Fund balances at beginning of year	<u>-</u>	<u>220,801</u>	<u>220,801</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 229,119</u></u>	<u><u>\$ 229,119</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
State Housing Initiatives Partnership
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 660,086	\$ 291,743	\$ (368,343)
Charges for services	150,000	160,087	10,087
Interest	-	2,051	2,051
Miscellaneous	154	42,000	41,846
Total revenues	<u>810,240</u>	<u>495,881</u>	<u>(314,359)</u>
EXPENDITURES			
Human services	1,260,240	887,433	372,807
Total expenditures	<u>1,260,240</u>	<u>887,433</u>	<u>372,807</u>
Net change in fund balances	(450,000)	(391,552)	58,448
Fund balances at beginning of year	<u>450,000</u>	<u>713,911</u>	<u>263,911</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 322,359</u></u>	<u><u>\$ 322,359</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Metropolitan Planning Organization
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 1,890,256	\$ 589,677	\$ (1,300,579)
Charges for services	-	25	25
Miscellaneous	617	-	(617)
Total revenues	<u>1,890,873</u>	<u>589,702</u>	<u>(1,301,171)</u>
EXPENDITURES			
General government	2,095,564	861,238	1,234,326
Total expenditures	<u>2,095,564</u>	<u>861,238</u>	<u>1,234,326</u>
Net change in fund balances	(204,691)	(271,536)	(66,845)
Fund balances at beginning of year	<u>204,691</u>	<u>(155,018)</u>	<u>(359,709)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ (426,554)</u></u>	<u><u>\$ (426,554)</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Multi-Jurisdictional Law Enforcement
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ 12,037	\$ 58,798	\$ 46,761
Interest	-	583	583
Total revenues	<u>12,037</u>	<u>59,381</u>	<u>47,344</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(22,396)</u>	<u>(22,393)</u>	<u>3</u>
Total other financing sources (uses)	<u>(22,396)</u>	<u>(22,393)</u>	<u>3</u>
Net change in fund balances	(10,359)	36,988	47,347
Fund balances at beginning of year	<u>10,359</u>	<u>119,032</u>	<u>108,673</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 156,020</u></u>	<u><u>\$ 156,020</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Native Uplands Land Acquisition
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 3,678	\$ 3,678
Total revenues	-	3,678	3,678
EXPENDITURES			
Physical environment	55,000	1,000	54,000
Total expenditures	55,000	1,000	54,000
Net change in fund balances	(55,000)	2,678	57,678
Fund balances at beginning of year	55,000	831,718	776,718
Fund balances at end of year	\$ -	\$ 834,396	\$ 834,396

Indian River County, Florida
Budgetary Comparison Schedule
Beach Restoration
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 694,750	\$ 850,163	\$ 155,413
Intergovernmental	2,490,010	5,471,323	2,981,313
Interest	9,500	22,097	12,597
Miscellaneous	293	1,650	1,357
Total revenues	<u>3,194,553</u>	<u>6,345,233</u>	<u>3,150,680</u>
EXPENDITURES			
Culture/recreation	6,426,256	4,198,907	2,227,349
Total expenditures	<u>6,426,256</u>	<u>4,198,907</u>	<u>2,227,349</u>
Excess of revenues over (under) expenditures	(3,231,703)	2,146,326	5,378,029
OTHER FINANCING SOURCES (USES)			
Transfers in	118,235	118,235	-
Total other financing sources (uses)	<u>118,235</u>	<u>118,235</u>	<u>-</u>
Net change in fund balances	(3,113,468)	2,264,561	5,378,029
Fund balances at beginning of year	<u>3,113,468</u>	<u>6,036,795</u>	<u>2,923,327</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 8,301,356</u>	<u>\$ 8,301,356</u>

Indian River County, Florida
Budgetary Comparison Schedule
CDBG Neighborhood Stabilization Program
For the Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	\$ -	\$ 155	\$ 155
Miscellaneous	-	45,994	45,994
Total revenues	<u>-</u>	<u>46,149</u>	<u>46,149</u>
EXPENDITURES			
Economic environment	<u>4,721</u>	<u>4,646</u>	<u>75</u>
Total expenditures	<u>4,721</u>	<u>4,646</u>	<u>75</u>
Net change in fund balances	(4,721)	41,503	46,224
Fund balances at beginning of year	<u>4,721</u>	<u>1,721</u>	<u>(3,000)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 43,224</u></u>	<u><u>\$ 43,224</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Florida Boating Improvement Program
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 35,000	\$ 70,656	\$ 35,656
Interest	-	5,180	5,180
Total revenues	<u>35,000</u>	<u>75,836</u>	<u>40,836</u>
EXPENDITURES			
Culture/recreation	514,300	75,147	439,153
Total expenditures	<u>514,300</u>	<u>75,147</u>	<u>439,153</u>
Excess of revenues over (under) expenditures	(479,300)	689	479,989
OTHER FINANCING SOURCES (USES)			
Transfers out	(57,076)	(57,075)	1
Total other financing sources (uses)	<u>(57,076)</u>	<u>(57,075)</u>	<u>1</u>
Net change in fund balances	(536,376)	(56,386)	479,990
Fund balances at beginning of year	536,376	1,211,506	675,130
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,155,120</u>	<u>\$ 1,155,120</u>

**Indian River County, Florida
Budgetary Comparison Schedule
Library Bequests
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 62	\$ 62
Total revenues	<u>-</u>	<u>62</u>	<u>62</u>
EXPENDITURES			
Culture/recreation	<u>44,830</u>	<u>34,037</u>	<u>10,793</u>
Total expenditures	<u>44,830</u>	<u>34,037</u>	<u>10,793</u>
Net change in fund balances	(44,830)	(33,975)	10,855
Fund balances at beginning of year	<u>44,830</u>	<u>44,716</u>	<u>(114)</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 10,741</u></u>	<u><u>\$ 10,741</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Disabled Access Program
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ -	\$ 1,910	\$ 1,910
Interest	-	284	284
Total revenues	-	2,194	2,194
EXPENDITURES			
Human services	20,000	-	20,000
Total expenditures	20,000	-	20,000
Net change in fund balances	(20,000)	2,194	22,194
Fund balances at beginning of year	20,000	63,090	43,090
Fund balances at end of year	\$ -	\$ 65,284	\$ 65,284

**Indian River County, Florida
Budgetary Comparison Schedule
Federal/State Grants
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 894,890	\$ 852,879	\$ (42,011)
Total revenues	<u>894,890</u>	<u>852,879</u>	<u>(42,011)</u>
EXPENDITURES			
Human services	<u>894,890</u>	<u>852,879</u>	<u>42,011</u>
Total expenditures	<u>894,890</u>	<u>852,879</u>	<u>42,011</u>
Net change in fund balances	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Traffic Education Program
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Judgments, fines and forfeits	\$ -	\$ 31,987	\$ 31,987
Interest	-	60	60
Total revenues	-	32,047	32,047
EXPENDITURES			
Transportation	7,776	6,230	1,546
Total expenditures	7,776	6,230	1,546
Net change in fund balances	(7,776)	25,817	33,593
Fund balances at beginning of year	7,776	7,776	-
Fund balances at end of year	\$ -	\$ 33,593	\$ 33,593

Indian River County, Florida
Budgetary Comparison Schedule
Land Acquisition
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 15,000	\$ -	\$ (15,000)
Interest	-	742	742
Miscellaneous	-	40,294	40,294
Total revenues	<u>15,000</u>	<u>41,036</u>	<u>26,036</u>
EXPENDITURES			
Physical environment	<u>131,937</u>	<u>75,453</u>	<u>56,484</u>
Total expenditures	<u>131,937</u>	<u>75,453</u>	<u>56,484</u>
Net change in fund balances	(116,937)	(34,417)	82,520
Fund balances at beginning of year	<u>116,937</u>	<u>160,855</u>	<u>43,918</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 126,438</u></u>	<u><u>\$ 126,438</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
East Gifford Stormwater
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 143	\$ 143
Permits, fees and special assessments	940	961	21
Interest	-	88	88
Total revenues	<u>940</u>	<u>1,192</u>	<u>252</u>
EXPENDITURES			
Transportation	<u>19,883</u>	-	<u>19,883</u>
Total expenditures	<u>19,883</u>	<u>-</u>	<u>19,883</u>
Excess of revenues over (under) expenditures	(18,943)	1,192	20,135
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(60)</u>	<u>(54)</u>	<u>6</u>
Total other financing sources (uses)	<u>(60)</u>	<u>(54)</u>	<u>6</u>
Net change in fund balances	(19,003)	1,138	20,141
Fund balances at beginning of year	<u>19,003</u>	<u>19,110</u>	<u>107</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 20,248</u></u>	<u><u>\$ 20,248</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Vero Lakes Estates
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 1,168	\$ 1,168
Permits, fees and special assessments	241,300	245,633	4,333
Interest	2,850	5,773	2,923
Total revenues	<u>244,150</u>	<u>252,574</u>	<u>8,424</u>
EXPENDITURES			
Transportation	1,584,735	767,487	817,248
Total expenditures	<u>1,584,735</u>	<u>767,487</u>	<u>817,248</u>
Excess of revenues over (under) expenditures	(1,340,585)	(514,913)	825,672
OTHER FINANCING SOURCES (USES)			
Transfers out	(4,642)	(4,280)	362
Total other financing sources (uses)	<u>(4,642)</u>	<u>(4,280)</u>	<u>362</u>
Net change in fund balances	(1,345,227)	(519,193)	826,034
Fund balances at beginning of year	<u>1,345,227</u>	<u>1,368,803</u>	<u>23,576</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 849,610</u>	<u>\$ 849,610</u>

Indian River County, Florida
Budgetary Comparison Schedule
Dodgertown Reserve
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 125,000	\$ 125,000	\$ -
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>-</u>
EXPENDITURES			
Culture/recreation	<u>447,912</u>	<u>447,505</u>	<u>407</u>
Total expenditures	<u>447,912</u>	<u>447,505</u>	<u>407</u>
Excess of revenues over (under) expenditures	(322,912)	(322,505)	407
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>130,958</u>	<u>128,249</u>	<u>(2,709)</u>
Total other financing sources (uses)	<u>130,958</u>	<u>128,249</u>	<u>(2,709)</u>
Net change in fund balances	(191,954)	(194,256)	(2,302)
Fund balances at beginning of year	<u>191,954</u>	<u>296,766</u>	<u>104,812</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 102,510</u>	<u>\$ 102,510</u>

**Indian River County, Florida
Budgetary Comparison Schedule
Clerk Special Revenue
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 512,818	\$ 415,427	\$ (97,391)
Judgments, fines and forfeits	175,000	183,726	8,726
Interest	800	4,775	3,975
Total revenues	<u>688,618</u>	<u>603,928</u>	<u>(84,690)</u>
EXPENDITURES			
General government	688,618	461,278	227,340
Total expenditures	<u>688,618</u>	<u>461,278</u>	<u>227,340</u>
Net change in fund balances	-	142,650	142,650
Fund balances at beginning of year	<u>-</u>	<u>2,039,501</u>	<u>2,039,501</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,182,151</u></u>	<u><u>\$ 2,182,151</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Sheriff Special Revenue
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 166,991	\$ 166,991	\$ -
Charges for services	150,000	154,171	4,171
Judgments, fines and forfeits	80,000	82,825	2,825
Miscellaneous	219,625	291,026	71,401
Total revenues	<u>616,616</u>	<u>695,013</u>	<u>78,397</u>
EXPENDITURES			
Public safety	1,620,000	1,595,636	24,364
Total expenditures	<u>1,620,000</u>	<u>1,595,636</u>	<u>24,364</u>
Excess of revenues over (under) expenditures	(1,003,384)	(900,623)	102,761
OTHER FINANCING SOURCES (USES)			
Transfers in	1,003,384	793,270	(210,114)
Total other financing sources (uses)	<u>1,003,384</u>	<u>793,270</u>	<u>(210,114)</u>
Net change in fund balances	-	(107,353)	(107,353)
Fund balances at beginning of year	<u>-</u>	<u>1,648,067</u>	<u>1,648,067</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,540,714</u>	<u>\$ 1,540,714</u>

Indian River County, Florida
Budgetary Comparison Schedule
Supervisor of Elections Special Revenue
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 14,982	\$ 16,158	\$ 1,176
Total revenues	<u>14,982</u>	<u>16,158</u>	<u>1,176</u>
EXPENDITURES			
General government	<u>18,510</u>	<u>18,510</u>	<u>-</u>
Total expenditures	<u>18,510</u>	<u>18,510</u>	<u>-</u>
Excess of revenues over (under) expenditures	(3,528)	(2,352)	1,176
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>3,528</u>	<u>3,528</u>	<u>-</u>
Total other financing sources (uses)	<u>3,528</u>	<u>3,528</u>	<u>-</u>
Net change in fund balances	-	1,176	1,176
Fund balances at beginning of year	<u>-</u>	<u>2,352</u>	<u>2,352</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 3,528</u></u>	<u><u>\$ 3,528</u></u>

**Indian River County, Florida
Budgetary Comparison Schedule
Street Lighting Districts
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 2,817	\$ 2,817
Permits, fees and special assessments	207,783	210,868	3,085
Interest	1,025	2,306	1,281
Miscellaneous	2,318	2,440	122
Total revenues	<u>211,126</u>	<u>218,431</u>	<u>7,305</u>
EXPENDITURES			
Transportation	233,716	205,044	28,672
Total expenditures	<u>233,716</u>	<u>205,044</u>	<u>28,672</u>
Excess of revenues over (under) expenditures	(22,590)	13,387	35,977
OTHER FINANCING SOURCES (USES)			
Transfers out	(6,668)	(5,915)	753
Total other financing sources (uses)	<u>(6,668)</u>	<u>(5,915)</u>	<u>753</u>
Net change in fund balances	(29,258)	7,472	36,730
Fund balances at beginning of year	<u>29,258</u>	<u>463,977</u>	<u>434,719</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 471,449</u>	<u>\$ 471,449</u>

**Indian River County, Florida
Budgetary Comparison Schedule
CDBG NSP3 Grant
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Miscellaneous	\$ -	\$ 38,528	\$ 38,528
Total revenues	-	38,528	38,528
EXPENDITURES			
Economic environment	26,780	4,884	21,896
Total expenditures	26,780	4,884	21,896
Net change in fund balances	(26,780)	33,644	60,424
Fund balances at beginning of year	26,780	(39,369)	(66,149)
Fund balances at end of year	\$ -	\$ (5,725)	\$ (5,725)

**Indian River County, Florida
Budgetary Comparison Schedule
Spring Training Facility Bonds
For the Year Ended September 30, 2015**

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 446,500	\$ 566,775	\$ 120,275
Intergovernmental	475,000	500,004	25,004
Interest	1,900	8,642	6,742
Total revenues	<u>923,400</u>	<u>1,075,421</u>	<u>152,021</u>
EXPENDITURES			
Debt service:			
Principal	470,000	470,000	-
Interest and other fiscal charges	453,400	382,375	71,025
Total expenditures	<u>923,400</u>	<u>852,375</u>	<u>71,025</u>
Net change in fund balances	-	223,046	223,046
Fund balances at beginning of year	<u>-</u>	<u>1,723,808</u>	<u>1,723,808</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,946,854</u></u>	<u><u>\$ 1,946,854</u></u>

Indian River County, Florida
Budgetary Comparison Schedule
Land Acquisition Bonds
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 4,717,757	\$ 4,795,927	\$ 78,170
Interest	7,555	12,169	4,614
Total revenues	<u>4,725,312</u>	<u>4,808,096</u>	<u>82,784</u>
EXPENDITURES			
Debt service:			
Principal	3,710,000	3,710,000	-
Interest and other fiscal charges	957,339	883,695	73,644
Total expenditures	<u>4,667,339</u>	<u>4,593,695</u>	<u>73,644</u>
Excess of revenues over (under) expenditures	57,973	214,401	156,428
OTHER FINANCING SOURCES (USES)			
Issuance of refunding notes	20,369,000	20,369,000	-
Transfers out	(120,816)	(107,307)	13,509
Payment to refunded bond escrow agent	(20,315,119)	(20,340,959)	(25,840)
Total other financing sources (uses)	<u>(66,935)</u>	<u>(79,266)</u>	<u>(12,331)</u>
Net change in fund balances	(8,962)	135,135	144,097
Fund balances at beginning of year	<u>8,962</u>	<u>832,464</u>	<u>823,502</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 967,599</u>	<u>\$ 967,599</u>

Indian River County, Florida
Budgetary Comparison Schedule
Optional Sales Tax Capital Projects Fund
For the Year Ended September 30, 2015

	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES			
Taxes	\$ 13,000,000	\$ 16,190,352	\$ 3,190,352
Permits, fees and special assessments	-	80,542	80,542
Intergovernmental	4,287,789	317,741	(3,970,048)
Interest	76,000	267,178	191,178
Miscellaneous	2,158,306	8,460	(2,149,846)
Total revenues	<u>19,522,095</u>	<u>16,864,273</u>	<u>(2,657,822)</u>
EXPENDITURES			
Capital projects	<u>40,262,570</u>	<u>5,309,597</u>	<u>34,952,973</u>
Total expenditures	<u>40,262,570</u>	<u>5,309,597</u>	<u>34,952,973</u>
Excess of revenues over (under) expenditures	(20,740,475)	11,554,676	32,295,151
OTHER FINANCING USES			
Transfers out	<u>(1,706,177)</u>	<u>(1,453,500)</u>	<u>252,677</u>
Total other financing uses	<u>(1,706,177)</u>	<u>(1,453,500)</u>	<u>252,677</u>
Net change in fund balances	(22,446,652)	10,101,176	32,547,828
Fund balances at beginning of year	<u>22,446,652</u>	<u>54,005,737</u>	<u>31,559,085</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 64,106,913</u>	<u>\$ 64,106,913</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, 2015

	Fleet Management	Self Insurance	Information Technology	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 203,608	\$ 28,913,882	\$ 1,398,581	\$ 30,516,071
Accounts receivable - net	80,944	218,462	-	299,406
Due from other governments	35,699	-	-	35,699
Interest receivable	139	18,700	972	19,811
Inventories	148,318	-	-	148,318
Prepaid items	-	955,650	33,134	988,784
Total current assets	<u>468,708</u>	<u>30,106,694</u>	<u>1,432,687</u>	<u>32,008,089</u>
Non-current assets:				
Capital assets - depreciable	268,393	19,060	2,256,215	2,543,668
Capital assets - accumulated depreciation	(258,339)	(18,554)	(1,851,638)	(2,128,531)
Total non-current assets	<u>10,054</u>	<u>506</u>	<u>404,577</u>	<u>415,137</u>
Total assets	<u>478,762</u>	<u>30,107,200</u>	<u>1,837,264</u>	<u>32,423,226</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>28,107</u>	<u>14,364</u>	<u>52,155</u>	<u>94,626</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	55,785	93,728	32,813	182,326
Claims payable	-	3,289,891	-	3,289,891
Accrued compensated absences	26,577	10,586	35,151	72,314
Net pension liability	9,111	4,656	16,906	30,673
Total current liabilities (payable from current assets)	<u>91,473</u>	<u>3,398,861</u>	<u>84,870</u>	<u>3,575,204</u>
Non-current liabilities:				
Accrued compensated absences	20,603	9,452	12,662	42,717
Claims payable	-	4,887,629	-	4,887,629
Net pension liability	149,728	76,508	277,825	504,061
Total non-current liabilities	<u>170,331</u>	<u>4,973,589</u>	<u>290,487</u>	<u>5,434,407</u>
Total liabilities	<u>261,804</u>	<u>8,372,450</u>	<u>375,357</u>	<u>9,009,611</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>34,854</u>	<u>17,808</u>	<u>64,672</u>	<u>117,334</u>
NET POSITION				
Net investment in capital assets	10,054	506	404,577	415,137
Unrestricted	200,157	21,730,800	1,044,813	22,975,770
Total net position	<u>\$ 210,211</u>	<u>\$ 21,731,306</u>	<u>\$ 1,449,390</u>	<u>\$ 23,390,907</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, 2015

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 2,885,762	\$ 18,399,243	\$ 840,798	\$ 22,125,803
Total revenues	<u>2,885,762</u>	<u>18,399,243</u>	<u>840,798</u>	<u>22,125,803</u>
OPERATING EXPENSES				
Personal services	364,318	1,367,670	755,918	2,487,906
Material, supplies, services and other operating	2,415,669	19,105,633	299,089	21,820,391
Depreciation	12,347	217	112,634	125,198
Total operating expenses	<u>2,792,334</u>	<u>20,473,520</u>	<u>1,167,641</u>	<u>24,433,495</u>
Operating income (loss)	93,428	(2,074,277)	(326,843)	(2,307,692)
NONOPERATING REVENUES (EXPENSES)				
Interest income	860	127,416	6,985	135,261
Total nonoperating revenues (expenses)	<u>860</u>	<u>127,416</u>	<u>6,985</u>	<u>135,261</u>
Income (loss) before transfers	94,288	(1,946,861)	(319,858)	(2,172,431)
Transfers in (out)	<u>75,000</u>	<u>37,516</u>	<u>-</u>	<u>112,516</u>
Change in net position	169,288	(1,909,345)	(319,858)	(2,059,915)
Total net position - beginning, as restated	<u>40,923</u>	<u>23,640,651</u>	<u>1,769,248</u>	<u>25,450,822</u>
Total net position - ending	<u>\$ 210,211</u>	<u>\$ 21,731,306</u>	<u>\$ 1,449,390</u>	<u>\$ 23,390,907</u>

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2015

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,956,181	\$ 18,388,046	\$ 840,798	\$ 22,185,025
Cash paid to suppliers for goods and services	(2,449,269)	(18,976,699)	(286,733)	(21,712,701)
Cash paid to employees for services	(373,037)	(1,372,581)	(772,373)	(2,517,991)
Net cash provided by (used in) operating activities	<u>133,875</u>	<u>(1,961,234)</u>	<u>(218,308)</u>	<u>(2,045,667)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	75,000	37,516	-	112,516
Payments on advances from other funds	(7,000)	-	-	(7,000)
Net cash provided by noncapital financing activities	<u>68,000</u>	<u>37,516</u>	<u>-</u>	<u>105,516</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	(155,795)	(155,795)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(155,795)</u>	<u>(155,795)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	721	124,464	6,976	132,161
Net cash provided by investing activities	<u>721</u>	<u>124,464</u>	<u>6,976</u>	<u>132,161</u>
Net increase (decrease) in cash and cash equivalents	202,596	(1,799,254)	(367,127)	(1,963,785)
Cash and cash equivalents at beginning of year	<u>1,012</u>	<u>30,713,136</u>	<u>1,765,708</u>	<u>32,479,856</u>
Cash and cash equivalents at end of year	<u>\$ 203,608</u>	<u>\$ 28,913,882</u>	<u>\$ 1,398,581</u>	<u>\$ 30,516,071</u>
Classified as:				
Current assets	<u>\$ 203,608</u>	<u>\$ 28,913,882</u>	<u>\$ 1,398,581</u>	<u>\$ 30,516,071</u>

Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2015

	<u>Fleet Management</u>	<u>Self Insurance</u>	<u>Information Technology</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 93,428	\$ (2,074,277)	\$ (326,843)	\$ (2,307,692)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	12,347	217	112,634	125,198
(Increase) Decrease in assets:				
Accounts receivable	37,840	(12,792)	-	25,048
Due from other funds	-	1,595	-	1,595
Due from other governments	32,579	-	-	32,579
Inventories	41,450	-	-	41,450
Deposits	-	158,833	2,196	161,029
Increase (Decrease) in liabilities:				
Accounts payable	(75,050)	19,126	10,160	(45,764)
Claims payable	-	(49,025)	-	(49,025)
Net pension liability	(11,840)	(6,051)	(21,972)	(39,863)
Accrued compensated absences	3,121	1,140	5,517	9,778
Total adjustments	40,447	113,043	108,535	262,025
Net cash provided by (used in) operating activities	<u>\$ 133,875</u>	<u>\$ (1,961,234)</u>	<u>\$ (218,308)</u>	<u>\$ (2,045,667)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in fair value of investments	\$ 227	\$ 30,404	\$ 1,579	\$ 32,210



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, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
ASSETS				
Cash and cash equivalents	\$ 13,484,243	\$ 355,745,621	\$ 358,987,179	\$ 10,242,685
Total assets	<u>\$ 13,484,243</u>	<u>\$ 355,745,621</u>	<u>\$ 358,987,179</u>	<u>\$ 10,242,685</u>
LIABILITIES				
Due to others	\$ 419,713	\$ 42,104,669	\$ 42,524,382	\$ -
Due to other governments	4,644,941	307,192,624	307,343,755	4,493,810
Other deposits held in escrow	8,419,589	38,312,181	40,982,895	5,748,875
Total liabilities	<u>\$ 13,484,243</u>	<u>\$ 387,609,474</u>	<u>\$ 390,851,032</u>	<u>\$ 10,242,685</u>

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends (Schedules 1 - 5) These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	178-188
Revenue Capacity (Schedules 6 - 9) These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	189-193
Debt Capacity (Schedules 10 - 14) These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	194-201
Demographic and Economic Information (Schedules 15 - 16) These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	202-203
Operating Information (Schedules 17 - 20) These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	204-215
Additional Bond Disclosures (Schedules 21 - 25) These schedules provide information for required continuing disclosure for the water and sewer, golf course and spring training bonds.	216-220

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 278,213,361	\$ 374,501,758 (A)	\$ 445,541,175	\$ 461,709,848
Restricted	158,046,966	173,236,941 (B)	163,119,085	158,306,364
Unrestricted	<u>121,561,389</u>	<u>60,726,026 (B)</u>	<u>55,081,576</u>	<u>55,914,407</u>
Total governmental activities net position	<u>\$ 557,821,716</u>	<u>\$ 608,464,725</u>	<u>\$ 663,741,836</u>	<u>\$ 675,930,619</u>
Business-type activities				
Net investment in capital assets	\$ 152,168,135	\$ 174,540,682	\$ 206,069,196	\$ 223,273,040
Restricted	89,071,967	83,840,471	75,814,407	51,021,928
Unrestricted	<u>53,751,547</u>	<u>47,338,783</u>	<u>24,624,779</u>	<u>37,122,462</u>
Total business-type activities net position	<u>\$ 294,991,649</u>	<u>\$ 305,719,936</u>	<u>\$ 306,508,382</u>	<u>\$ 311,417,430</u>
Primary government				
Net investment in capital assets	\$ 430,381,496	\$ 549,042,440	\$ 651,610,371	\$ 684,982,888
Restricted	247,118,933	257,077,412	238,933,492	209,328,292
Unrestricted	<u>175,312,936</u>	<u>108,064,809</u>	<u>79,706,355</u>	<u>93,036,869</u>
Total primary government net position	<u>\$ 852,813,365</u>	<u>\$ 914,184,661</u>	<u>\$ 970,250,218</u>	<u>\$ 987,348,049</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 480,243,738	\$ 492,300,301	\$ 509,076,923	\$ 518,255,719	\$ 514,764,316	\$ 520,214,002
132,928,838	125,452,516	121,189,228	117,321,755	116,203,827	128,580,087
<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>7,158,887</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>	<u>\$ 655,952,976</u>
\$ 223,375,337	\$ 217,876,742	\$ 211,631,529	\$ 210,772,860	\$ 211,660,190	\$ 213,114,279
27,898,292	24,230,101	17,941,773	20,871,037	- (C)	-
<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>91,057,348</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>	<u>\$ 304,171,627</u>
\$ 703,619,075	\$ 710,177,043	\$ 720,708,452	\$ 729,028,579	\$ 726,424,506	\$ 733,328,281
160,827,130	149,682,617	139,131,001	138,192,792	116,203,827	128,580,087
<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>98,216,235</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>	<u>\$ 960,124,603</u>

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

	2006	2007	2008	2008
<u>Expenses</u>				
Governmental activities:				
General government	\$ 14,642,124	\$ 15,506,424	\$ 7,416,850	\$ 25,837,007
Public safety	58,578,985	42,050,455 (G)	70,973,212 (H)	71,221,082
Physical environment	8,490,570 (B)	34,998,512 (B)	27,974,837	813,580
Transportation	22,011,006	26,173,989	25,742,974	23,711,653
Economic environment	1,077,731	950,024	4,583,763 (I)	661,897
Human service	12,270,899 (C)	13,925,599	12,590,578	8,453,562
Cultural/recreation	11,546,217	31,196,252 (E)	9,510,029	24,559,117 (L)
Court related	6,014,793	6,870,466	7,265,471	6,765,203
Interest on long-term debt	2,315,372 (D)	3,220,907 (D)	2,764,803	2,906,802
Total governmental activities expenses	<u>136,947,697</u>	<u>174,892,628</u>	<u>168,822,517</u>	<u>164,929,903</u>
Business-type activities:				
Water and sewer	33,387,825	37,518,226	41,354,025 (J)	37,523,097
Solid waste	11,558,323	10,331,431	11,355,697	10,407,437
Golf course	3,058,307	3,084,837	2,775,497	2,937,141
Other	4,202,588	3,703,658	3,010,668	2,168,894
Total business-type activities expenses	<u>52,207,043</u>	<u>54,638,152</u>	<u>58,495,887</u>	<u>53,036,569</u>
Total primary government expenses	<u>\$ 189,154,740</u>	<u>\$ 229,530,780</u>	<u>\$ 227,318,404</u>	<u>\$ 217,966,472</u>
<u>Program Revenues</u>				
Governmental activities:				
Charges for services:				
General government	\$ 10,437,774	\$ 7,957,770	\$ 6,943,354	\$ 6,028,321
Public safety	7,151,354	5,728,644	5,754,082	5,884,118
Physical environment	854,219	1,447,553	972,865	636,219
Transportation	16,619,853	5,618,055	5,478,734	2,157,456 (M)
Human service	754,916	545,305	331,856	204,299
Cultural/recreation	5,480,612	2,425,679	1,730,471	1,322,785
Court related	2,466,882	2,800,680	2,971,093	2,375,430
Operating grants and contributions	13,420,891	25,561,608 (F)	15,227,659	11,077,388
Capital grants and contributions	13,081,116	13,441,915	29,165,641 (K)	15,032,731
Total governmental activities program revenues	<u>70,267,617</u>	<u>65,527,209</u>	<u>68,575,755</u>	<u>44,718,747</u>
Business-type activities:				
Charges for services:				
Water and sewer	28,029,062	27,541,849	27,876,971	26,957,649
Solid waste	13,741,864	11,946,566	10,758,812	9,713,883
Golf course	3,306,424	3,374,772	3,313,994	3,279,135
Other	4,746,668	3,250,585	2,726,888	1,572,693
Operating grants and contributions	1,235,413	72,828	217,751	1,194,994
Capital grants and contributions	26,781,118 (A)	9,729,371	10,802,859	3,748,585
Total business-type activities program revenues	<u>77,840,549</u>	<u>55,915,971</u>	<u>55,697,275</u>	<u>46,466,939</u>
Total primary government program revenues	<u>\$ 148,108,166</u>	<u>\$ 121,443,180</u>	<u>\$ 124,273,030</u>	<u>\$ 91,185,686</u>

Notes:

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

2010	2011	2012	2013	2014	2015
\$ 23,506,576	\$ 21,324,680	\$ 19,069,181	\$ 20,637,750	\$ 22,968,835	\$ 24,732,636
68,235,492	67,393,943	66,456,674	66,178,467	66,954,956	66,364,113
1,405,690	1,353,074	2,424,109	1,858,307	1,031,710	1,636,749
20,861,672	22,300,819	23,629,799	26,286,998	23,577,720	25,992,461
2,525,988	2,056,453	1,986,091	2,550,157	1,084,204	421,057
7,370,995	7,762,962	7,749,253	6,818,023	7,136,042	7,352,777
16,009,122	16,484,242	18,089,432	19,369,326	16,610,269	17,011,188
6,251,773	5,774,032	5,635,245	5,835,184	6,360,814	6,677,054
2,714,422	2,526,114	2,350,241	2,087,204	1,944,229	1,013,527
<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>	<u>151,201,562</u>
34,748,276	33,818,640	34,246,967	33,815,749	35,821,287	35,223,882
10,683,984	10,370,476	10,659,004	10,405,143	10,801,408	11,708,383
2,715,607	2,537,665	2,451,603	2,537,525	2,588,424	2,498,397
1,858,420	1,623,862	1,487,515	1,547,815	1,833,528	7,085,190
<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>51,515,852</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>	<u>\$ 202,717,414</u>
\$ 5,889,678	\$ 5,845,567	\$ 5,304,385	\$ 5,482,814	\$ 5,895,424	\$ 6,641,363
5,267,209	6,076,085	5,852,093	6,625,924	8,025,849	6,457,584
21,006	24,204	20,923	5,900	20,970	-
1,514,132 (M)	2,090,194	2,345,186	2,768,107	3,365,961	4,273,591
295,812	346,689	358,279	213,485	211,294	277,279
1,328,225	1,340,550	1,397,660	1,765,912	1,883,347	1,941,993
545,967	501,980	414,356	1,301,135	3,592,298	3,308,235
15,772,265 (N)	7,926,832	8,230,411	26,921,514 (P)	22,229,254	24,872,734
7,016,429 (O)	1,937,488	7,053,494	6,681,421	7,521,538	11,671,085
<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>	<u>59,443,864</u>
27,738,920	27,842,092	28,361,246	28,522,667	29,565,901	30,089,101
8,972,136	9,221,396	9,582,955	9,998,410	10,272,415	11,455,302
3,148,029	3,163,062	3,216,471	3,072,332	3,080,960	3,235,879
1,612,870	1,588,934	1,735,713	2,018,104	2,417,724	2,958,488
-	-	-	-	-	-
1,713,074	1,923,271	2,545,759	4,700,473	5,032,042	8,616,416
<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>56,355,186</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>	<u>\$ 115,799,050</u>

Continued

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

	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental activities	\$ (66,680,080)	\$ (109,365,419)	\$ (100,246,762)	\$ (120,211,156)
Business-type activities	<u>25,633,506</u>	<u>1,277,819</u>	<u>(2,798,612)</u>	<u>(6,569,630)</u>
Total primary government net expenses	<u>\$ (41,046,574)</u>	<u>\$ (108,087,600)</u>	<u>\$ (103,045,374)</u>	<u>\$ (126,780,786)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental activities:				
Property taxes, levied for general purposes	\$ 82,448,807 (A)	\$ 92,592,309	\$ 92,483,561	\$ 87,265,989
Property taxes, levied for debt service	2,465,462	7,094,485	7,343,180	7,131,231
Sales and use taxes	21,855,885	20,738,502	20,088,899	19,292,179
Franchise fees	9,318,394	9,732,773	9,443,399	9,670,169
State shared revenues	13,043,670	12,368,421	11,596,227	11,227,450
Insurance recoveries	1,104,116	-	-	-
Interest earnings	12,163,993	16,004,890	10,347,019	5,747,573
Miscellaneous	2,089,540	1,583,343	2,170,033	2,018,901
Transfers	<u>5,060,846 (B)</u>	<u>(106,295)</u>	<u>2,051,555</u>	<u>(7,452,905)</u>
Total governmental activities	<u>149,550,713</u>	<u>160,008,428</u>	<u>155,523,873</u>	<u>134,900,587</u>
Business-type activities:				
State shared revenues	-	-	-	417,500
Interest earnings	6,335,240	9,209,517	5,553,239	3,685,805
Miscellaneous	42,554	134,656	85,374	7,893
Transfers	<u>(5,060,846) (B)</u>	<u>106,295</u>	<u>(2,051,555)</u>	<u>7,452,905</u>
Total business-type activities	<u>1,316,948</u>	<u>9,450,468</u>	<u>3,587,058</u>	<u>11,564,103</u>
Total primary government	<u>\$ 150,867,661</u>	<u>\$ 169,458,896</u>	<u>\$ 159,110,931</u>	<u>\$ 146,464,690</u>
<u>Change in Net Position</u>				
Governmental activities	\$ 82,870,633	\$ 50,643,009	\$ 55,277,111	\$ 14,689,431
Business-type activities	<u>26,950,454</u>	<u>10,728,287</u>	<u>788,446</u>	<u>4,994,473</u>
Total primary government change in net position	<u>\$ 109,821,087</u>	<u>\$ 61,371,296</u>	<u>\$ 56,065,557</u>	<u>\$ 19,683,904</u>

Notes:

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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>	\$ (91,757,698) <u>4,839,334</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>	\$ <u>(86,918,364)</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 - (D) - 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>	\$ 71,825,109 4,795,927 23,549,042 9,180,652 - - 1,051,822 1,799,538 <u>(3,057,421)</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>	<u>109,144,669</u>
- 1,173,512 70,181 25,965 <u>1,269,658</u>	- 723,870 562,651 (C) 643,144 <u>1,929,665</u>	- 600,116 8,400 32,957 <u>641,473</u>	- 427,041 37,812 - <u>464,853</u>	- 381,497 331 44,000 <u>425,828</u>	- 625,525 56,887 3,057,421 <u>3,739,833</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>	\$ <u>112,884,502</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>	\$ 17,386,971 <u>8,579,167</u>
\$ <u>17,701,716</u>	\$ <u>948,556</u>	\$ <u>1,541,822</u>	\$ <u>980,647</u>	\$ <u>11,672,500</u>	\$ <u>25,966,138</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved	\$ -	\$ -	\$ 8,000,000	\$ 8,000,000
Unreserved	<u>45,300,882</u>	<u>50,321,956</u>	<u>44,874,259</u>	<u>47,616,773</u>
Total general fund	<u>\$ 45,300,882</u>	<u>\$ 50,321,956</u>	<u>\$ 52,874,259</u>	<u>\$ 55,616,773</u>
All other governmental funds				
Reserved	\$ 38,075,117	\$ 23,047,708	\$ 49,667,320	\$ 53,252,040
Unreserved, reported in:				
Special revenue funds	<u>183,318,603</u>	<u>149,564,925</u>	<u>96,950,614</u>	<u>91,600,421</u>
Total all other governmental funds	<u>\$ 221,393,720</u>	<u>\$ 172,612,633</u>	<u>\$ 146,617,934</u>	<u>\$ 144,852,461</u>
Total governmental funds	<u>\$ 266,694,602</u>	<u>\$ 222,934,589</u>	<u>\$ 199,492,193</u>	<u>\$ 200,469,234</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, *Fund Balance Reporting and Governmental Fund Types*, in fiscal year 2010.

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

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

2010 (A)	2011	2012	2013	2014	2015
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
\$ <u>N/A</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	\$ 459,546
18,290	50,015	1,120,087	1,000,000	1,000,000	1,000,000
21,757,565	21,041,045	2,374,790 (B)	2,370,079	1,223,183	1,092,575
1,415,000	1,660,000	1,808,000	900,000	- (C)	-
<u>33,160,873</u>	<u>33,694,612</u>	<u>48,722,929 (B)</u>	<u>44,385,674</u>	<u>48,320,836</u>	<u>47,727,109</u>
\$ <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>	\$ <u>50,279,230</u>
\$ 2,316,373	\$ 814,858	\$ 557,128	\$ 50,788	\$ 39,337	\$ 69,907
130,175,284	125,082,370	116,379,943	112,523,743	112,266,321	120,531,318
4,691,573	4,661,146	1,483,393	1,481,312	1,492,929	1,504,391
9,471,022	10,013,457	11,288,602	8,964,238	8,139,695	7,139,358
<u>(1,184,722)</u>	<u>(354,995)</u>	<u>(202,971)</u>	<u>(339,223)</u>	<u>(201,587)</u>	<u>(439,479)</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>128,805,495</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>	\$ <u>179,084,725</u>

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

	2006	2007	2008	2009
Revenues				
Taxes	\$ 116,088,548	\$ 130,158,069	\$ 130,158,069	\$ 113,689,399
Permits, fees, and special assessments	26,285,557	8,397,437	8,397,437	12,433,598
Intergovernmental	38,261,489	54,252,074	54,252,074	34,305,682
Charges for services	18,204,600	18,997,529	18,997,529	16,852,653
Judgments, fines and forfeits	2,069,593	2,403,093	2,403,093	1,792,517
Interest	10,574,489	15,777,318	15,777,318	5,721,869
Miscellaneous	4,597,369	3,495,610	3,495,610	2,489,532
Total Revenues	216,081,645	233,481,130	233,481,130	187,285,250
Expenditures				
Current:				
General government	21,831,839	24,815,255	24,815,255	22,566,113
Public safety	65,975,870	72,907,822	72,907,822	74,813,164
Physical environment	8,955,262	34,324,331	34,324,331	910,213
Transportation	30,610,413	49,503,680	49,503,680	38,111,512
Economic environment	1,054,239	968,227	968,227	653,547
Human service	12,470,222	13,862,463	13,862,463	8,621,760
Culture/recreation	16,380,438	23,751,173	23,751,173	15,450,688
Court related	5,915,727	6,649,724	6,649,724	6,620,830
Debt service:				
Principal	2,615,659	4,870,876	4,870,876	5,120,000
Interest and fiscal charges	1,790,431	3,255,767	3,255,767	2,948,758
Capital outlay	37,848,475	42,489,997	42,489,997	10,435,212
Total Expenditures	205,448,575	277,399,315	277,399,315	186,251,797
Excess of revenues over (under) expenditures	10,633,070	(43,918,185)	(43,918,185)	1,033,453
Other Financing Sources (Uses)				
Debt issuance	49,996,735	-	-	-
Issuance of refunding notes	-	-	-	-
Payments from capital leases	-	264,467	264,467	-
Transfers out	(236,067)	(19,736,023)	(19,736,023)	(14,366,145)
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	10,067,988	19,629,728	19,629,728	14,309,733
Total other financing sources (uses)	59,828,656	158,172	158,172	(56,412)
Net change in fund balances	\$ 70,461,726	\$ (43,760,013)	\$ (43,760,013)	\$ 977,041
Debt service as a percentage of noncapital expenditures	3.4%	4.8%	4.8%	5.4%

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

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

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

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

2010	2011	2012	2013	2014	2015
\$ 103,626,726	\$ 94,718,550	\$ 90,472,569	\$ 88,005,422	\$ 94,585,345	\$ 100,170,078
11,322,039	11,189,393	11,486,235	12,769,844	14,321,389	15,567,731
37,687,574	30,453,182	29,759,832	30,086,479	30,563,650	32,065,821
14,665,805	15,030,329	14,760,125	15,887,241	18,076,888	18,558,182
852,012	936,995	739,275	778,575	1,004,374	897,860
2,061,385	1,173,103	613,023	570,559	463,274	894,705
2,383,493	4,175,614	5,237,426	3,841,294	3,221,548	2,470,553
<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>	<u>170,624,930</u>
20,894,116	19,271,196	20,477,898	19,056,322	20,681,570	22,957,111
71,489,613	70,432,615	67,761,985	66,908,328	67,799,667	71,703,248
1,131,173	1,371,734	1,751,623	771,942	781,306	1,055,021
27,497,907	28,432,207	29,058,310	28,223,229	23,321,248	27,945,569
2,520,339	2,099,698	2,021,184	2,581,401	1,106,886	436,320
7,267,406	7,625,369	6,888,883	6,952,460	7,178,542	7,519,756
18,453,642	14,706,194	13,808,303	11,538,809	11,627,286	15,719,709
6,214,831	5,983,085	5,860,925	6,054,822	6,487,906	6,677,909
5,315,000	4,270,000	8,060,000 (A)	6,050,000 (B)	3,700,000	4,180,000
2,758,138	2,562,374	2,426,083	2,118,704	1,984,616	1,266,070
7,487,068	5,825,287	8,108,370	13,037,552	16,560,991	5,309,597 (D)
<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>	<u>164,770,310</u>
1,569,801	(4,902,593)	(13,155,079)	(11,354,155)	1,006,450	5,854,620
-	-	-	-	-	-
-	-	-	-	-	20,369,000 (C)
-	-	-	-	-	-
(17,057,014)	(8,918,267)	(11,622,984)	(12,540,187)	(10,244,980)	(11,354,519)
-	-	-	-	-	(20,340,959) (C)
<u>17,001,997</u>	<u>8,862,969</u>	<u>11,595,078</u>	<u>12,504,699</u>	<u>10,092,644</u>	<u>11,141,023</u>
(55,017)	(55,298)	(27,906)	(35,488)	(152,336)	(185,455)
<u>\$ 1,514,784</u>	<u>\$ (4,957,891)</u>	<u>\$ (13,182,985)</u>	<u>\$ (11,389,643)</u>	<u>\$ 854,114</u>	<u>\$ 5,669,165</u>
5.6%	5.0%	7.6%	6.0%	4.3%	3.8%

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 & Use</u>	<u>Tourist</u>	<u>Franchise (B)</u>	<u>Gasoline</u>	<u>Other</u>	<u>Total</u>
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
2015	76,621,036	16,190,352	2,267,101	-	3,672,972	1,418,617	100,170,078

(A) The County 's primary source of revenue is property taxes, amounting to 76 percent of Governmental Funds tax revenues in 2015. 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
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
2015	17,855,660,837	696,658,855	18,552,319,692	5,150,260,231	13,402,059,461	4.4108

Source: Indian River County Property Appraiser; values are established as of January 1 of the previous calendar year, i.e., January 1, 2014 taxable values apply to the fiscal year ending September 30, 2015.

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

	2006	2007	2008	2009
<u>County direct rate</u>				
General fund	3.5204	3.1914	3.0202	3.0689
Municipal service	1.3969	1.1336	1.0835	1.0804
Total direct rate (A)	4.9173	4.3250	4.1037	4.1493
County-wide district school board rate	8.2400	7.4430	7.5380	7.0400
<u>Other County-wide rates</u>				
Emergency Management Services District	1.9911	1.7639	1.7201	1.7148
Land acquisition bond	0.1789	0.4108	0.4082	0.4220
Total other County-wide rates	2.1700	2.1747	2.1283	2.1368
Total County-wide rate (B)	15.3273	13.9427	13.7700	13.3261
<u>City rates</u>				
Fellsmere	5.7500	5.7500	4.4301	4.4300
Indian River Shores	1.4730	1.4730	1.3923	1.3923
Sebastian	3.9325	3.0519	2.9917	3.3456
Orchid	0.6900	0.4525	0.4494	0.4550
Vero Beach	2.2925	2.1425	1.9367	1.9367
Average of cities rates	2.8276	2.5740	2.2400	2.3119
Other special district rates	1.6082	1.4795	1.3817	1.5362

(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

2010	2011	2012	2013	2014	2015
3.0892	3.0892	3.0892	3.0892	3.2620	3.3375
1.0774	1.0733	1.0733	1.0733	1.0733	1.0733
4.1666	4.1625	4.1625	4.1625	4.3353	4.4108
7.5960	8.2500	8.2440	8.3130	8.1160	7.9950
1.7148	1.7148	1.7148	1.7148	1.9799	1.9799
0.3879	0.4087	0.4364	0.3799	0.3788	0.3694
2.1027	2.1235	2.1512	2.0947	2.3587	2.3493
13.8653	14.5360	14.5577	14.5702	14.8100	14.7551
4.4300	4.4300	5.2455	5.4999	5.6190	5.5309
1.3923	1.4105	1.4731	1.4731	1.4731	1.6786
3.3456	3.3041	3.3041	3.7166	3.7166	3.8556
0.4550	0.4550	0.4550	0.5000	0.4864	0.5500
1.9367	1.9367	2.0336	2.0336	2.0336	2.0336
2.3119	2.3073	2.5023	2.6446	2.6657	2.7297
1.7515	1.7663	1.6856	1.6859	1.7128	1.7126

Indian River County, Florida
Principal Property Taxpayers (Unaudited)
Year 2015 and Year 2006

Schedule 8

Taxpayer	2015			2006		
	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentages of Total Assessed Valuation
Florida Power & Light	\$ 112,933,476	1	0.84%	\$ 83,146,300	2	0.58%
Disney Vacation Dev. Inc.	77,340,700	2	0.58	86,931,558	1	0.61
Windsor Properties	40,149,993	3	0.30	39,820,277	6	0.28
Johns Island Club Inc.	39,786,080	4	0.30	40,002,227	5	0.28
Adult Community Services Inc.	37,143,645	5	0.28	32,836,850	7	0.23
AT&T	36,518,283	6	0.27	-	-	-
Wells Fargo	28,977,860	7	0.22	-	-	-
Piper Aircraft Inc.	23,356,342	8	0.17	30,705,574	8	0.22
MHC Village Green	22,358,570	9	0.17	-	-	-
Wal-Mart Stores	21,562,877	10	0.16	28,541,120	9	0.20
Bellsouth Communications	-			60,663,012	3	0.43
Indian River Mall Assoc. Inc.	-			56,938,710	4	0.40
Fellsmere Joint Venture	-			25,388,284	10	0.18
Total Principal Property Taxpayers Real Property Assessed Valuation	\$ 440,127,826		3.29%	\$ 484,973,912		3.41%
Total County Taxable Valuation (from schedule 6)	\$ 13,402,059,461			\$ 14,242,984,935		

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
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
2015	79,309,078	76,537,192	96.50	91,754	76,628,946	96.62

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 County 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)
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
2015	23,594,000	-	7,230,000	-	-	28,252,234

(A) General Obligation Bonds include Series 2001 and Limited General Obligation Bonds, Series 2006.

The remaining balance of the 2001 issue was called early on July 1, 2012. The Series 2006 bonds were refinanced in fiscal year 2015.

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. The Series 2005 bonds were refinanced in fiscal year 2015.

(D) Information not available.

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

Further information may be found in Note 12.

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

	Total Primary Government	Percentage of Total Debt to Personal Income (E)		Debt Per Capita (E)
\$	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	0.81		523
	59,076,234	(D)		412

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
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
2015	143,326	13,402,059,461	23,594,000	967,599	22,626,401	0.0017	157.8667

(A) Columns are provided as additional information for General Obligation Bonds (G.O.B.), Series 2001 and Limited G.O.B., Series 2006. The remaining balance of the 2001 issue was called early on July 1, 2012. The Series 2006 debt was refinanced in fiscal year 2015.

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

Total taxable assessed values also appear on Schedule 6 and 8.

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, 2015

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, 2015

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	\$ 3,545,000	100%	\$ 3,545,000
Indian River County Limited General Obligation Refunding Note, Series 2015	20,049,000	100	20,049,000
Revenue Bonds - Spring Training Facility - Series 2001	7,230,000	100	7,230,000
Total direct debt of County:			<u>30,824,000</u>
Other debt:			
Indian River County School District Certificates of Participation	113,923,171 (A)	100	113,923,171
Total overlapping debt:			<u>113,923,171</u>
Total direct and overlapping debt:			<u>\$ 144,747,171</u>

(A) Indian River County School District, as of June 30, 2015

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

	2006	2007	2008	2009
<u>Uniform Charges</u>				
Water sales	\$ 13,336,623	\$ 13,529,341	\$ 13,435,398	\$ 13,001,743
Wastewater sales	11,634,181	12,003,677	12,128,706	11,954,333
Other	<u>1,744,486</u>	<u>1,386,198</u>	<u>1,460,143</u>	<u>1,285,605</u>
Total uniform charges	26,715,290	26,919,216	27,024,247	26,241,681
Septage/Sludge	332,329	290,955	256,785	294,459
Surcharges	244,166	243,919	245,343	244,619
Interest earnings	4,554,419	6,576,873	3,650,480	2,110,031
1989/1990 Special assessments	60,229	21,138	112	413
1996 Special assessments	<u>350,712</u>	<u>268,883</u>	<u>220,754</u>	<u>184,272</u>
Gross revenues	32,257,145	34,320,984	31,397,721	29,075,475
Less: Direct expenses	<u>14,270,414</u>	<u>16,226,651</u>	<u>17,147,444</u>	<u>17,057,273</u>
Net revenues available for debt service	<u>\$ 17,986,731</u>	<u>\$ 18,094,333</u>	<u>\$ 14,250,277</u>	<u>\$ 12,018,202</u>
Annual debt service				
Principal	\$ 2,390,000	\$ 2,505,000	\$ 2,620,000	\$ 2,745,000
Interest	<u>3,157,260</u>	<u>3,041,150</u>	<u>2,922,950</u>	<u>2,047,513</u>
Total debt service payment	<u>\$ 5,547,260</u>	<u>\$ 5,546,150</u>	<u>\$ 5,542,950</u>	<u>\$ 4,792,513</u>
Debt service coverage	3.24x	3.26x	2.57x	2.51x

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 12.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	13,570,657	\$ 13,565,766	\$ 13,621,878	\$ 13,667,115	\$ 14,059,231	\$ 14,345,074
	12,375,346	12,203,750	12,515,394	12,546,429	12,879,006	13,116,393
	<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>	<u>2,005,106</u>
	27,376,969	27,409,501	27,864,683	27,976,970	28,963,615	29,466,573
	302,187	314,969	373,616	426,634	478,555	483,828
	245,011	245,245	246,298	246,363	242,073	98,163
	686,776	491,260	315,377	239,270	258,741	294,303
	438	8,718	-	-	-	-
	<u>151,316</u>	<u>93,513</u>	<u>75,037</u>	<u>69,757</u>	<u>22,091</u>	<u>30,872</u>
	28,762,697	28,563,206	28,875,011	28,958,994	29,965,075	30,373,739
	<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>16,129,860</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>	\$ <u><u>14,243,879</u></u>
\$	2,870,000	\$ 2,990,000	\$ 3,090,000	\$ 3,205,000	\$ 3,350,000	\$ 3,485,000
	<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>1,827,867</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>	\$ <u><u>5,312,867</u></u>
	2.37x	2.48x	2.50x	2.60x	2.63x	2.68x

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)
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	9,139,920,000	63,140	7.9
2015	143,326	(D)	(D)	7.2

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 2015 and Year 2006

Schedule 16

Employer	2015	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,113	3.79 %
Indian River County *	1,328	2.38
Indian River Medical Center	1,753	3.14
Publix Supermarkets	1,250	2.24
Piper Aircraft Inc.	650	1.17
Sebastian River Medical Center	569	1.02
John's Island	526	0.94
City of Vero Beach	424	0.76
Visiting Nurse Association	399	0.72
Indian River Estates	350	0.63
Total	9,362	16.79 %
Total County Employees	55,755	

Employer	2006	
	Number of Employees	Percentage of Total County Employment
School District of Indian River County	2,125	3.75 %
Indian River County*	1,693	2.99
Indian River Medical Center	1,549	2.73
Publix Supermarkets	974	1.72
Piper Aircraft Inc.	950	1.68
City of Vero Beach	600	1.06
Sebastian River Medical Center	525	0.93
John's Island	475	0.84
Hale Groves	470	0.83
Wal-Mart	462	0.82
Total	9,823	17.34%
Total County Employees	56,664	

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.

Indian River County Chamber of Commerce

* 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				Municipalities			
	# of Permits		New Construction	# of Permits	Additions & Alterations	# of Permits		New Construction
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
2015	666		241,065,285	5,528	53,561,372	239		95,276,289

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
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
5,710		80,276,432	905		336,341,574	11,238		133,837,804

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

Function/Program	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government				
Purchasing	2,734	2,753	2,520	2,463
Purchase orders issued				
Public Safety				
Fire rescue				
Vehicle rescue response	6,880	32,488 (A)	33,845	34,480
Fire code inspections	2,420	2,593	3,527	5,917
Advanced life support calls	10,728	7,537	5,862	9,085
Basic life support calls (transport only)	11,105	3,643	5,759	3,486
Sheriff				
Arrests	5,211	5,012	5,620	4,331
Violent crimes	652	338	353	340
Non-violent crimes	3,462	6,192	6,383	6,099
Total calls for service	131,489	126,490	129,389	138,998
Building department				
Construction permits issued	3,760	1,404	857	442
Estimated value of construction (millions)	\$ 754.8	\$ 280.1	\$ 222.2	\$ 97.7
Physical Environment				
Solid waste				
Waste stream tonnage received	380,109	295,977	239,296	207,344
Total recycled material (tons)	70,919	57,247	42,088	40,931
Utilities - water & sewer				
Number of water customers	43,477	41,101	42,000	42,972
Number of wastewater customers	25,943	24,666	25,000	25,192
Water ERUs	54,070	61,494	61,558	63,147
Wastewater ERUs	41,351	45,396	45,785	45,319
Water consumption (Average Daily Demand)	8,370,000	8,790,000	8,603,000	8,700,000

(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.

2010	2011	2012	2013	2014	2015
1,970	1,805	1,852	1,740	1,760	1,826
34,529	37,550	39,316	39,340	41,540	45,485
2,358	2,239	1,874	1,992	1,753	1,993
9,751	10,935	10,904	10,991	11,283	11,571
3,269	3,077	3,406	3,544	3,851	4,180
5,065	4,464	3,144	3,885	4,262	3,832
310	394	107	439	552	495
5,719	6,058	6,063	5,683	5,853	5,804
154,480	162,944	176,170	199,687	216,082	250,814
394	416	421	562	611	666
\$ 83.0	\$ 96.3	\$ 95.7	\$ 159.4	\$ 190.8	\$ 241.1
201,561	180,434	205,355	211,382	265,278	265,958
45,298	30,424	53,255	50,792	101,444	86,564
43,723	44,254	44,571	45,216	46,223	46,865
25,205	25,465	25,773	26,233	26,948	27,448
64,146	64,391	64,820	65,477	66,261	66,829
45,427	45,863	46,107	46,576	47,027	47,596
8,225,000	8,198,000	7,798,000	7,558,000	8,620,000	9,200,000

Continued

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

Function/Program	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Transportation				
Public works				
Projects under design	5	5	6	29
Projects awarded for construction	4	5	5	5
Construction projects completed	4	5	5	12
County engineering				
Roads designed	11	7	8	5
Miles of roads designed	6.50	3.50	6.00	5.00
Traffic engineering				
Site plans reviewed	1,135	520	332	423
Culture/Recreation				
Library				
Circulation (County-wide)	1,140,904	1,188,366	1,250,075	1,314,372
Recreation department				
Total beach park attendance	N/A	N/A	415,051	437,302
Athletic and event attendance	N/A	N/A	8,673	14,730
Aquatic centers attendance	93,088	90,503	90,475	89,787
Shooting range				
Safety/Registration cards issued	6,036	6,784	6,784	9,050
Golf course				
Rounds played	107,048	100,539	104,716	101,810
Court Related				
Law library				
Circulation	26,255	24,759	21,107	18,512

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

2010	2011	2012	2013	2014	2015
13	26	19	20	43	34
7	7	10	5	7	9
6	8	8	5	20	17
6	4	4	6	8	8
6.00	1.00	8.00	6.00	8.35	10.00
271	218	290	357	387	554
1,403,367	1,362,857	1,277,253	1,300,764 (B)	1,317,458	1,295,310
467,434	449,213	420,609	404,287	434,397	416,962
23,750	24,112	23,979	23,841	23,900	24,073
87,107	98,515	97,965	97,183	105,459	110,186
6,471	8,176	8,302	8,462	7,911	7,655
96,593	94,713	96,723	91,770	90,306	93,739
13,079	9,168	9,428	N/A (B)	N/A	N/A

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

	2006	2007	2008	2009
General Government				
Board of County Commissioners	10	10	11	10
County Attorney	6	7	7	7
Administration	3	3	3	3
Financial/Administrative Service	24.5	25.5	26.5	23
Comprehensive Planning	23	23	23	19
Other	50	62	49	44.5
Clerk of Circuit Court	113	118	116	99.5
Property Appraiser	49	50	45	40
Supervisor of Elections	11.5	12	12	9.5
Tax Collector	40	40	38	38
Public Safety				
Fire Department	233	232	241	240
Advanced Life Support	- (A)			
Sheriff - Corrections	200	197	197	195
Sheriff - Court Service	26	29.5	29.5	29.5
Sheriff - Law Enforcement	276	301	301	301
Building Department	49	50	33	18
Other	11	12	12	10
Physical Environment				
Solid Waste	53	53	51	49
Utilities - water and sewer	131	139	130	128
Other	13	14	15	9
Transportation				
Road and Bridges	103	106	100	86.5
County Engineering	39	42	42	33
Traffic Engineering	24	26	24	21
Real Estate Acquisition	0	0	3	2
Economic Environment	6	6	4.5	3.5
Human Services	17	15	15	14.5
Culture/Recreation				
Libraries	51	52.5	50	45.5
Parks	43	42	41	39
Recreation Department	56	58.5	57.5	46
Coastal Engineering	3	3	3	3
Shooting Range	6	6	5.5	5.5
Golf Course	21.5	21.5	18	16.5
Court Related				
Law Library	1	1	1	1
Total	1,692.5	1,757.5	1,704.5	1,589.5

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.

2010	2011	2012	2013	2014	2015
10	10	8.5	9	9	9
6	6	6	6	6	6
2.72	2.35	2.35	2.35	2.35	2.35
21.5	19.85	19.85	19.35	20.85	21.85
16	14.32	15	15	14.5	14.5
36.5	34	34.75	33.9	33.4	33.4
98.5	98	96	98	93	93
40	36	35	35	36	36
9.5	8	8.5	8.5	9.5	9.5
38	38	38	44	45	47
246	244	243	243	243	244
198	207	163	163	163	163
29.5	29.5	27.5	27.5	27.5	27.5
301	301	303	303	303	303
17	15	14	15	18.5	21.5
9	6.68	6	4	4	4.5
49	10	9	9	9	10
118	112.5	112.5	113.5	116.5	118.5
9	8	8	7	8	8
80	77	77.25	77.1	78.1	78.1
28	27	26	24	24	26
21	20	20	19	19	20
2.28	1	1	1	1	1
3.5	2.5	2.5	2.5	2.5	2.5
13	13	13	12	12	12
47.5	46.5	42	41.5	41.5	42
37	34	28	28	28	28
37.5	33	33.3	32.3	32.8	38.3
2	2	2	2	2	2
5.5	5	5	5	5	5
15.5	15.5	15	13.5	13.5	13.5
1	1	1	1	1	1
1,549.0	1,478.0	1,416.0	1,415.0	1,422.5	1,442.0

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

Function/Program	2006	2007	2008	2009
General Government				
Buildings and grounds				
Total square footage maintained	493,270	715,215	715,215	715,215
Number of facilities and sites maintained	43	47	47	47
Vehicles	18	17	17	15
General government				
Vehicles	36	37	28	27
Planning				
Vehicles	6	7	7	7
GIS				
Vehicles			1	1
Public Safety				
Fire department				
Vehicles	49	54	53	54
Fire stations	11	11	11	11
Advanced life support				
Vehicles	24	21	20	20
E911 Center				
Vehicles			1	1
Sheriff				
Vehicles	274	276	295	291
Building department				
Vehicles	29	22	13	9
Physical Environment				
Solid waste				
Vehicles	33	34	32	30
Telecommunications				
Vehicles			1	1
Ag Extension				
Vehicles	2	2	2	2
Utilities - Water and Sewer				
Vehicles	90	86	82	82
Water treatment plants	2	2	2	2
Wastewater treatment facilities	7	6	6	6
Water main - miles	737	769	780	819
Force main - miles	188	217	240	230
Gravity sewer lines - miles	250	259	261	262
Transportation				
Road and bridge				
Miles maintained (paved & unpaved)	614	617	625	628
Bridges maintained	78	78	78	78
Vehicles	66	68	65	65

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

2010	2011	2012	2013	2014	2015
715,215	715,215	720,215	720,215	720,215	720,215
47	47	48	48	48	48
15	15	15	15	16	15
26	31	31	30	30	28
7	7	6	5	6	6
1	1	1	1	1	1
51	51	51	46	47	58
12	12	12	12	12	12
17	18	18	19	19	17
1	1	1	1	1	1
288	298	295	274	293	282
9	9	9	9	10	16
30	1	1	1	1	2
1	1	1	1	1	1
1	1	1	1	1	1
81	81	85	79	80	81
2	2	2	2	2	2
6	6	6	6	6	6
845	839	843	847	852	857
226	229	223	225	225	221
269	271	270	273	269	268
636	636	638	650	650	650
78	75	75	71	72	72
64	67	67	64	64	67

Continued

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

Function/Program	2006	2007	2008	2009
Transportation - continued:				
Senior Resource Association				
Vehicles	22	25	23	25
Engineering				
Vehicles	11	12	17	16
Traffic engineering				
Traffic signals operated	125	132	133	133
Beacons operated	42	42	41	48
Vehicles	6	3	5	3
Traffic operations				
Vehicles	10	16	16	15
Human Services				
Health department				
Vehicles	16	16	16	16
Animal Control				
Vehicles	6	7	7	7
Rental Assistance				
Vehicles	3	2	2	2
Culture/Recreation				
Libraries				
Locations	2	2	2	2
Parks				
Number of neighborhood parks	12	12	12	12
Number of County parks	47	47	47	47
Acreage	4,004	4,014	4,014	4,014
Picnic shelters maintained	66	69	69	69
Boat ramps maintained	8	8	8	8
Vehicles	23	25	24	25
Recreation				
Vehicles	5	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

2010	2011	2012	2013	2014	2015
32	34	34	38	35	35
16	16	13	13	13	14
137	137	137	150	150	150
48	53	46	45	45	43
1	1	1	1	1	1
16	18	18	19	21	20
15	15	17	17	17	17
7	7	7	7	6	6
2	2	2	2	2	2
3	3	3	3	3	3
12	12	12	10	10	11
47	47	47	40	37	37
4,014	4,014	4,014	4,014	3,429	3,429
69	69	69	69	69	69
8	8	8	8	8	8
24	25	24	22	23	20
5	5	5	5	5	7
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
2006-2015 *

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

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 2006 through 2015 as set forth below:

<u>Fiscal Year</u>	<u>Water ERUs</u>	<u>Wastewater ERUs</u>
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
2015	66,829	47,596

Source: Indian River County Utilities Department

Indian River County, Florida
Top 10 High Volume Customers of Utility Services (Unaudited)
Fiscal Year 2015

Schedule 23

Below is a table depicting the ten highest volume customers of the utility system for the fiscal year ended September 30, 2015:

Customer	Annual Water Volume (x 1,000 gals.)	Annual Wastewater Volume (x 1,000 gals.)
1. Vista Royale	30,485	30,485
2. City of Fellsmere	-	24,743
3. IRC School Board	25,092	17,228
4. Acts, Inc.	23,713	23,656
5. MHC Village Green LLC	21,202	21,202
6. Disney's Vero Beach Resort	18,517	18,517
7. Encore RV Park	17,452	17,452
8. Palms of Vero Beach LTD	14,115	14,115
9. Vista Gardens	13,926	13,926
10. Vista Plantation	12,816	21,816

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>	
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	
2015		1,041,885		1,575,406		2,617,291	

(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

<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>
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
2015	500,004	2,267,100	566,774	8,684,772

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

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

Refer to pledged revenue coverage in County Note 12.

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*

May 25, 2016

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 25, 2016.

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

May 25, 2016

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, 2015, and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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. and 10.556(7), *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. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2015, 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, 2015. 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.

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

May 25, 2016

The Honorable Board of County Commissioners
Indian River County, Florida

We have examined the compliance of *Indian River County, Florida* (the "County") with Sections 218.415, 28.35, 28.36, 365.172(10), 365.173(2)(d) and 61.181 Florida Statutes, during the year ended September 30, 2015. 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, 2015.

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

May 25, 2016

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 25, 2016, 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, 2015

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Housing and Urban Development:				
Direct Programs:				
Comm. Dev. Block Grant - Neighborhood Stabilization Pgm #3	14.228	B-11-UN-12-0022		
CDBG NSP #3 Program Income Expenditures	14.228	Program Income	\$ 4,884	
Indirect Programs:				
Passed through Florida Dept. of Economic Opportunity:				
Comm. Dev. Block Grant - Neighborhood Stabilization Program	14.228	10DB-4X-10-40-01-F13	416	
CDBG NSP Program Income Expenditures	14.228	Program Income	4,230	
Subtotal CFDA - 14.228			9,530	
Direct Programs:				
Supportive Housing Program-				
Homeless Management Information Systems	14.235	FL0418B4H091100	9,692	
Subtotal CFDA - 14.235			9,692	
Shelter Plus Care	14.238	FL0380C4H091000	62,881	
Shelter Plus Care	14.238	FL0338CH090900	69,887	
Subtotal CFDA - 14.238			132,768	
Indirect Program:				
Passed through Florida Housing Finance Corporation:				
Tenant Based Rental Assistance	14.239	2013-210TBRA	181,296	
Direct Programs:				
Continuum of Care -				
Rental Assistance	14.267	FL0113L4H091301	99,156	
Rental Assistance	14.267	FL0114L4H091306	43,429	
Rental Assistance	14.267	FL0114L4H091407	26,574	
Homeless Management Information Systems	14.267	FL0116L4H091306	36,177	
Rental Assistance	14.267	FL0119L4H091306	91,023	
Rental Assistance	14.267	FL0119L4H091407	16,364	
Rental Assistance	14.267	FL0120L4H091306	120,455	
Rental Assistance	14.267	FL0120L4H091407	36,075	
Homeless Management Information Systems	14.267	FL0308L4H091305	25,856	
Rental Assistance	14.267	FL0360C4H091304	70,374	
Rental Assistance	14.267	FL0360C4H091405	21,601	
Homeless Management Information Systems	14.267	FL0418L4H091301	16,978	
Rental Assistance	14.267	FL0440L4H091302	65,553	
Rental Assistance	14.267	FL0440L4H091403	40,804	
Subtotal CFDA - 14.267			710,419	
Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	FL-132-VO-014 to 017	2,056,867	
Total Department of Housing and Urban Development			3,100,572	
Department of Justice:				
Indirect Programs:				
Passed through Office of the Attorney General:				
Crime Victim Assistance Program	16.575	V007-14050	41,122	
Direct Programs:				
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0791	50,885	
2014 Local Solicitation Justice Assistance Grant	16.738	2014-DJ-BX-0027	24,877	
Indirect Programs:				
Passed through Florida Department of Law Enforcement:				
Bryne Formula Grant Program				
Multi-Agency Drug Enforcement Unit	16.738	2015-JAGC-INRI-1-R3-115	57,250	
Drug Testing Program Grant	16.738	2015-JAGC-INRI-2-R3-116	5,366	
Subtotal CFDA - 16.738			87,493	
Total Department of Justice			179,500	

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2015

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Transportation:				
Indirect Programs:				
Passed through Florida Department of Transportation:				
LAP - Old Dixie Highway	20.205	ARL29	\$ 134,735	
Florida Safe Routes to School - 2015	20.205	BDV231	46,751	
Florida Safe Routes to School - 2016	20.205	BDV231	12,224	
Metropolitan Planning Organization	20.205	AA080	481,466	
Subtotal CFDA - 20.205			675,176	
Indirect Programs:				
Passed through Florida Department of Environmental Protection:				
Martin Luther King Trail	20.219	T14035	102,345	
Total Highway Planning and Contruction Cluster			777,521	
Federal Transit Metropolitan Planning Grant	20.505	AQ212	61,777	
Section 5311 Non-Urbanized Public Transit	20.509	APT03	17,335	\$ 17,335
Section 5311 Non-Urbanized Public Transit	20.509	ARQ46	53,957	53,957
Subtotal CFDA - 20.509			71,292	71,292
Metro Planning Organization (Part of the Federal Transit Cluster)	20.526	ARE87	415,850	
Florida Highway Safety Grant - Total Highway Safety Cluster	20.616	ARO00	77,672	
Total Department of Transportation			1,404,112	71,292
Federal Transit Administration:				
Direct Programs:				
Federal Transit Formula Section 5309 Grant	20.500	FL-04-0182	6,429	6,429
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X888	1,624,396	1,624,396
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X838	161,467	161,467
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X828	239,422	239,422
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X756	188,125	188,125
Federal Transit Formula Section 5307 Grant	20.507	FL-90-X739	9,893	9,893
Subtotal CFDA - 20.507			2,223,303	2,223,303
Total Federal Transit Administration			2,229,732	2,229,732
Total Federal Transit Cluster			2,645,582	2,229,732
Elections Assistance Commission:				
Indirect Programs:				
Passed through the Florida Dept of State Division of Elections				
Federal Elections Activties 2013/2014	90.401	N/A	15,680	
Federal Elections Activties 2012/2013	90.401	N/A	477	
Total Elections Asssistance Commission			16,157	

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2015

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
Department of Health and Human Services, Agency for Children and Families, Office of Child Support Enforcement:				
Indirect Programs:				
Passed through Florida Department of Revenue:				
Sheriff Service of Notices	93.563	O0331	\$ 11,043	
Child Support Enforcement-Title IV D	93.563	COC31	382,933	
Total Office of Child Support Enforcement			<u>393,976</u>	
Department of Homeland Security:				
Indirect Programs:				
Passed through Division of Emergency Management:				
Community Emergency Response Team	97.042	15-CI-N2-10-40-02-417	5,429	
Emergency Management Performance Grant	97.042	15-FG-40-10-40-01-098	75,464	
Emergency Management Performance Grant	97.042	16-FG-5A-10-40-01-097	60,684	
Subtotal CFDA - 97.042			<u>141,577</u>	
Emergency Management Homeland Security	97.067	14-DS-L5-10-39-01-281	8,000	
Emergency Management Homeland Security	97.067	15-DS-P4-10-40-01-346	5,000	
Emergency Management Homeland Security	97.067	15-DS-P9-10-40-02-404	23,320	
Subtotal CFDA - 97.067			<u>36,320</u>	
Total Department of Homeland Security			<u>177,897</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS:			<u>\$ 7,501,946</u>	<u>\$ 2,301,024</u>

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2015

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA</u>				
Division of Emergency Management:				
Direct Projects:				
Emergency Management Programs				
Emergency Management Preparedness and Assistance	31.063	16-BG-83-10-40-01-030	\$ 20,618	
Emergency Management Preparedness and Assistance	31.063	15-BG-83-10-40-01-031	84,156	
Subtotal CSFA - 31.063			<u>104,774</u>	
Hazardous Materials Analysis Grant	31.067	15-CP-11-10-40-01-214	1,365	
Total Division of Emergency Management			<u>106,139</u>	
Department of Environmental Protection:				
Direct Projects:				
Wabasso Beach Restoration Project	37.003	15IR1	5,194,919	
Hurricane Sandy Beach Project	37.003	14IR2	1,778,051	
Subtotal CSFA - 37.003			<u>6,972,970</u>	
Egret Marsh Stormwater Park	37.039	S0733	<u>175,000</u>	
Total Department of Environmental Protection			<u>7,147,970</u>	
Department of State:				
Direct Project:				
State Aid to Libraries	45.030	15-ST-23	<u>120,235</u>	
Florida Housing Finance Corporation:				
Direct Projects:				
State Housing Initiatives Partnership	52.901	N/A	<u>884,031</u>	
Department of Transportation:				
Direct Projects:				
Transportation Disadvantaged Planning Grant	55.002	G0231	4,139	
Transportation Disadvantaged Planning Grant	55.002	ARH80	17,646	
Subtotal CSFA - 55.002			<u>21,785</u>	
Commuter Assistance Grant	55.007	G0115	22,758	\$ 22,758
SCOP - Aviation Boulevard	55.009	ARU11	92,125	
SCOP - Old Dixie Highway	55.009	AR620	1,266,438	
Subtotal CSFA - 55.009			<u>1,358,563</u>	
Fl Public Transit Block Grant	55.010	ARQ56	230,000	230,000
Fl Public Transit Block Grant	55.010	APT70	205,369	205,369
Subtotal CSFA - 55.010			<u>435,369</u>	<u>435,369</u>
FDOT Service Development Grant	55.012	AQG07	299,394	299,394
Transit Corridor Grant	55.013	ARE86	74,400	74,400
Intermodal Park and Ride Facility	55.014	APT19	68,642	
TRIP - 66th Avenue from SR60 to 41st Street	55.026	AQN66	<u>1,033,817</u>	
Total Department of Transportation			<u>3,314,728</u>	<u>831,921</u>

Indian River County, Florida
Schedule of Expenditures of Federal Awards and State Projects
For the Fiscal Year Ended September 30, 2015

Federal/State Agency Pass-through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA - Continued</u>				
Department of Health:				
Direct Project:				
County Awards Grant-Emergency Medical Svc	64.005	C3031	\$ <u>27,167</u>	
Total Department of Health			<u>27,167</u>	
Department of Revenue:				
Direct Project:				
Facilities for Retained Spring Training Franchise	73.016	N/A	<u>500,004</u>	
Total Department of Revenue			<u>500,004</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:			\$ <u><u>12,100,274</u></u>	\$ <u><u>831,921</u></u>

Indian River County, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Projects
For the Fiscal Year Ended September 30, 2015

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.

Indian River County, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Projects
For the Fiscal Year Ended September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Wabasso Beach (Sector 3) Restoration Project

The Florida Department of Environmental Protection grant No. 15IR1 known as the Wabasso Beach (Sector 3) Restoration Project incurred expenditures over five fiscal years. This grant was not awarded until fiscal year 2015 but allowed for reimbursement of expenditures from those five fiscal years. Total expenditures are reported on the Schedule of Expenditures of Federal Awards and State Projects. Breakdown of those expenditures by fiscal year is as follows:

<u>Fiscal Year</u>	<u>Expenditures</u>
2009/2010	\$ 2,335,689
2010/2011	1,725,599
2011/2012	932,821
2013/2014	128,416
2014/2015	72,394
Total	<u>\$ 5,194,919</u>

**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**

May 25, 2016

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, 2015. 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, 2015.

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.

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

INDIAN RIVER COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2015

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

20.FTC

93.563

Name of Federal Program or Cluster

DOT Federal Transit Cluster

DHHS Child Support Enforcement

CSFA Number

37.003

55.009

Name of State Project

Beach Management Funding Assistance Program

Small County Outreach 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

INDIAN RIVER COUNTY, FLORIDA

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

INDIAN RIVER COUNTY, 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 27th Street, Building A
Vero Beach, Florida 32960
Telephone (772) 226-1945

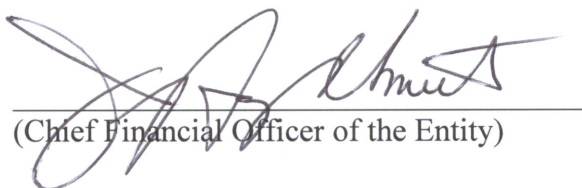


AFFIDAVIT

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 eight new impact fee categories, plus revised transportation impact fees (9 total impact fee categories). The impact fees were 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 nine original impact fees from April 1, 2009 through March 31, 2011. On March 15, 2011 in Ordinance No. **2011-002**, the impact fees were amended to suspend three of the nine original impact fees from April 1, 2011 through March 31, 2012. On March 13, 2012, Ordinance No. **2012-003** continued this suspension from April 1, 2012 through March 31, 2014. On March 11, 2014, Ordinance No. **2014-004** continued this suspension from April 1, 2014 through March 31, 2015. On April 22, 2014, Ordinance No. **2014-009** adopted new non-residential impact fee schedules. On October 14, 2014, Ordinance No. **2014-016** was adopted. That ordinance contained new impact fee schedules comprised of the non-residential impact fees adopted as part of Ordinance 2014-009 and new impact fees for residential uses. That ordinance also continued the suspensions of three impact fee categories 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 13 day of May, 2016.


NOTARY PUBLIC

Print Name Terri Collins-Lister

Personally known ☒ or produced identification _____

Type of identification produced: N/A

My Commission Expires: October 30, 2018



TERRI COLLINS-LISTER
MY COMMISSION # FF 144374
EXPIRES: October 30, 2018
Bonded Thru Budget Notary Services



BOARD OF COUNTY COMMISSIONERS

INDEPENDENT AUDITORS' REPORT

May 25, 2016

The Honorable Board of County Commissioners
Indian River County, Florida**Report on the Financial Statements**

We have audited the accompanying fund financial statements of each major fund, and the aggregate remaining fund information of the *Indian River County, Florida Board of County Commissioners* (the "Board"), as of and for the year ended September 30, 2015, 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, 2015, 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, 2015, 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 May 25, 2016, on our consideration of the *Board of County Commissioner's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the *Board of County Commissioner's* internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Board of County Commissioners
Balance Sheet
Governmental Funds
September 30, 2015

	General	Impact Fees	Secondary Roads Construction
ASSETS			
Cash and cash equivalents	\$ 45,517,683	\$ 13,451,729	\$ 14,022,401
Accounts receivable	552,293	-	-
Special assessments receivable	-	-	-
Due from other funds	1,204,593	-	-
Due from other governments	6,124,043	1,550,064	802,393
Interest receivable	16,826	3,862	3,799
Inventories	45,113	-	-
Prepaid items	65,605	-	-
Advances to other funds	212,500	-	-
Total assets	<u>\$ 53,738,656</u>	<u>\$ 15,005,655</u>	<u>\$ 14,828,593</u>
LIABILITIES			
Accounts payable	\$ 1,282,570	\$ 144,443	\$ 737,347
Retainage payable	-	411,244	28,657
Due to other funds	-	-	-
Due to other governments	21,803	98,588	-
Unearned revenues	183,912	-	-
Other deposits	17,018	-	-
Total liabilities	<u>1,505,303</u>	<u>654,275</u>	<u>766,004</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - ambulance services	-	-	-
Unavailable revenue - state and federal grants	1,954,123	158,631	382,633
Total deferred inflows of resources	<u>1,954,123</u>	<u>158,631</u>	<u>382,633</u>
FUND BALANCES			
Nonspendable:			
Inventories	45,113	-	-
Prepaid items	65,605	-	-
Advances to other funds	212,500	-	-
Restricted for:			
Transportation/road improvements	-	8,549,530	13,679,956
Court-related costs and improvements	-	-	-
Housing assistance	-	-	-
Law enforcement/public safety	-	778,375	-
Fire/emergency services	-	437,657	-
Tourism-related activities	-	-	-
Beach renourishment	-	-	-
Boating related projects	-	-	-
Library services	-	992,276	-
Land acquisition	-	-	-
Stormwater, street lighting, and other special assessments	-	-	-
Debt service	-	-	-
Capital projects	-	786,025	-
Dodgertown repairs/improvements	-	-	-
Parks/recreational projects	1,000,000	2,648,886	-
Committed to:			
Economic incentives	1,035,240	-	-
Environmental conservation/preservation	-	-	-
Law enforcement/public safety	1,179	-	-
Parks/recreational projects	56,156	-	-
Assigned to:			
Transportation/road improvements	-	-	-
Unassigned	<u>47,863,437</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>50,279,230</u>	<u>14,192,749</u>	<u>13,679,956</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 53,738,656</u>	<u>\$ 15,005,655</u>	<u>\$ 14,828,593</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
\$ 7,174,425	\$ 7,749,308	\$ 63,684,706	\$ 19,480,263	\$ 171,080,515
636	917,873	-	827	1,471,629
203,815	-	-	-	203,815
-	-	-	-	1,204,593
247,073	262,883	2,931,977	2,591,032	14,509,465
147,386	2,488	18,390	5,443	198,194
-	-	-	-	45,113
-	9,568	-	8,406	83,579
-	-	-	-	212,500
<u>\$ 7,773,335</u>	<u>\$ 8,942,120</u>	<u>\$ 66,635,073</u>	<u>\$ 22,085,971</u>	<u>\$ 189,009,403</u>
\$ 384,729	\$ 870,200	\$ 709,606	\$ 508,270	\$ 4,637,165
1,306	-	829,713	83,703	1,354,623
-	-	-	405,000	405,000
-	-	-	21,950	142,341
1,636	12,514	-	-	198,062
-	-	-	-	17,018
<u>387,671</u>	<u>882,714</u>	<u>1,539,319</u>	<u>1,018,923</u>	<u>6,754,209</u>
349,176	-	-	-	349,176
-	916,751	-	-	916,751
-	-	988,841	2,146,707	5,630,935
<u>349,176</u>	<u>916,751</u>	<u>988,841</u>	<u>2,146,707</u>	<u>6,896,862</u>
-	-	-	-	45,113
-	9,568	-	8,406	83,579
-	-	-	-	212,500
-	-	-	-	22,229,486
-	-	-	703,493	703,493
-	-	-	784,620	784,620
-	-	-	2,360,355	3,138,730
-	7,133,087	-	-	7,570,744
-	-	-	382,136	382,136
-	-	-	8,301,356	8,301,356
-	-	-	1,155,120	1,155,120
-	-	-	10,741	1,003,017
-	-	-	126,438	126,438
-	-	-	1,341,307	1,341,307
-	-	-	2,914,453	2,914,453
-	-	64,106,913	-	64,892,938
-	-	-	102,510	102,510
-	-	-	-	3,648,886
-	-	-	-	1,035,240
-	-	-	1,168,885	1,168,885
-	-	-	-	1,179
-	-	-	-	56,156
7,036,488	-	-	-	7,036,488
-	-	-	(439,479)	47,423,958
<u>7,036,488</u>	<u>7,142,655</u>	<u>64,106,913</u>	<u>18,920,341</u>	<u>175,358,332</u>
<u>\$ 7,773,335</u>	<u>\$ 8,942,120</u>	<u>\$ 66,635,073</u>	<u>\$ 22,085,971</u>	<u>\$ 189,009,403</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, 2015

	General	Impact Fees	Secondary Roads Construction
REVENUES			
Taxes	\$ 52,293,726	\$ -	\$ 3,672,972
Permits, fees and special assessments	9,401,418	5,280,765	157,165
Intergovernmental	14,862,652	1,630,482	1,018,540
Charges for services	5,342,153	-	-
Judgments, fines and forfeits	452,930	-	-
Interest	302,178	50,096	59,487
Miscellaneous	1,231,860	109,895	32,177
Total revenues	<u>83,886,917</u>	<u>7,071,238</u>	<u>4,940,341</u>
EXPENDITURES			
General government	11,152,587	368,903	-
Public safety	4,030,516	816,387	-
Physical environment	249,263	-	-
Transportation	4,837,336	5,101,408	4,890,907
Economic environment	426,790	-	-
Human services	3,535,915	-	-
Culture/recreation	8,461,822	1,689,872	-
Court related	217,888	-	-
Debt service:			
Principal	-	-	-
Interest and other fiscal charges	-	-	-
Capital projects	-	-	-
Total expenditures	<u>32,912,117</u>	<u>7,976,570</u>	<u>4,890,907</u>
Excess of revenues over (under) expenditures	50,974,800	(905,332)	49,434
OTHER FINANCING SOURCES (USES)			
Transfers in	-	57,075	-
Issuance of refunding notes	-	-	-
Transfers out	(8,728,923)	(24,990)	-
Transfers to constitutional officers	(43,645,512)	(54,697)	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>(52,374,435)</u>	<u>(22,612)</u>	<u>-</u>
Net change in fund balances	(1,399,635)	(927,944)	49,434
Fund balances at beginning of year	<u>51,678,865</u>	<u>15,120,693</u>	<u>13,630,522</u>
Fund balances at end of year	<u>\$ 50,279,230</u>	<u>\$ 14,192,749</u>	<u>\$ 13,679,956</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
\$ -	\$ 20,945,872	\$ 16,190,352	\$ 7,067,156	\$ 100,170,078
190,379	-	80,542	457,462	15,567,731
2,880,033	51,600	317,741	10,872,064	31,633,112
107,104	5,215,964	-	864,753	11,529,974
-	13,400	-	164,979	631,309
46,242	65,691	267,178	79,721	870,593
541,899	31,413	8,460	173,506	2,129,210
<u>3,765,657</u>	<u>26,323,940</u>	<u>16,864,273</u>	<u>19,679,641</u>	<u>162,532,007</u>
320,974	-	-	1,190,750	13,033,214
-	28,267,599	-	412,909	33,527,411
729,305	-	-	76,453	1,055,021
12,137,157	-	-	978,761	27,945,569
-	-	-	9,530	436,320
-	-	-	3,983,841	7,519,756
-	-	-	5,568,015	15,719,709
-	-	-	597,029	814,917
-	-	-	4,180,000	4,180,000
-	-	-	1,266,070	1,266,070
-	-	5,309,597	-	5,309,597
<u>13,187,436</u>	<u>28,267,599</u>	<u>5,309,597</u>	<u>18,263,358</u>	<u>110,807,584</u>
(9,421,779)	(1,943,659)	11,554,676	1,416,283	51,724,423
8,573,172	-	-	246,484	8,876,731
-	-	-	20,369,000	20,369,000
(150,990)	-	(128,249)	(57,075)	(9,090,227)
-	(460,942)	(1,325,251)	(419,874)	(45,906,276)
-	-	-	(20,340,959)	(20,340,959)
<u>8,422,182</u>	<u>(460,942)</u>	<u>(1,453,500)</u>	<u>(202,424)</u>	<u>(46,091,731)</u>
(999,597)	(2,404,601)	10,101,176	1,213,859	5,632,692
<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>\$ 7,036,488</u>	<u>\$ 7,142,655</u>	<u>\$ 64,106,913</u>	<u>\$ 18,920,341</u>	<u>\$ 175,358,332</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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 51,504,439	\$ 51,504,439	\$ 52,293,726	\$ 789,287
Permits, fees and special assessments	8,774,200	8,774,200	9,401,418	627,218
Intergovernmental	11,218,280	16,945,668	14,862,652	(2,083,016)
Charges for services	4,771,246	4,835,821	5,342,153	506,332
Judgments, fines and forfeits	322,525	322,525	452,930	130,405
Interest	156,275	156,275	302,178	145,903
Miscellaneous	727,896	915,731	1,231,860	316,129
Total revenues	77,474,861	83,454,659	83,886,917	432,258
EXPENDITURES				
General government	9,155,971	11,935,374	11,152,587	782,787
Public safety	4,112,351	4,254,745	4,030,516	224,229
Physical environment	253,717	267,099	249,263	17,836
Transportation	1,021,481	6,894,934	4,837,336	2,057,598
Economic environment	421,679	453,575	426,790	26,785
Human services	3,652,937	3,687,307	3,535,915	151,392
Culture/recreation	8,391,055	9,173,837	8,461,822	712,015
Court related	227,175	229,609	217,888	11,721
Total expenditures	27,236,366	36,896,480	32,912,117	3,984,363
Excess of revenues over (under) expenditures	50,238,495	46,558,179	50,974,800	4,416,621
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,228,923)	(8,728,923)	(8,728,923)	-
Transfers to constitutional officers	(44,358,666)	(44,566,378)	(43,645,512)	920,866
Total other financing sources (uses)	(52,587,589)	(53,295,301)	(52,374,435)	920,866
Net change in fund balances	(2,349,094)	(6,737,122)	(1,399,635)	\$ 5,337,487
Fund balances at beginning of year	2,349,094	6,737,122	51,678,865	
Fund balances at end of year	\$ -	\$ -	\$ 50,279,230	

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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Permits, fees and special assessments	\$ 2,398,750	\$ 2,398,750	\$ 5,280,765	\$ 2,882,015
Intergovernmental	-	265,000	1,630,482	1,365,482
Interest	49,500	49,500	50,096	596
Miscellaneous	146	146	109,895	109,749
Total revenues	<u>2,448,396</u>	<u>2,713,396</u>	<u>7,071,238</u>	<u>4,357,842</u>
EXPENDITURES				
General government	232,593	676,841	368,903	307,938
Public safety	190,000	869,800	816,387	53,413
Physical environment	-	1,000	-	1,000
Transportation	5,405,000	10,837,000	5,101,408	5,735,592
Culture/recreation	200,000	3,297,635	1,689,872	1,607,763
Total expenditures	<u>6,027,593</u>	<u>15,682,276</u>	<u>7,976,570</u>	<u>7,705,706</u>
Excess of revenues under expenditures	(3,579,197)	(12,968,880)	(905,332)	12,063,548
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,076	57,075	(1)
Transfers out	-	(25,000)	(24,990)	10
Transfers to constitutional officers	-	(248,355)	(54,697)	193,658
Total other financing sources (uses)	<u>-</u>	<u>(216,279)</u>	<u>(22,612)</u>	<u>193,667</u>
Net change in fund balances	(3,579,197)	(13,185,159)	(927,944)	<u>\$ 12,257,215</u>
Fund balances at beginning of year	<u>3,579,197</u>	<u>13,185,159</u>	<u>15,120,693</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,192,749</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,044,750	\$ 3,044,750	\$ 3,672,972	\$ 628,222
Permits, fees and special assessments	-	-	157,165	157,165
Intergovernmental	-	2,663,423	1,018,540	(1,644,883)
Interest	19,000	19,000	59,487	40,487
Miscellaneous	439	30,439	32,177	1,738
Total revenues	<u>3,064,189</u>	<u>5,757,612</u>	<u>4,940,341</u>	<u>(817,271)</u>
EXPENDITURES				
Transportation	<u>5,512,591</u>	<u>10,010,374</u>	<u>4,890,907</u>	<u>5,119,467</u>
Total expenditures	<u>5,512,591</u>	<u>10,010,374</u>	<u>4,890,907</u>	<u>5,119,467</u>
Net change in fund balances	(2,448,402)	(4,252,762)	49,434	<u>\$ 4,302,196</u>
Fund balances at beginning of year	<u>2,448,402</u>	<u>4,252,762</u>	<u>13,630,522</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,679,956</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Permits, fees and special assessments	\$ 171,000	\$ 171,000	\$ 190,379	\$ 19,379
Intergovernmental	2,446,250	2,642,425	2,880,033	237,608
Charges for services	92,150	92,150	107,104	14,954
Interest	28,500	28,500	46,242	17,742
Miscellaneous	800,924	425,924	541,899	115,975
Total revenues	<u>3,538,824</u>	<u>3,359,999</u>	<u>3,765,657</u>	<u>405,658</u>
EXPENDITURES				
General government	277,078	333,366	320,974	12,392
Physical environment	603,516	859,498	729,305	130,193
Transportation	11,725,814	13,149,312	12,137,157	1,012,155
Total expenditures	<u>12,606,408</u>	<u>14,342,176</u>	<u>13,187,436</u>	<u>1,154,740</u>
Excess of revenues under expenditures	(9,067,584)	(10,982,177)	(9,421,779)	1,560,398
OTHER FINANCING SOURCES (USES)				
Transfers in	8,073,172	8,573,172	8,573,172	-
Transfers out	(150,990)	(150,990)	(150,990)	-
Total other financing sources (uses)	<u>7,922,182</u>	<u>8,422,182</u>	<u>8,422,182</u>	<u>-</u>
Net change in fund balances	(1,145,402)	(2,559,995)	(999,597)	<u>\$ 1,560,398</u>
Fund balances at beginning of year	<u>1,145,402</u>	<u>2,559,995</u>	<u>8,036,085</u>	
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,036,488</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, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 20,687,270	\$ 20,687,270	\$ 20,945,872	\$ 258,602
Intergovernmental	42,750	67,798	51,600	(16,198)
Charges for services	5,289,426	5,289,426	5,215,964	(73,462)
Judgments, fines and forfeits	10,450	10,450	13,400	2,950
Interest	35,625	35,625	65,691	30,066
Miscellaneous	76,126	79,223	31,413	(47,810)
Total revenues	26,141,647	26,169,792	26,323,940	154,148
EXPENDITURES				
Public safety	25,893,680	32,635,956	28,267,599	4,368,357
Total expenditures	25,893,680	32,635,956	28,267,599	4,368,357
Excess of revenues under expenditures	247,967	(6,466,164)	(1,943,659)	4,522,505
OTHER FINANCING SOURCES (USES)				
Transfers to constitutional officers	(475,367)	(476,290)	(460,942)	15,348
Total other financing sources (uses)	(475,367)	(476,290)	(460,942)	15,348
Net change in fund balances	(227,400)	(6,942,454)	(2,404,601)	\$ 4,537,853
Fund balances at beginning of year	227,400	6,942,454	9,547,256	
Fund balances at end of year	\$ -	\$ -	\$ 7,142,655	

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, 2015**

	Enterprise Funds					
	Solid Waste Disposal District	Golf Course	County Utilities	County Building	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 11,357,559	\$ 5,384	\$ 37,273,275	\$ 6,129,954	\$ 54,766,172	\$ 30,516,071
Accounts receivable - net	107,314	-	2,387,365	-	2,494,679	299,406
Due from other governments	111,247	10,800	1,558,830	-	1,680,877	35,699
Interest receivable	10,535	228	521,943	4,211	536,917	19,811
Inventories	-	94,916	875,191	-	970,107	148,318
Prepaid items	1,136	-	141,918	1,058	144,112	988,784
Current restricted assets:						
Cash and cash equivalents	15,297,593	-	33,473,846	-	48,771,439	-
Total current assets	26,885,384	111,328	76,232,368	6,135,223	109,364,303	32,008,089
Non-current assets:						
Capital assets - non-depreciable	13,680,803	6,606,283	10,722,770	-	31,009,856	-
Capital assets - depreciable	31,380,967	3,576,454	425,855,236	469,849	461,282,506	2,543,668
Capital assets - accumulated depreciation	(11,622,681)	(2,090,461)	(238,256,043)	(343,355)	(252,312,540)	(2,128,531)
Non-current restricted assets:						
Special assessments receivable	-	-	563,099	-	563,099	-
Impact fees receivable	-	-	683,286	-	683,286	-
Liens receivable	-	-	4,328,447	-	4,328,447	-
Total non-current assets	33,439,089	8,092,276	203,896,795	126,494	245,554,654	415,137
Total assets	60,324,473	8,203,604	280,129,163	6,261,717	354,918,957	32,423,226
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	39,927	36,881	539,966	94,249	711,023	94,626
Deferred amounts on refundings	-	-	1,386,691	-	1,386,691	-
Total deferred outflows of resources	39,927	36,881	1,926,657	94,249	2,097,714	94,626
LIABILITIES						
Current liabilities (payable from current assets):						
Accounts payable	1,092,183	42,215	1,267,577	78,978	2,480,953	182,326
Retainage payable	-	-	38,880	-	38,880	-
Due to other funds	-	799,593	-	-	799,593	-
Claims payable	-	-	-	-	-	3,289,891
Due to other governments	-	6,635	-	25,961	32,596	-
Other deposits	-	1,000	-	-	1,000	-
Unearned revenues	-	29,673	-	-	29,673	-
Accrued compensated absences	45,970	15,462	507,565	73,662	642,659	72,314
Total current liabilities (payable from current assets)	1,138,153	894,578	1,814,022	178,601	4,025,354	3,544,531
Current liabilities (payable from restricted assets):						
Accounts payable	-	-	7,412	-	7,412	-
Retainage payable	-	-	31,833	-	31,833	-
Accrued interest payable	-	-	91,433	-	91,433	-
Closure and maintenance costs payable	4,630,451	-	-	-	4,630,451	-
Net pension liability	12,943	11,955	175,037	30,552	230,487	30,673
Notes payable	-	-	973,000	-	973,000	-
Bonds payable	-	-	1,905,000	-	1,905,000	-
Customer deposits	135,126	-	2,930,591	-	3,065,717	-
Total current liabilities (payable from restricted assets)	4,778,520	11,955	6,114,306	30,552	10,935,333	30,673
Total current liabilities	5,916,673	906,533	7,928,328	209,153	14,960,687	3,575,204
Non-current liabilities:						
Accrued compensated absences	-	48,124	192,021	8,918	249,063	42,717
Advance from other funds	-	212,500	-	-	212,500	-
Claims payable	-	-	-	-	-	4,887,629
Closure and maintenance costs payable	7,379,285	-	-	-	7,379,285	-
Net pension liability	212,686	196,463	2,876,388	502,064	3,787,601	504,061
Notes payable	-	-	6,198,000	-	6,198,000	-
Bonds payable - net of unamortized discount/premium	-	-	19,176,234	-	19,176,234	-
Total non-current liabilities	7,591,971	457,087	28,442,643	510,982	37,002,683	5,434,407
Total liabilities	13,508,644	1,363,620	36,370,971	720,135	51,963,370	9,009,611
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	49,510	45,732	669,562	116,870	881,674	117,334
NET POSITION						
Net investment in capital assets	33,439,089	8,092,276	171,456,420	126,494	213,114,279	415,137
Unrestricted	13,367,157	(1,261,143)	73,558,867	5,392,467	91,057,348	22,975,770
Total net position	\$ 46,806,246	\$ 6,831,133	\$ 245,015,287	\$ 5,518,961	\$ 304,171,627	\$ 23,390,907

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, 2015

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
OPERATING REVENUES		
Charges for services	\$ 11,455,302	\$ 3,235,879
Charges for services pledged as security for revenue bonds	-	-
Total operating revenues	11,455,302	3,235,879
OPERATING EXPENSES		
Personal services	543,085	505,367
Material, supplies, services and other operating	9,999,165	1,806,504
Depreciation	1,166,133	152,698
Total operating expenses	11,708,383	2,464,569
Operating income (loss)	(253,081)	771,310
NONOPERATING REVENUES (EXPENSES)		
Interest income	179,092	3,191
Interest income pledged as security for revenue bonds	-	-
Gain on disposal of equipment	-	3,702
Interest expense	-	(33,828)
Bond amortization expense	-	-
Loss on disposal of equipment	-	-
Total nonoperating revenues (expenses)	179,092	(26,935)
Income (loss) before transfers and capital contributions	(73,989)	744,375
Capital grants and contributions	-	-
Transfers	24,990	-
Change in net position	(48,999)	744,375
Total net position - beginning, as restated (Note 18)	46,855,245	6,086,758
Total net position - ending	\$ 46,806,246	\$ 6,831,133

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

Enterprise Funds			
County Utilities	County Building	Total	Internal Service Funds
\$ -	\$ 2,958,488	\$ 17,649,669	\$ 22,125,803
30,089,101	-	30,089,101	-
30,089,101	2,958,488	47,738,770	22,125,803
7,401,773	1,360,766	9,810,991	2,487,906
10,939,066	705,284	23,450,019	21,820,391
14,854,818	19,140	16,192,789	125,198
33,195,657	2,085,190	49,453,799	24,433,495
(3,106,556)	873,298	(1,715,029)	(2,307,692)
-	26,231	208,514	135,261
417,011	-	417,011	-
53,185	-	56,887	-
(2,004,297)	-	(2,038,125)	-
(22,133)	-	(22,133)	-
(1,795)	-	(1,795)	-
(1,558,029)	26,231	(1,379,641)	135,261
(4,664,585)	899,529	(3,094,670)	(2,172,431)
11,572,857	-	11,572,857	-
75,990	-	100,980	112,516
6,984,262	899,529	8,579,167	(2,059,915)
238,031,025	4,619,432	295,592,460	25,450,822
\$ 245,015,287	\$ 5,518,961	\$ 304,171,627	\$ 23,390,907

Indian River County, Florida
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 11,451,407	\$ 3,232,781
Cash paid to suppliers for goods and services	(9,418,532)	(1,813,914)
Cash paid to employees for services	(562,753)	(517,248)
Net cash provided by (used in) operating activities	<u>1,470,122</u>	<u>901,619</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers	24,990	-
Proceeds from advances from other funds	-	135,000
Payments on advances from other funds	-	(600,000)
Net cash provided by (used in) noncapital financing activities	<u>24,990</u>	<u>(465,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	-
Payments on defeasance of debt	-	-
Principal payments - bonds/notes	-	-
Interest paid on long-term debt	-	(33,828)
Payments on advances from other funds	-	(265,195)
Proceeds from sales of capital assets	-	3,702
Purchase of capital assets	(282,449)	(147,597)
Bond paying agent and arbitrage fees	-	-
Debt issuance costs	-	-
Capital grants and contributions	-	-
Net cash provided by (used in) capital and related financing activities	<u>(282,449)</u>	<u>(442,918)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	<u>176,484</u>	<u>3,155</u>
Net cash provided by investing activities	<u>176,484</u>	<u>3,155</u>
Net increase (decrease) in cash and cash equivalents	1,389,147	(3,144)
Cash and cash equivalents at beginning of year	<u>25,266,005</u>	<u>8,528</u>
Cash and cash equivalents at end of year	<u>\$ 26,655,152</u>	<u>\$ 5,384</u>
Classified as:		
Current assets	\$ 11,357,559	\$ 5,384
Restricted assets	15,297,593	-
Totals	<u>\$ 26,655,152</u>	<u>\$ 5,384</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>
\$ 30,324,101	\$ 2,958,488	\$ 47,966,777	\$ 22,185,025
(11,619,376)	(683,463)	(23,535,285)	(21,712,701)
(7,596,683)	(1,395,674)	(10,072,358)	(2,517,991)
<u>11,108,042</u>	<u>879,351</u>	<u>14,359,134</u>	<u>(2,045,667)</u>
75,990	-	100,980	112,516
-	-	135,000	-
-	-	(600,000)	(7,000)
<u>75,990</u>	<u>-</u>	<u>(364,020)</u>	<u>105,516</u>
7,171,000	-	7,171,000	-
(14,205,000)	-	(14,205,000)	-
(3,485,000)	-	(3,485,000)	-
(1,852,421)	-	(1,886,249)	-
-	-	(265,195)	-
53,185	-	56,887	-
(2,587,403)	(109,418)	(3,126,867)	(155,795)
(1,900)	-	(1,900)	-
(34,512)	-	(34,512)	-
5,415,726	-	5,415,726	-
<u>(9,526,325)</u>	<u>(109,418)</u>	<u>(10,361,110)</u>	<u>(155,795)</u>
421,250	24,928	625,817	132,161
<u>421,250</u>	<u>24,928</u>	<u>625,817</u>	<u>132,161</u>
2,078,957	794,861	4,259,821	(1,963,785)
68,668,164	5,335,093	99,277,790	32,479,856
<u>\$ 70,747,121</u>	<u>\$ 6,129,954</u>	<u>\$ 103,537,611</u>	<u>\$ 30,516,071</u>
\$ 37,273,275	\$ 6,129,954	\$ 54,766,172	\$ 30,516,071
33,473,846	-	48,771,439	-
<u>\$ 70,747,121</u>	<u>\$ 6,129,954</u>	<u>\$ 103,537,611</u>	<u>\$ 30,516,071</u>

Continued

Indian River County, Florida
Board of County Commissioners
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Enterprise Funds	
	Solid Waste Disposal District	Golf Course
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (253,081)	\$ 771,310
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,166,133	152,698
Work in progress reclassified as expense	-	-
(Increase) Decrease in assets:		
Accounts receivable	15,649	-
Due from other governments	(21,044)	-
Inventories	-	(37,125)
Liens receivable	-	-
Impact fees receivable	-	-
Special assessments receivable	-	-
Prepaid items	(1,136)	395
Increase (Decrease) in liabilities:		
Accounts payable	81,769	28,830
Due to other governments	-	490
Retainage payable	-	-
Customer deposits	1,500	-
Closure and maintenance costs payable	500,000	-
Pollution remediation costs payable	-	-
Net pension liability	(16,819)	(15,537)
Unearned revenues	-	(3,098)
Claims payable	-	-
Accrued compensated absences	(2,849)	3,656
Total adjustments	1,723,203	130,309
Net cash provided by (used in) operating activities	\$ 1,470,122	\$ 901,619
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in fair value of investments	\$ 17,129	\$ 371
Capital grants and contributions	\$ -	\$ -
Capital assets purchased through accounts payable	\$ 135,407	\$ -

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>
\$ (3,106,556)	\$ 873,298	\$ (1,715,029)	\$ (2,307,692)
14,854,818	19,140	16,192,789	125,198
68,824	-	68,824	-
(4,290)	-	11,359	25,048
-	-	(21,044)	34,174
21,588	-	(15,537)	41,450
(426,401)	-	(426,401)	-
414,951	-	414,951	-
129,034	-	129,034	-
18,920	(87)	18,092	161,029
(743,145)	14,737	(617,809)	(45,764)
-	7,171	7,661	-
(34,997)	-	(34,997)	-
121,706	-	123,206	-
-	-	500,000	-
(11,500)	-	(11,500)	-
(227,472)	(39,704)	(299,532)	(39,863)
-	-	(3,098)	-
-	-	-	(49,025)
32,562	4,796	38,165	9,778
<u>14,214,598</u>	<u>6,053</u>	<u>16,074,163</u>	<u>262,025</u>
\$ <u>11,108,042</u>	\$ <u>879,351</u>	\$ <u>14,359,134</u>	\$ <u>(2,045,667)</u>
\$ 73,485	\$ 6,847	\$ 97,832	\$ 32,210
\$ 6,157,131	\$ -	\$ 6,157,131	\$ -
\$ 151,974	\$ -	\$ 287,381	\$ -

**Indian River County, Florida
Board of County Commissioners
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2015**

	<u>Agency</u>	<u>Other Postemployment Benefits Trust</u>
ASSETS		
Cash and cash equivalents	\$ 2,248,584	\$ -
Investments, at fair value:		
Index funds	-	7,075,338
U.S. government securities funds	-	6,436,904
Primary money market fund	-	1,337,914
Total assets	<u>\$ 2,248,584</u>	<u>\$ 14,850,156</u>
LIABILITIES		
Other deposits held in escrow	2,248,584	-
Total liabilities	<u>\$ 2,248,584</u>	<u>-</u>
NET POSITION		
Assets held in trust for other postemployment benefits		14,850,156
Total net position		<u>\$ 14,850,156</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 Post Employment Benefits Trust Fund
For the Year Ended September 30, 2015

ADDITIONS

Employer contributions	\$ 2,977,075
Investment loss	(218,173)
Investment expense	(3,045)
Total additions	<u>2,755,857</u>

DEDUCTIONS

Benefits payments	<u>1,944,533</u>
Total deductions	<u>1,944,533</u>

Change in net position	811,324
------------------------	---------

Net position - beginning	<u>14,038,832</u>
Net position - ending	<u><u>\$ 14,850,156</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, 2015

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, 2015

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 16 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 16 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, 2015

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

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as 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, 2015

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 5th and 6th cent gas tax, County gas tax and transfers from the General Fund.

Emergency Services District Fund – The Emergency Services District Fund accounts for the expenditures of providing fire protection and advanced life support to the County. Ad valorem taxes are the primary source of revenue.

Optional Sales Tax Fund – The Optional Sales Tax Fund accounts for revenue generated by the local option one-cent sales tax and some capital grants that use the local option one-cent sales tax as matching funds. Monies are used for various capital projects.

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, 2015

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

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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2015, the allowance for water and sewer was \$424,493 and for ambulance services was \$1,116,986. No other allowances for doubtful accounts are maintained since other accounts receivable are considered collectable as reported at September 30, 2015.

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, 2015

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. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Board has three items that qualify for reporting in these categories.

One item is the deferred charge on refunding which is reported as a deferred outflow of resources on the Statement of Fund Net Position for the Proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding debt.

The second item is unavailable revenue, which arises under a modified accrual basis of accounting, and is reported as a deferred inflow of resources 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
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Deferred Outflows/Inflows of Resources - Continued

In addition to the above two deferred items, both deferred outflows and inflows related to pensions are calculated in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. These deferred outflows and inflows are an aggregate of various pension items and will be recognized as adjustments to pension expense or net pension liability in future reporting years. Further information and detail on the composition of these items is discussed in Note 13.

K. Pensions/Net Pension Liability

In the Statement of Fund Net Position for Proprietary Funds, net pension liability represents the Board's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees. The benefit payments are attributable to those employees past periods of service, less the amount of the cost-sharing pension plans' fiduciary net position.

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

L. Change in Accounting Principles/New Accounting Pronouncement

As a participating employer in the FRS, the Board implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires employers participating in cost-sharing, multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the pension plans. The requirements of this Statement are being implemented prospectively, with the Board reporting its proportionate share of the actuarially determined liabilities for proprietary funds of \$2,915,394 at October 1, 2014. In addition, the Board reported beginning deferred outflows of \$444,047 and beginning deferred inflows of \$2,614,229 related to pensions. The net adjustment to beginning net position for the proprietary funds was \$5,085,576.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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, 2015.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

R. 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
Notes To Financial Statements
Year Ended September 30, 2015

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, 2015, the carrying value of the Board's deposits was \$23,286,835 and the bank balance was \$23,873,246. 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, 2015 was \$9,400.

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, 2015, accrued interest for the Board's portfolio totaled \$132,813 and was allocated to the funds based on their average monthly balance for September. The remaining accrued interest is reflected in utilities and road paving assessments.

C. Investments

On April 23, 2015, the Board of County Commissioners updated its investment policy to increase the limit on certificates of deposit. On October 22, 2015, the Board of County Commissioners updated its investment policy to exclude SBA pools from the list of authorized investments, to specify money manager's performance benchmarks, and to clarify the Clerk of Circuit Court and Comptrollers's role in bank and investment agreements.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS - Continued

C. Investments - Continued

As of September 30, 2015, the Board had the following investments:

Investment Type	Fair Value	Weighted Average Maturity In Years	Portfolio Percentage	Credit Risks*
Fixed Rate Debt Instruments:				
U.S. Treasuries	\$ 100,045,921	0.89	35.22 %	N/A
U.S. Agencies:***				
Federal Farm Credit Bureau	19,999,962	0.81	7.04	AA+
Federal Home Loan Bank	20,521,606	1.41	7.22	AA+
Federal Home Loan Mortgage	40,960,658	1.02	14.42	AA+
Federal National Mortgage Assoc.	5,995,309	0.39	2.11	AA+
Other Fixed Rate Investments:				
Oculina Bank CD	1,003,428	1.61	0.35	
TD Bank CD	6,021,585	1.60	2.12	
National Bank of Commerce CD	6,014,006	0.61	2.12	
Harbor Community Bank CD	3,042,693	0.35	1.07	N/A
Other Market Rate Investments:				
Regions Bank Money Market	21,144,687	0.08	7.44	N/A
TD Bank Money Market	20,079,162	0.08	7.07	N/A
BankUnited Money Market	23,168,615	0.08	8.16	N/A
Florida Local Government Investment Trust Fund	11,984,722	0.08	4.22	AAAf and S-1**
W&S Sinking Fund Reserve:				
U.S. Treasuries	4,104,192	1.24	1.44	N/A
Total Fair Value	\$ 284,086,546		100 %	
Weighted Average Maturity of Investments		0.72		

* 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, 2015

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. Any intergovernmental investment pool, with the exception of SBA pools, authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01;
3. Florida Local Government Investment Trust 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
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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 \$6 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, 2015 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; Certificates of Deposit at Harbor Community Bank, TD Bank, Oculina Bank and National Bank of Commerce; 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
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS - Continued

D. OPEB Trust Investments - Continued

The contribution of \$2.98 million for the year ended September 30, 2015 was invested in the various funds listed below. As of September 30, 2015, 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	\$ 4,862	0.11	0.03 %	AAAm
<u>Long-Term Portion:</u>				
Vanguard 500 Index	3,161,492	N/A	21.29	N/A
Vanguard All World Ex-US	2,839,805	N/A	19.12	N/A
Vanguard Mid Cap Index	729,129	N/A	4.91	N/A
Vanguard Small Cap Index	344,913	N/A	2.32	N/A
Vanguard Short Term Treasury	4,653,186	2.40	31.33	N/A
Vanguard Intermediate Treasury	1,573,207	5.70	10.59	N/A
Vanguard Prime Money Market	1,337,914	0.12	9.02	N/A
Vanguard Federal Money Market	205,648	0.13	1.39	N/A
Total Fair Value	\$ <u>14,850,156</u>		<u>100 %</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 2014-2015 fiscal year were levied in October 2014. 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
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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 10/1/2014	\$ 133,274,798	\$ 211,077,040	\$ 36,938,656	\$ 3,580,536	\$ 378,925,494	\$ 43,462,054	\$ 807,258,578
Additions	388,213	2,275,536	3,454,478	191,956	6,908,243	19,158,201	32,376,627
Deletions	-	(518,585)	(1,529,497)	(20,647)	(168,720)	(12,276,920)	(14,514,369)
Balance 9/30/2015	<u>\$ 133,663,011</u>	<u>\$ 212,833,991</u>	<u>\$ 38,863,637</u>	<u>\$ 3,751,845</u>	<u>\$ 385,665,017</u>	<u>\$ 50,343,335</u>	<u>\$ 825,120,836</u>

Depreciation expense, which includes amortization expense on intangible assets, for governmental fund type capital assets is not reported in the financial statements of the Board. Depreciation expense is reported in the financial statements of the County. Please refer to the County Notes for a more detailed explanation of the County's policy on depreciation.

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 10/1/2014	\$ 21,556,248	\$ 435,584,104	\$ 14,965,608	\$ 2,581,659	\$ 11,319,754	\$ 486,007,373
Additions	-	15,639,843	923,036	227,058	1,888,201	18,678,138
Deletions	-	(1,010,120)	(31,016)	-	(11,352,013)	(12,393,149)
	<u>21,556,248</u>	<u>450,213,827</u>	<u>15,857,628</u>	<u>2,808,717</u>	<u>1,855,942</u>	<u>492,292,362</u>
Less:						
Accumulated Depreciation	-	(238,257,219)	(13,290,830)	(764,491)	-	(252,312,540)
Balance 9/30/2015	<u>\$ 21,556,248</u>	<u>\$ 211,956,608</u>	<u>\$ 2,566,798</u>	<u>\$ 2,044,226</u>	<u>\$ 1,855,942</u>	<u>\$ 239,979,822</u>

The beginning balance for land has been increased by \$99,485 and the beginning balance for buildings and improvements has been decreased by the same amount to correct amounts reported at September 30, 2014.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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 10/1/2014	\$ 2,837	\$ 903,131	\$ 1,487,719	\$ 2,393,687
Additions	-	62,985	112,152	175,137
Deletions	-	(25,156)	-	(25,156)
	2,837	940,960	1,599,871	2,543,668
Less: Accumulated Depreciation	(2,837)	(792,350)	(1,333,344)	(2,128,531)
Balance 9/30/2015	\$ -	\$ 148,610	\$ 266,527	\$ 415,137

NOTE 5 – RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

	Solid Waste Disposal District	County Utilities	Total
Sinking funds	\$ -	\$ 4,435,459	\$ 4,435,459
Renewal and replacement	3,152,731	3,485,928	6,638,659
Customer deposits	135,126	2,930,591	3,065,717
Capital construction	-	22,621,868	22,621,868
Closure and maintenance cost	12,009,736	-	12,009,736
Total	\$ 15,297,593	\$ 33,473,846	\$ 48,771,439

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 6 - INTERFUND BALANCES

Interfund balances at September 30, 2015, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 405,000
General Fund	Golf Course Enterprise Fund	799,593
		<u>\$ 1,204,593</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. In September 2015, the General Fund loaned the Golf Course Fund \$135,000 as a short-term cash loan to be repaid within the next twelve months. 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 2016. The remaining amount due from the Golf Course Fund is reported as an interfund advance. The amounts due from the Nonmajor Governmental Funds represent short-term cash loans that will be repaid within the next twelve months.

Interfund advance at September 30, 2015, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	<u>\$ 212,500</u>

This amount is considered a long-term advance between major funds expected to be paid in fiscal year 2017. This amount has been presented as nonspendable on the General Fund Balance Sheet.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2015, consisted of the following:

	Transfers In:						
	Impact Fees Fund	Transportation Fund	Nonmajor Governmental Fund	Solid Waste Disposal District	Utilities Fund	Internal Service Fund	Total
Transfers Out:							
General Fund	\$ -	\$ 8,573,172	\$ 118,235	\$ -	\$ -	\$ 37,516	\$ 8,728,923
Impact Fees Fund	-	-	-	24,990	-	-	24,990
Transportation Fund	-	-	-	-	75,990	75,000	150,990
Optional Sales Tax Fund	-	-	128,249	-	-	-	128,249
Nonmajor Governmental Funds	<u>57,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,075</u>
Total	\$ <u>57,075</u>	\$ <u>8,573,172</u>	\$ <u>246,484</u>	\$ <u>24,990</u>	\$ <u>75,990</u>	\$ <u>112,516</u>	\$ <u>9,090,227</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 impact fee fund revenues to offset portion of landfill improvements, 5) use unrestricted stormwater revenues to offset Egret Marsh employee costs accounted for in the utilities fund, 6) use transportation fund revenues to offset vehicle maintenance costs accounted for in the fleet internal service fund, 7) to use capital project fund revenues for improvements to the Historic Dodgertown facility, and 8) to use nonmajor governmental fund revenues to offset prior year expenditures related to a boat ramp project in the impact fees fund.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 8 – 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 quarterly installments over a four-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 9/30/2015	<u>(13,986,779)</u>
Balance Due from FDOT SR60 Agreement	442,975
Additional Funds Due from other governments	<u>2,489,022</u>
Total Due from other governments	\$ <u><u>2,931,997</u></u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 9 – ACCOUNTS PAYABLE

Accounts Payable at September 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Total Accounts Payable
Governmental Funds:			
General	\$ 940,316	\$ 342,254	\$ 1,282,570
Impact Fees	141,654	2,789	144,443
Secondary Roads Construction	729,282	8,065	737,347
Transportation	172,325	212,404	384,729
Emergency Services	247,104	623,096	870,200
Optional Sales Tax	709,606	-	709,606
Other Governmental	484,032	24,238	508,270
Total Governmental Funds	<u>\$ 3,424,319</u>	<u>\$ 1,212,846</u>	<u>\$ 4,637,165</u>
Proprietary Funds:			
Payable from current assets:			
Solid Waste	\$ 1,074,523	\$ 17,660	\$ 1,092,183
Golf Course	29,104	13,111	42,215
Utilities	1,048,775	218,802	1,267,577
Building	33,041	45,937	78,978
Other Proprietary	141,014	41,312	182,326
Payable from restricted assets:			
Utilities	7,412	-	7,412
Total Proprietary Funds	<u>\$ 2,333,869</u>	<u>\$ 336,822</u>	<u>\$ 2,670,691</u>

Included in salaries and benefits payable is a liability to the Florida Retirement System (FRS) for pension contributions due. The amounts due to FRS at September 30, 2015 were \$139,331 for governmental funds and \$21,953 for proprietary funds.

The Board has not engaged in any short-term debt activity during fiscal year 2015 other than that listed in Note 6.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES

A. Governmental Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Accrued Compensated Absences:	\$ 4,193,794	\$ 2,659,077	\$ 2,750,165	\$ 4,102,706
Bonds Payable:				
Limited General Obligation				
Bonds - 2006 Series	26,010,000	-	22,465,000	3,545,000
Spring Training Facility				
Revenue Bonds - 2001 Series	7,700,000	-	470,000	7,230,000
Total Bonds Payable	<u>33,710,000</u>	<u>-</u>	<u>22,935,000</u>	<u>10,775,000</u>
Notes Payable:				
Limited General Obligation				
Refunding	-	20,369,000	320,000	20,049,000
Grand Total	<u>\$ 37,903,794</u>	<u>\$ 23,028,077</u>	<u>\$ 26,005,165</u>	<u>\$ 34,926,706</u>

Of the \$4,102,706 liability for accrued compensated absences, management estimates that \$2,427,214 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 bond and note 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
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES – Continued

A. Governmental Long-Term Debt - Continued

Annual Debt Service Payments

The annual debt service payments for bonds and notes outstanding at September 30, 2015, are as follows:

Fiscal Year Ending September 30	Limited General Obligation Bonds Series 2006		Spring Training Facility Revenue Bonds Series 2001		Limited General Obligation Note Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,545,000	\$ 70,900	\$ 495,000	\$ 370,037	\$ 343,000	\$ 332,813
2017	-	-	520,000	344,050	4,053,000	327,119
2018	-	-	550,000	316,750	4,158,000	259,840
2019	-	-	585,000	287,875	4,227,000	190,817
2020	-	-	615,000	257,163	4,298,000	120,649
2021-2025	-	-	1,970,000	893,125	2,970,000	49,302
2026-2030	-	-	2,060,000	427,750	-	-
2031	-	-	435,000	21,750	-	-
Total	3,545,000	70,900	7,230,000	2,918,500	20,049,000	1,280,540
Less:						
Current portion	3,545,000	-	495,000	-	343,000	-
Total	\$ -	\$ 70,900	\$ 6,735,000	\$ 2,918,500	\$ 19,706,000	\$ 1,280,540

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. The total tax revenue received was \$4,795,927, of which 100% is pledged for payment of this bond and the refunding 2015 series Note. Total principal and interest paid on this bond was \$4,148,006 and represents 86% of total pledged revenue.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES – Continued

A. Governmental Long-Term Debt - Continued

Limited General Obligation Bonds - Continued

Bonds Issued - At September 30, 2015, Limited General Obligation Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Limited General Obligation Bonds, 2006 Series	4.00%-5.00% 1/1 and 7/1	2016	\$ 48,600,000	<u>\$ 3,545,000</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. On April 9, 2015, all eligible outstanding bonds (\$19,075,000) were called early and placed in an escrow account held by Regions Bank. The July 1, 2015 and 2016 principal payments (\$6,935,000) were not included in the redemption. The \$19,075,000 was refunded by a Regions Bank Note discussed in further detail later in this note.

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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES - Continued

A. Governmental Long-Term Debt – 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 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.

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 \$852,375 represent nine percent of total pledged revenues. All three pledged revenue sources totaled \$8,535,683 for the current fiscal year. The Board applied 100% of the state subsidy, 62% 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 \$10,148,500.

Bonds Issued - At September 30, 2015, Spring Training Facility Revenue Bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Spring Training Facility Revenue Bonds, 2001 Series	3.30%-5.25% 4/1 and 10/1	2031	\$ 16,810,000	<u>\$ 7,230,000</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - 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, 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

Limited General Obligation Refunding Note, Series 2015

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

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES - Continued

A. Governmental Long-Term Debt - Continued

Limited General Obligation Refunding Note, Series 2015 - Continued

The aggregate difference in debt service between the 2015 note (\$28,959,008) and the 2006 bonds (\$30,315,331) was \$1,356,323. These amounts include the 7/1/2015 and 7/1/2016 principal and interest payments which were excluded in the refunding. The net economic gain was \$636,694 and is amortized over the life (72 months) of the new debt. The unamortized balance of \$588,058 is reflected as a deferred outflow of resources on the government-wide Statement of Net Position. This refinancing lowered the annual debt service by \$150,000.

Pledge of revenues – The principal and interest on the bonds are payable from the sole source of 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. The total tax revenue received was \$4,795,927 of which 100% is pledged for payment of this note and the 2006 bond. Total principal and interest paid on this note was \$397,017 and represents 8% of total pledged revenue.

Maturity and Interest Rate - Interest payments are made semiannually beginning July 1, 2015 through July 1, 2021. Annual principal payments begin July 1, 2015 and end July 1, 2021. The interest rate is fixed at 1.66%. The note may be paid early without a prepayment penalty.

B. Proprietary Long-Term Debt

Changes in Long-Term Liabilities

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Accrued Compensated Absences	\$ 958,810	\$ 835,167	\$ 787,224	\$ 1,006,753
Note Payable:				
Water & Sewer Refunding				
Note Series 2015	-	7,171,000	-	7,171,000
Bonds Payable:				
Water & Sewer Revenue				
Refunding Series 2005	15,875,000	-	15,875,000	-
Water & Sewer Revenue				
Refunding Series 2009	21,340,000	-	1,815,000	19,525,000
Total Bonds Payable	37,215,000	-	17,690,000	19,525,000
Grand Total	\$ 38,173,810	\$ 8,006,167	\$ 18,477,224	\$ 27,702,753

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Proprietary Funds Long-Term Debt - Continued

Annual Debt Service Payments

The annual debt service payments for bonds and notes outstanding at September 30, 2015 are as follows:

Fiscal Year Ending September 30	Water and Sewer Revenue Refunding Note Series 2015		Water and Sewer Revenue Refunding Bonds Series 2009	
	Principal	Interest	Principal	Interest
2016	\$ 973,000	\$ 119,636	\$ 1,905,000	\$ 976,250
2017	992,000	102,267	2,000,000	881,000
2018	1,007,000	85,899	2,100,000	781,000
2019	1,025,000	69,284	2,205,000	676,000
2020	1,042,000	52,371	2,315,000	565,750
2021-2022	2,132,000	52,899	9,000,000	1,046,500
Total	7,171,000	482,356	19,525,000	4,926,500
Less:				
Current portion	973,000	-	1,905,000	-
Add:				
Unamortized bond premium	-	-	1,556,234	-
Total	\$ 6,198,000	\$ 482,356	\$ 19,176,234	\$ 4,926,500

Water and Sewer Revenue Refunding Note, Series 2015

Purpose - On August 18, 2015, the Board voted to early call all of the outstanding Water and Sewer Revenue Refunding 2005 Bonds. The Board paid down 50% of the debt (\$7,100,000) with cash and refinanced the remaining 50% (\$7,105,000) with a 7 year note. The total amount borrowed included the cost of issuance and accrued interest totaling \$66,000, for a grand total of \$7,171,000.

The aggregate difference in debt service between the Series 2005 bonds (\$18,866,875) and the Series 2015 note (\$7,653,356), cash contribution and September 1, 2016 principal and interest payment (\$9,162,642) is \$2,050,877. The net economic gain was \$583,991; which included the refinancing, accrued interest, and cash contribution. This lowered the annual debt service by \$1.2 million. The net economic gain is amortized over the 7 year life of the note. The unamortized balance of the deferred amount on the refunding at September 30, 2015 is \$577,038 and is reflected as a deferred outflow of resources on the Statement of Net Position.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Proprietary Funds Long-Term Debt - Continued

Water and Sewer Revenue Refunding Note, Series 2015 - Continued

Pledge of Revenues – The note is collateralized, for the remaining term of the note, by a pledge of all net revenues derived from the operation of the system, certain surcharges, and special assessments. Annual principal and interest payments of \$2,430,867 included principal and interest on the 2005 Water and Sewer Bonds and interest only on the 2015 note. This amount represents approximately seventeen percent of net revenues of \$14,016,407 of the utility system. The total principal and interest remaining to be paid on the 2015 note is \$7,653,356. Refer to Schedule 14 in the statistical section for further detail.

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

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

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, 2015 is \$809,653 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 \$2,882,000 represent approximately twenty percent of net revenues of \$14,243,879 of the utility system. The total principal and interest remaining to be paid on the bonds is \$24,451,500.

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

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 10 - LONG-TERM LIABILITIES - Continued

B. Proprietary Funds Long Term Debt – Continued

Water and Sewer Revenue Refunding Bonds, Series 2009 - Continued

Bonds Issued - At September 30, 2015, the revenue bonds consisted of the following:

Description	Interest Rates and Date	Maturity	Issue	Outstanding at September 30, 2015
Water and Sewer Revenue Bonds, Series 2009	4-5% 3/1 and 9/1	2024	\$ 26,370,000	<u>\$ 19,525,000</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 (\$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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 11 - PROVISION FOR CLOSURE COSTS

Current regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) require the Solid Waste Disposal District (SWDD) to place a final cover on closed landfill areas, and to maintain those areas for up to thirty years after closure. The SWDD annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The SWDD recognizes the expenses associated with the final closure and post-closure maintenance of the landfill areas over the active life of those areas. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The total unrecognized closure and post-closure costs are approximately \$2.8 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, II and III	68%	2026	\$ 7,701,947
Construction and Demolition	90%	2027	1,174,866
<u>Post-closure Costs</u>			
Class I - Segments I and II	N/A	N/A	2,938,435
Construction and Demolition	N/A	N/A	194,488
Total account balance at 9/30/15			\$ <u><u>12,009,736</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, 2015, \$11,984,722 was on deposit at the Florida Local Government Investment Trust and \$25,014 was on deposit in the Board's Operating account.

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

	<u>Balance 10/1/2014</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance 09/30/15</u>
Closure and long-term care costs	\$ <u>11,509,736</u>	\$ <u>500,000</u>	\$ <u>-</u>	\$ <u><u>12,009,736</u></u>

Of the \$12,009,736 liability for closure and long-term care costs, management estimates that \$4,630,451 will be due and payable within one year.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 12 – POLLUTION REMEDIATION

In accordance with GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, a consultant evaluated two sites to assess pollution remediation liabilities. The consultant calculated for each site an expected value (EV) estimate for pollution remediation based on three plausible mitigation scenarios. An obligating event occurred at each of the following two sites requiring the Board (using the consultant's services) to attempt to accrue a liability for pollution remediation. The liability totaled \$2,551,200 at September 30, 2015 for the two 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 \$2,530,000 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 \$21,200 and will be paid from the General Fund.

Total governmental funds liability: \$2,551,200

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS)

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

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

Pension Plan

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

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

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life. This benefit is equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

Benefits Provided, Continued: Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011 and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011 and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions: The State of Florida establishes contribution rates for participating employers and employees in section 121.71 Florida Statutes. Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, special risk 22.04%, special risk administrative support 32.95%, senior management 21.43%, DROP 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%. Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with the 3% employee contributions, is expected to finance the cost of benefits earned by employers during the year with an additional amount to finance any unfunded accrued liability.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

The Board's actuarial contribution to FRS under the Pension Plan for the year ended September 30, 2015, was \$3,878,848. Employee contributions for September 30, 2015 were \$839,897. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pension Plan: At September 30, 2015, the Division of Retirement calculated the Board's liability of \$20,147,953 for the FRS plan for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Board's proportion share was .155988% for the FRS pension plan. This was an increase of .000663% from its proportionate share measured as of June 30, 2014.

For the year ended September 30, 2015, the Board's calculated total reduction of actuarially determined pension expense of was \$1,746,865. Of this amount, the Board recognized \$215,336 in the enterprise funds and \$28,657 in the internal service funds. In addition, the Board's calculated deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,127,027	\$ 477,848
Changes in assumptions	1,337,287	-
Net difference between projected and actual earnings on pension plan investments	-	4,810,994
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,639,778
Board contributions subsequent to the measurement date	1,069,045	-
Total	<u>\$ 4,533,359</u>	<u>\$ 6,928,620</u>

Deferred outflows related to pensions recognized by enterprise funds were \$711,023 and \$94,626 for internal service funds. Deferred inflows related to pensions recognized by the enterprise funds were \$881,674 and \$117,334 for the internal service funds.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

The deferred outflows of resources related to pensions totaling \$1,069,045 resulting from Board contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2016	\$ (3,013,946)
2017	(3,013,946)
2018	(3,013,946)
2019	4,503,598
2020	866,076
Thereafter	207,858
Total	<u>\$ (3,464,306)</u>

Actuarial Assumptions: The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2015
Measurement date:	June 30, 2015
Discount rate:	7.65%
Long-term expected rate of return:	7.65%, net of pension plan investment expense, including inflation
Inflation:	2.60%
Salary increase:	3.25%, including inflation
Mortality	Generational RP-2000 with Projections Scale BB
Actuarial cost method	Individual Entry Age Normal

The actuarial assumptions that determined the total pension liability used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The actuarial assumptions for demographic and economic assumptions are identical to those used in the previous valuation and are the same assumptions in the FRS actuarial study for funding purposes. These changes were approved by the 2014 and 2015 FRS Actuarial Assumptions Conferences. The changes are explained as follows:

- The discount rate and long-term expected rate of return, net of investment expense were both reduced since the prior actuarial valuation by 0.10 percent from 7.75 percent to 7.65 percent to increase the likelihood that FRS will meet or exceed its assumed investment return in future years.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

- The assumed inflation rate was decreased from 3.00 percent in the July 1, 2013 valuation to 2.60 percent in the July 1, 2014 valuation in order to bring the rate in line with the combined Social Security intermediate long-term and lower near-term assumptions.
- The salary increase assumption, including inflation was decreased by 0.75 percent from 4.00 percent to 3.25 percent. The decrease was due to two factors, a decrease in inflation as previously explained and a decrease in real wage growth. The decrease in real wage growth was made to better align with the trailing 10-year growth in payroll as well as to be in a reasonable range based on observed national data and the Social Security Administration's forward-looking assumption sets.
- The mortality assumption was changed to incorporate Projection Scale BB in the July 1, 2014 actuarial valuation, in place of the Projection Scale AA previously used. The use of Scale BB allowed FRS to use a standard Society of Actuaries mortality table for each membership class/gender group without additional adjustment.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed inflation-mean		2.6%		1.9%

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Pension Plan - Continued

Discount rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Board's contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Board's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Board's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% <u>Decrease (6.65%)</u>	Current Discount Rate (7.65%)	1% <u>Increase (8.65%)</u>
Board's proportionate share of NPL	\$52,207,902	\$20,147,953	\$(6,531,191)

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (844) 377-1888 or (850) 907-6500. This report identifies statements that were prepared in accordance with generally accepted accounting principles, the measurement focus and basis of accounting, various investment valuations, various pension plan benefits, assumptions used, and many other details.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program

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

Benefits Provided: For fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Program is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution rate was 1.26% for October 1, 2014 through June 30, 2015 and 1.66% for July 1, 2015 through September 30, 2015. There are no employee contributions required. The Board contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which payments are authorized. The Board's actuarial contributions to the HIS Program totaled \$ 511,413 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to HIS Program: At September 30, 2015, the Division of Retirement calculated the Board's liability of \$12,447,858 for its proportionate share of the HIS Program's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Board's proportion of the net pension liability was based on based on the Board's 2014-2015 contributions relative to the 2013-2014 fiscal year contributions of all participating members. At September 30, 2015, the Board's proportion share was .122057% for the HIS Program. This was an increase of 0.001% from its proportionate share measured as of June 30, 2014.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

For the year ended September 30, 2015, the Board's calculated total actuarially determined pension expense of was \$553,332. Of this amount, the Board recognized \$68,209 in the enterprise funds and \$9,076 in the internal service funds. In addition, the Board's calculated deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 979,322	\$ -
Net difference between projected and actual earnings on pension plan investments	6,738	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	81,273	223,760
Board contributions subsequent to the measurement date	167,304	-
Total	<u>\$ 1,234,637</u>	<u>\$ 223,760</u>

The deferred outflows of resources related to HIS totaling \$167,304 resulting from Board contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIS Program will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount Recognized</u>
2016	\$ 145,938
2017	145,938
2018	145,938
2019	144,673
2020	144,166
Thereafter	116,920
Total \$	<u>843,573</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

Actuarial Assumptions: The total pension liability for the HIS Program in the July 1, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date:	July 1, 2015
Measurement date:	June 30, 2015
Discount rate:	3.80%
Long-term expected rate of return:	N/A
Municipal bond rate:	3.80%
Inflation:	2.60%
Salary increase;	3.25%, average, including inflation
Mortality	Generational RP-2000 with Projections Scale BB
Actuarial cost method	Individual Entry Age Normal

The actuarial assumptions that determined the total HIS pension liability used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

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

Sensitivity of the Board's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Board's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Board's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Retiree Health Insurance Subsidy (HIS) Program - Continued

	1% <u>Decrease (2.80%)</u>	Current Discount <u>Rate (3.80%)</u>	1% <u>Increase (4.80%)</u>
Board's proportionate share of NPL:	\$ 14,183,755	\$12,447,858	\$ 11,000,381

HIS Plan Fiduciary Net Position: Detailed information regarding the HIS Program's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. This report is available by writing to the State of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by email at rep@dms.myflorida.com, or by telephone toll free at (844) 377-1888) or (850) 907-6500.

Investment Plan

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

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

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 13 - RETIREMENT PLAN - Florida Retirement System (FRS) - Continued

Investment Plan - Continued

Benefits Provided, Continued: For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Board.

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

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

Contributions: Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .04% of payroll and by forfeited benefits of Investment Plan members. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances amount various approved investment choices.

Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows: regular class 6.30%, special risk class 14.00%, senior management service class 7.67%, Board elected officers' class 11.34%. This includes the employee contribution of 3%.

The Board's Investment Plan pension expense totaled \$485,604 for fiscal year ended September 30, 2015. Employee contributions totaled \$122,643 for the same period.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)

A. Plan Description

On September 23, 2008, the Board of Board 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 Board 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 Board 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, 2014 range from \$380 for single coverage Medicare participants to \$715 for family coverage. Life insurance is available to retirees at a flat rate of \$.20 per \$1,000 of coverage (to a maximum of \$20,000 until the age of 70). After 70, the maximum amount of life insurance is \$10,000.

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
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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

A. Plan Description – Continued

The OPEB Trust financial statements are reported using the accrual basis of accounting and are included in the Indian River Board 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 \$1,646 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 260-261. 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 116.

B. Funding Policy

The Board of Board 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, 2015, the Board contributed \$2.98 million to the qualifying OPEB Trust. Plan members receiving benefits contributed \$1.94 million, or approximately 66 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.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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

C. Annual OPEB Cost and Net OPEB Obligation - Continued

	FY 2014/2015	FY 2013/2014	FY 2012/2013
Annual Required Contribution	\$ 2,977,075	\$ 2,835,072	\$ 2,965,251
Interest on Net OPEB Obligation	(47,722)	(18,036)	(20,909)
Adjustment to Annual Required Contribution	72,521	24,230	26,830
Annual OPEB Cost (expense)	3,001,874	2,841,266	2,971,172
Contributions (net of adjustments)*	(3,121,416)	(3,336,027)	(2,950,097)
Change in Net OPEB Obligation	(119,542)	(494,761)	21,075
Net OPEB Obligation – beginning of year	(795,367)	(300,606)	(321,681)
Net OPEB Obligation – end of year	\$ (914,909)	\$ (795,367)	\$ (300,606)
Percentage of Annual OPEB Cost Contributed	103.98 %	117.41 %	99.29 %

*Retiree adjustments are comprised of the actual amount withdrawn from the Trust plus premiums collected and less claims paid. For fiscal year 2015, these adjustments amounted to \$144,341. For fiscal years 2014 and 2013, these adjustments totaled (\$90,852) and (15,154) respectfully.

D. Funded Status and Funding Progress

The Schedule of Funding Progress and Schedule of Employer Contributions, presented as required supplementary information immediately following the Board Notes to the Financial Statements (on page 116), 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, 2015

NOTE 14 – 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)	13 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 15 - OPERATING LEASES

The Board has entered into noncancelable operating leases, both as lessor and lessee. Lease terms vary from 1 to 99 years. Lease revenues totaled \$654,176 and lease expenditures totaled \$86,637 for the year ended September 30, 2015. The Board also leases other equipment and office facilities as both lessor and lessee on a month-to-month basis.

A. Future Minimum Lease Receipts

Year	Amount
2016	\$ 648,609
2017	629,720
2018	620,603
2019	640,496
2020	660,978
2021-2025	2,582,727
2026-2030	1,003,883
2031-2035	509,475
2036-2040	295,821
2041-2045	259,903
Total future minimum receipts:	\$ 7,852,215

The property being leased is reported in the financial statements of Board and has a cost of \$30,019,946, and a carrying value of \$20,242,726. Current year depreciation on property being leased was \$512,147.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 15 - 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, 2015:

Year	Amount
2016	\$ 96,858
2017	52,478
2018	43,745
2019	43,745
2020	1,500
2021-2025	7,500
2026-2030	7,500
2031-2035	7,500
2036-2040	5,100
2041-2045	4,500
2046-2050	3,600
2051-2055	3,000
2056-2060	1,500
2061-2065	1,500
2066-2070	1,500
2071-2075	1,500
2076	300
Total future minimum lease payments:	<u>\$ 283,326</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 16 - FUND BALANCE

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

A. Categories

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

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

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

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

Assigned – The Board of Board 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, 2015

NOTE 16 - 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, 2015, reserve amounts for those funds were:

	Disaster Relief	Budget Stabilization	Total
General Fund	\$ 5,450,000	\$ 5,450,000	\$ 10,900,000
Transportation Fund	800,000	800,000	1,600,000
Emergency Services District Fund	1,700,000	1,700,000	3,400,000
Total	<u>\$ 7,950,000</u>	<u>\$ 7,950,000</u>	<u>\$ 15,900,000</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 Board 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 Board 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, 2015

NOTE 17 - FUND BALANCE DEFICIT

The following funds had a deficit in fund balance at September 30, 2015:

Fund	Deficit
Nonmajor Governmental Funds:	
Metropolitan Planning Organization Fund	\$ 426,554
Community Development Block Grant NSP3 Grant Fund	5,725
Total Deficit	<u>\$ 432,279</u>

The deficits for these two funds will be eliminated by grant proceeds in fiscal year 2016.

NOTE 18 - NET POSITION

Restatement of Proprietary Funds Beginning Net Position

The beginning net position at October 1, 2014 of the Board proprietary funds was decreased due to the adoption of the new GASB Statement No. 68 accounting standard (see Board Note 1L for further explanation). This statement requires the Board to recognize its proportionate share of the net position liabilities and operating statement activities related to changes in the pension liabilities of cost-sharing multiple-employer FRS and HIS defined benefit plans. The proprietary funds beginning net position has been adjusted as follows:

Fund	Original Beginning Net Position	GASB 68 Adjustment	Restated Beginning Net Position
Solid Waste Disposal District	\$ 47,107,276	\$ (252,031)	\$ 46,855,245
Golf Course	6,319,564	(232,806)	6,086,758
Board Utilities	241,439,518	(3,408,493)	238,031,025
Board Building	5,214,373	(594,941)	4,619,432
Internal Service Funds	26,048,127	(597,305)	25,450,822
	<u>\$ 326,128,858</u>	<u>\$ (5,085,576)</u>	<u>\$ 321,043,282</u>

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

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:

	05/01/11 to 9/30/2013	10/01/13 to 9/30/2014	10/01/14 to 9/30/2015
Worker's Compensation	\$ 350,000	\$ 500,000	\$ 750,000
General Liability	200,000	200,000	200,000
Auto Liability	200,000	200,000	200,000
Property Damage	200,000	200,000	200,000
Error or Omissions	200,000	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 \$409,914 in fiscal year 2015. The Board received three workers compensation reimbursements totaling \$125,213 in fiscal year 2014 and two in fiscal year 2013 totaling \$108,123.

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 four medical claim reimbursements in excess of the \$250,000 limit for fiscal year 2015 totaling \$382,635. In fiscal year 2014 there were six totaling \$335,641 and in fiscal year 2013 there were six totaling \$285,689.

Indian River County, Florida
Board of County Commissioners
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 19 - RISK MANAGEMENT - Continued

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

The claims liability of \$8,177,520 reported at September 30, 2015, 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, \$3,289,891 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
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
2014-2015	8,226,545	17,188,927	(17,237,952)	8,177,520

Included in the charges to other funds is an amount to fund future catastrophic losses not actuarially determined; and at September 30, 2015, unrestricted net position of \$21,730,800 has been designated for this purpose. The Board has elected to accrue the larger of the discounted liability or undiscounted liability. At September 30, 2015, 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, 2015

NOTE 20 - COMMITMENTS AND CONTINGENCIES - Continued

B. Contracts and Other Commitments

The Board has various contracts and commitments outstanding at September 30, 2015. 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, 45th Street Canal Enclosure and Beautification project, Vero Lake Estates asphalt millings, 66th Avenue Roadway Improvements, Fire Rescue Station #13 construction, as well as a variety of other road paving and drainage projects. In the Capital Projects Fund, contracts are for the South Board Regional Park Intergenerational Recreation Facility, Aviation Blvd/20th Avenue intersection improvements, and several sidewalk and road improvement projects throughout the Board. In the Enterprise Funds, contracts are for the golf course maintenance, Blue Cypress Lake Wastewater Treatment Facility, US1 widening utility conflicts from Oslo Road to the Board line, and various other water and sewer projects. In the Internal Service Funds, contracts are for the Other Postemployment Benefits actuarial valuation services.

A summary of these projects at September 30, 2015, is as follows:

	Total Contract Price	Total Paid as of September 30, 2015	Remaining Balance at September 30, 2015
General	\$ 853,281	\$ (520,194)	\$ 333,087
Special Revenue	25,395,574	(16,931,258)	8,464,316
Capital Projects	26,413,615	(17,677,179)	8,736,436
Enterprise	5,490,098	(2,803,224)	2,686,874
Internal Service	11,000	-	11,000
Total	<u>\$ 58,163,568</u>	<u>\$ (37,931,855)</u>	<u>\$ 20,231,713</u>

C. Grants

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

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

May 25, 2016

The Honorable Board of County Commissioners
Indian River County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund and the aggregate remaining fund information of the *Indian River County, Florida Board of County Commissioners* (the "Board"), as of and for the year ended September 30, 2015, which collectively comprise the Board's fund financial statements and have issued our report thereon dated May 25, 2016.

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.

Rehmann Lobson LLC

MANAGEMENT LETTER

May 25, 2016

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, 2015 and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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 Lobson LLC

INDEPENDENT ACCOUNTANTS' REPORT

May 25, 2016

The Honorable Board of County Commissioners
Indian River County, Florida

We have examined the compliance of *Indian River County, Florida Board of County Commissioners* (the "Board") with Sections 218.415, 365.172(10), and 365.173(2)(d) Florida Statutes, during the year ended September 30, 2015. 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, 2015.

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.





**CLERK OF THE CIRCUIT COURT AND
COMPTROLLER**

INDEPENDENT AUDITORS' REPORT

May 25, 2016

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, 2015, 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, 2015, 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, 2015, 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 May 25, 2016, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Balance Sheet
Governmental Funds
September 30, 2015

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 317,027	\$ 2,058,211	\$ 2,375,238
Accounts receivable	113,757	-	113,757
Prepaid items	42,369	29,027	71,396
Due from other governments	9,296	-	9,296
Due from other funds	-	94,913	94,913
Total assets	<u>\$ 482,449</u>	<u>\$ 2,182,151</u>	<u>\$ 2,664,600</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 8,825	\$ -	\$ 8,825
Due to other funds	94,913	-	94,913
Due to other governments	62,507	-	62,507
Other deposits held in escrow	89,429	-	89,429
Unearned revenues	226,775	-	226,775
Total liabilities	<u>482,449</u>	<u>-</u>	<u>482,449</u>
Fund Balances:			
Nonspendable:			
Prepaid items	42,369	29,027	71,396
Restricted for:			
Court-related costs and improvements	-	2,153,124	2,153,124
Unassigned	(42,369)	-	(42,369)
Total fund balances	<u>-</u>	<u>2,182,151</u>	<u>2,182,151</u>
Total liabilities fund balances	<u>\$ 482,449</u>	<u>\$ 2,182,151</u>	<u>\$ 2,664,600</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, 2015

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 249,560	\$ -	\$ 249,560
Charges for services	4,115,918	415,427	4,531,345
Judgments, fines and forfeits	-	183,726	183,726
Interest	11,501	4,775	16,276
Total revenues	<u>4,376,979</u>	<u>603,928</u>	<u>4,980,907</u>
EXPENDITURES			
General government	1,771,402	461,278	2,232,680
Court related	3,619,300	-	3,619,300
Total expenditures	<u>5,390,702</u>	<u>461,278</u>	<u>5,851,980</u>
Excess of revenues over (under) expenditures	<u>(1,013,723)</u>	<u>142,650</u>	<u>(871,073)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	1,023,499	-	1,023,499
Transfer to Board of County Commissioners	<u>(9,776)</u>	<u>-</u>	<u>(9,776)</u>
Total other financing sources (uses)	<u>1,013,723</u>	<u>-</u>	<u>1,013,723</u>
Net change in fund balances	-	142,650	142,650
Fund balances at beginning of year	<u>-</u>	<u>2,039,501</u>	<u>2,039,501</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,182,151</u></u>	<u><u>\$ 2,182,151</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, 2015

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 308,782	\$ 249,562	\$ 249,560	\$ (2)
Charges for services	3,967,000	4,051,793	4,115,918	64,125
Interest	16,627	16,627	11,501	(5,126)
Total revenues	<u>4,292,409</u>	<u>4,317,982</u>	<u>4,376,979</u>	<u>58,997</u>
EXPENDITURES				
General government	1,729,338	1,800,217	1,771,402	28,815
Court related	<u>3,563,948</u>	<u>3,627,387</u>	<u>3,619,300</u>	<u>8,087</u>
Total expenditures	<u>5,293,286</u>	<u>5,427,604</u>	<u>5,390,702</u>	<u>36,902</u>
Excess of revenues over (under) expenditures	(1,000,877)	(1,109,622)	(1,013,723)	95,899
OTHER FINANCING SOURCES (USES)				
Transfers in	54,253	54,253	-	(54,253)
Transfers from Board of County Commissioners	946,624	1,055,369	1,023,499	(31,870)
Transfers to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(9,776)</u>	<u>(9,776)</u>
Total other financing sources (uses)	<u>1,000,877</u>	<u>1,109,622</u>	<u>1,013,723</u>	<u>(95,899)</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, 2015

ASSETS

Cash and cash equivalents	\$ 4,253,017
Total assets	<u>\$ 4,253,017</u>

LIABILITIES

Due to other governments	\$ 782,079
Escrow deposits	<u>3,470,938</u>
Total liabilities	<u>\$ 4,253,017</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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clerk of the Circuit Court and Comptroller (Clerk) is a County agency and a local governmental entity pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. The Clerk is considered to be a part of the primary government of Indian River County.

Court-related expenditures are funded through filing fees, service charges, court costs and fines assessed to parties using the court system. Under 2013-44, Laws of Florida, revenue collected by the Clerk is retained by the County and remitted to the Florida Department of Revenue based upon various formulas determined by Florida Clerks of Court Operations Corporation. Non-court expenditures are funded by the Board of County Commissioners for both the finance and recording (board meeting recordings) departments. Additional non-court revenues include various fees assessed for the recording of documents, passports, marriage licenses and court reporter services. Both court and non-court operations are reported in these financial statements.

The financial statements contained herein represent the financial transactions of the Clerk of the Circuit Court and Comptroller only. The format of the Clerk's statements has been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

A. Description of Funds

For reporting purposes, the accounting records are organized into the following two fund types: governmental funds and a fiduciary fund.

Governmental Funds

General Fund – The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general (both court and non-court) operations of the Clerk which are not accounted for in another fund. All financial resources, which are not accounted for and reported in another fund, are recorded in the General Fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

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, 2015

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, 2015

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 \$1,023,499.

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 30, 2015, \$9,776 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, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS

A. Deposits

At September 30, 2015, the carrying value of the Clerk's deposits was \$2,252,176 and the bank balance was \$3,060,451. 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, 2015 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, 2015, the Clerk had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (In Years)	Portfolio Percentage
Bank United Public Funds Money Market	\$ 1,207,578	0.08	27.61 %
Florida Community Bank Public Funds Money Market	\$ 1,508,521	0.08	34.49
Harbor Community Bank Money Market	\$ 1,658,055	0.08	37.90
Total Fair Value	<u>\$ 4,374,154</u>		<u>100.00 %</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.

Concentration Risk

The following limits on portfolio compensation are outlined in the Clerk's investment policy:

- No more than 10% or \$1 Million of the total portfolio may be placed in certificates of deposit with a Qualified Public Depository with any one financial institution,
- No more than 40% of the portfolio may be placed in any money market fund or intergovernmental investment pool.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2015

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.

NOTE 3 – PENSION PLAN

Florida Retirement System

Plan Description: The Clerk's employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, senior class 21.43%, DROP class 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS Pension Plan prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS Pension Plan on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2015, the Clerk's actuarial contribution to FRS under the Pension Plan was \$291,821 and the HIS Program was \$48,372. Employee contributions for both plans were \$98,162. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2015, the Division of Retirement calculated the Clerk's liability of \$1,558,237 for the FRS plan and \$1,180,265 for the Health Insurance Subsidy (HIS) Program, for a total of \$2,738,502 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportion of the net pension liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the Clerk's proportion was .012064% for the FRS pension plan and .011573% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Clerk's contributions will be made statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Clerk's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Clerk's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Clerk's proportionate share of NPL	\$ 4,037,745	\$ 1,558,237	\$ (505,121)

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

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Clerk's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Clerk's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (2.80%)</u>	<u>Current Discount Rate (3.80%)</u>	<u>1% Increase (4.80%)</u>
Clerk's proportionate share of NPL	\$ 1,344,857	\$ 1,180,265	\$ 1,043,020

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Clerk since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

Indian River County, Florida
Clerk of the Circuit Court and Comptroller
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

The Clerk participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Clerk's 2015 annual contribution of \$147,431 was funded by the Board of County Commissioners in the amount of \$23,044; non-court revenue in the amount of \$122,741 (which included court-related State expenditures in the amount of \$100,717) and the public modernization trust fund in the amount of \$1,646. 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.

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 \$648,078. 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, 2015:

	Beginning Balance 10/01/14	Additions	Deletions	Ending Balance 9/30/15
Accrued Compensated Absences	<u>\$ 227,986</u>	<u>\$ 285,099</u>	<u>\$ 252,184</u>	<u>\$ 260,901</u>

Of the \$260,901 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*

May 25, 2016

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, 2015, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated May 25, 2016.

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, 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.

Rehmann Loborn LLC

MANAGEMENT LETTER

May 25, 2016

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, 2015, which collectively comprise the Clerk's fund financial statements and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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 Lobson LLC

INDEPENDENT ACCOUNTANTS' REPORT

May 25, 2016

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, 28.36, and 61.181 Florida Statutes, during the year ended September 30, 2015. 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, 2015.

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

May 25, 2016

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, 2015, 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, 2015, 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, 2015, 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 May 25, 2016 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Rehmann Lohman LLC

**Indian River County, Florida
Property Appraiser
Balance Sheet
General Fund
September 30, 2015**

ASSETS

Cash and cash equivalents	\$ 84,907
Accounts receivable	3,385
Prepaid items	23,022
Total assets	<u>\$ 111,314</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 16,820
Due to other governments	86,664
Other deposits	7,830
Total liabilities	<u>111,314</u>

Fund Balances:

Nonspendable:	
Prepaid items	23,022
Unassigned	(23,022)
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 111,314</u>
-------------------------------------	-------------------

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

Indian River County, Florida
Property Appraiser
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2015

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 3,287,962	\$ 3,288,461	\$ 3,296,145	\$ 7,684
Interest	-	-	732	732
Miscellaneous	-	-	35,000	35,000
Total revenues	<u>3,287,962</u>	<u>3,288,461</u>	<u>3,331,877</u>	<u>43,416</u>
EXPENDITURES				
General government	<u>3,287,962</u>	<u>3,288,461</u>	<u>3,253,545</u>	<u>34,916</u>
Total expenditures	<u>3,287,962</u>	<u>3,288,461</u>	<u>3,253,545</u>	<u>34,916</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>78,332</u>	<u>78,332</u>
OTHER FINANCING USES				
Transfers to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(78,332)</u>	<u>(78,332)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(78,332)</u>	<u>(78,332)</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, 2015

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, 2015

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 \$86,664 at September 30, 2015 and are included as due to other governments on the balance sheet. Of this amount, \$78,332 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, 2015, the carrying amount of the Property Appraiser's deposits was \$84,837 and the bank balance was \$163,603. 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, 2015 was \$70.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN

Florida Retirement System

Plan Description: The Property Appraiser's employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, senior class 21.43%, DROP class 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2015, the Property Appraiser's actuarial contributions to FRS under the Pension Plan were \$168,362 and the HIS Program were \$27,557. Employee contributions for were \$53,332. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Pension Liabilities: At September 30, 2015, the Division of Retirement calculated the Property Appraiser's liability of \$889,946 for the FRS plan and \$674,544 for the Health Insurance Subsidy (HIS) Program, for a total of \$1,564,490 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser's proportion of the net pension liability was based on a projection of the Property Appraiser's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the Property Appraiser's proportion was .006890% for the FRS pension plan and .006614% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Property Appraiser's contributions will be made statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Property Appraiser's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Property Appraiser's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Property Appraiser 's proportionate share of NPL	\$ 2,306,051	\$ 889,946	\$ (288,486)

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

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Property Appraiser's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Property Appraiser's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Discount (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Property Appraiser's proportionate share of NPL	\$ 768,511	\$ 674,544	\$ 596,106

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Property Appraiser since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

The Property Appraiser participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Property Appraiser's 2015 annual contribution of \$57,610 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.

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 2015 at an annual cost of approximately \$276,640. Further details on the self-insurance program are discussed in the County-wide financial statements and County notes.

Indian River County, Florida
Property Appraiser
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 6 – LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	Beginning Balance 10/01/14	Additions	Deletions	Ending Balance 09/30/15
Accrued Compensated Absences	<u>\$ 21,183</u>	<u>\$ 124,332</u>	<u>\$ 127,367</u>	<u>\$ 18,148</u>

Of the \$18,148 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**

May 25, 2016

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 audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the major fund of the *IRC - Property Appraiser* (the "Property Appraiser"), as of and for the year ended September 30, 2015 which comprises the Property Appraiser's fund financial statements, and have issued our report thereon dated May 25, 2016.

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 2015-001 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of material noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-002.

IRC - Property Appraiser's Response to Findings

The Property Appraiser's response to the findings identified in our audit follows the accompanying schedules of findings and responses. The Property Appraiser's responses were not subjected to the auditing procedures applied in 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 Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

INDIAN RIVER COUNTY, FLORIDA PROPERTY APPRAISER

Schedule of Findings and Responses

For the Year Ended September 30, 2015

2015-001 - 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 two material adjustments (which were approved and posted by management) to adjust the Property Appraiser's accounting records to their appropriate balances. Proceeds from a lawsuit settlement were recorded as an offset to expense instead of miscellaneous revenue and two prepaid maintenance contracts were recorded as expenses instead of assets.

Cause. Both of these adjustments appear to be the result of a material weakness in internal controls and oversight in financial reporting.

Effect. As a result of this condition, the Property Appraiser's financial information was initially misstated by amounts that were deemed to be quantitatively material. Correcting entries were subsequently posted by management to the Property Appraiser'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 Property Appraiser management closely review the financial statements throughout the year to correct errors and maintain the Property Appraiser's books and records in accordance with GAAP.

INDIAN RIVER COUNTY, FLORIDA PROPERTY APPRAISER

Schedule of Findings and Responses

For the Year Ended September 30, 2015

2015-002 - Non-Compliance with travel-related laws and regulations

Finding Type. Material Noncompliance with Laws and Regulations

Criteria. State law requires that county offices document any vehicle allowances with signed statements regarding use, and the IRS regulation requires that individuals provide documentation of mileage logs in order for the amounts. Florida statutes dictate the rate at which county employees should be reimbursed for mileage on personal vehicles.

Condition. During the FY14 audit, we identified vehicle allowance and mileage reimbursements being paid improperly. Vehicle allowances are being paid without appropriate documentation, and an incorrect mileage is rate being paid to employees. The noncompliance was reported to the Property Appraiser in the Communication to Those Charged with Governance for the September 30, 2014 audit. However, the conditions were not corrected during the year ended September 30, 2015.

Cause. This condition was caused by the Property Appraiser's ongoing disregard for compliance with state and federal laws regarding travel reimbursements.

Effect. As a result of this condition, the Property Appraiser is out of compliance with state statute and IRS regulations

Recommendation. We recommend that the Property Appraiser follow state statutes and IRS regulations with respect to travel reimbursements and expenditures.

■ ■ ■ ■ ■



David C. Nolte, ASA

INDIAN RIVER COUNTY PROPERTY APPRAISER

WE ARE HERE TO SERVE YOU!

1800 27th Street ☉ Vero Beach, FL 32960

February 8, 2016

Indian River County Auditors
5070 N Highway A1A, Suite 250
Vero Beach, FL 32963

Gentlemen:

We have received the findings; agree to address the findings with staff, and to implement procedures to insure this will not happen again (1).

Sincerely,

A handwritten signature in dark ink, appearing to read "David C. Nolte". The signature is fluid and cursive, with a large initial "D" and "N".

David C. Nolte, ASA
Indian River County Property Appraiser

(1) 34 years of previous audit reports
195.087 F.S.; 112.061 (7)(d) F.S.

DCN;ds

MANAGEMENT LETTER

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, 2015, which comprises the Property Appraiser's fund financial statements and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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:

2015-001 -Management has already taken appropriate corrective action by posting correcting journal entries. However, we recommend that the Property Appraiser management closely review the financial statements throughout the year to correct errors and maintain the Property Appraiser's books and records in accordance with GAAP.

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 found the following:

2015-002 - We recommend that the Property Appraiser follow state statutes and IRS regulations with respect to travel reimbursements and expenditures.

Purpose of this Letter

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

Rehmann Lohman LLC

INDEPENDENT ACCOUNTANTS' REPORT

May 25, 2016

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, 2015. 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, includes 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, 2015.

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

May 25, 2016

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, 2015, 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, 2015, 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, 2015, 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 May 25, 2016 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Rehmann Robson LLC

Indian River County, Florida
Sheriff
Balance Sheet
Governmental Funds
September 30, 2015

	General	Nonmajor Fund Special Revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,775,206	\$ 1,726,618	\$ 4,501,824
Accounts receivable - net	56,401	7,695	64,096
Due from other governments	-	27,389	27,389
Inventories	64,677	22,906	87,583
Total assets	<u>\$ 2,896,284</u>	<u>\$ 1,784,608</u>	<u>\$ 4,680,892</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,031,599	\$ 33,780	\$ 2,065,379
Due to other governments	864,685	210,114	1,074,799
Total liabilities	<u>2,896,284</u>	<u>243,894</u>	<u>3,140,178</u>
Fund Balances:			
Nonspendable:			
Inventories	64,677	22,906	87,583
Restricted for:			
Law enforcement/public safety	-	1,079,432	1,079,432
Committed to:			
Law enforcement/public safety	-	335,506	335,506
Assigned to:			
Law enforcement/public safety	-	102,870	102,870
Unassigned	(64,677)	-	(64,677)
Total fund balances	<u>-</u>	<u>1,540,714</u>	<u>1,540,714</u>
Total liabilities and fund balances	<u>\$ 2,896,284</u>	<u>\$ 1,784,608</u>	<u>\$ 4,680,892</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, 2015

	General	Nonmajor Fund Special Revenue	Total Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 166,991	\$ 166,991
Charges for services	-	154,171	154,171
Judgments, fines and forfeits	-	82,825	82,825
Miscellaneous	68,351	291,026	359,377
Total revenues	<u>68,351</u>	<u>695,013</u>	<u>763,364</u>
EXPENDITURES			
Public safety	36,580,201	1,595,636	38,175,837
Court related	2,243,692	-	2,243,692
Total expenditures	<u>38,823,893</u>	<u>1,595,636</u>	<u>40,419,529</u>
Excess of revenues over (under) expenditures	(38,755,542)	(900,623)	(39,656,165)
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	39,620,227	1,003,384	40,623,611
Transfers to Board of County Commissioners	(864,685)	(210,114)	(1,074,799)
Total other financing sources	<u>38,755,542</u>	<u>793,270</u>	<u>39,548,812</u>
Net change in fund balances	-	(107,353)	(107,353)
Fund balances at beginning of year	<u>-</u>	<u>1,648,067</u>	<u>1,648,067</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,540,714</u></u>	<u><u>\$ 1,540,714</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, 2015**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous	\$ -	\$ 68,346	\$ 68,351	\$ 5
Total revenues	-	68,346	68,351	5
EXPENDITURES				
Public safety	37,389,005	37,588,888	36,580,201	1,008,687
Court related	2,025,118	2,099,685	2,243,692	(144,007)
Total expenditures	39,414,123	39,688,573	38,823,893	864,680
Excess of revenues over (under) expenditures	(39,414,123)	(39,620,227)	(38,755,542)	864,685
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	39,414,123	39,620,227	39,620,227	-
Transfers to Board of County Commissioners	-	-	(864,685)	(864,685)
Total other financing sources	39,414,123	39,620,227	38,755,542	(864,685)
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, 2015**

ASSETS

Cash and cash equivalents	\$	29,353
Total assets	\$	<u>29,353</u>

LIABILITIES

Escrow deposits	\$	29,353
Total liabilities	\$	<u>29,353</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, 2015

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, 2015

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, 2015 amount totaled \$864,685 and was reported as a transfer to the Board of County Commissioners at year end. This transfer is also reported as due to other governments on the balance sheet.

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, 2015

NOTE 2 - CASH

Deposits

At September 30, 2015, the carrying amount of the Sheriff's deposits was \$4,530,752, and the bank balance was \$5,320,194. 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, 2015 was \$425.

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 10/01/14	Additions	Deletions	Ending Balance 09/30/15
Tangible Personal Property	<u>\$ 21,022,988</u>	<u>\$ 2,414,369</u>	<u>\$ 1,201,203</u>	<u>\$ 22,236,154</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, 2015

NOTE 5 – PENSION PLAN

Florida Retirement System

Plan Description: The Sheriff's employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, senior class 21.43%, DROP class 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2015, the Sheriff's actuarial contributions to FRS under the Pension Plan were \$2,923,630 and the HIS Program were \$301,715. Employee contributions were \$595,603. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 5 – PENSION PLAN - Continued

Florida Retirement System - Continued

Pension Liabilities: At September 30, 2015, the Division of Retirement calculated the Sheriff's liability of \$15,711,946 for the FRS plan and \$7,730,930 for the Health Insurance Subsidy (HIS) Program, for a total of \$23,442,876 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the Sheriff's proportion was .121644% for the FRS pension plan and .075805% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Sheriff's contributions will be made statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Sheriff's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Sheriff's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Sheriff's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Sheriff's proportionate share of NPL	\$ 40,713,206	\$ 15,711,946	\$ (5,093,209)

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

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 5 – PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Sheriff's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Sheriff's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Sheriff's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (2.80%)</u>	<u>Current Discount Rate (3.80%)</u>	<u>1% Increase (4.80%)</u>
Sheriff's proportionate share of NPL	\$ 8,809,035	\$ 7,730,930	\$ 6,831,953

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Sheriff since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

The Sheriff participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Sheriff's 2015 annual contribution of \$1,065,876 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 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 2015 at an annual cost of approximately \$3,706,548. Further details on this self-insurance program are disclosed in the County-wide financial statements and County notes.

Indian River County, Florida
Sheriff
Notes To Financial Statements
Year Ended September 30, 2015

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, 2015:

	Beginning Balance 10/01/14	Additions	Deletions	Ending Balance 09/30/15
Accrued Compensated Absences	<u>\$ 5,933,715</u>	<u>\$ 3,361,577</u>	<u>\$ 2,820,531</u>	<u>\$ 6,474,761</u>

Of the \$6,474,761 liability for accrued compensated absences, management estimates that \$3,215,501 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 \$100,870 for the year ended September 30, 2015.

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>
2016	\$ 100,629
2017	90,019
2018	19,768
Total Future Minimum Lease Payments	<u>\$ 210,416</u>

NOTE 10 – COMMITMENTS AND CONTINGENCIES

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

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

May 25, 2016

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, 2015, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated May 25, 2016.

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. 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 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

The Honorable Deryl Loar
Sheriff
May 25, 2016
Page 2

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rehmann Johnson LLC

MANAGEMENT LETTER

May 25, 2016

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, 2015, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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. Corrective actions have been taken to address recommendations made 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 Lohman LLC". The signature is written in a cursive, flowing style.

SUPERVISOR OF ELECTIONS

INDEPENDENT AUDITORS' REPORT

May 25, 2016

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, 2015, 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, 2015, 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, 2015, 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 May 25, 2016 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Rehmann Lohman LLC

Indian River County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds
September 30, 2015

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 53,737	\$ 27,049	\$ 80,786
Prepaid items	1,183	-	1,183
Total assets	<u>\$ 54,920</u>	<u>\$ 27,049</u>	<u>\$ 81,969</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 23,043	\$ -	\$ 23,043
Due to other governments	31,877	-	31,877
Unearned revenues	-	23,521	23,521
Total liabilities	<u>54,920</u>	<u>23,521</u>	<u>78,441</u>
Fund Balances:			
Nonspendable:			
Prepaid items	1,183	-	1,183
Restricted for:			
Voting/election activities	-	3,528	3,528
Unassigned	<u>(1,183)</u>	<u>-</u>	<u>(1,183)</u>
Total fund balances	<u>-</u>	<u>3,528</u>	<u>3,528</u>
Total liabilities and fund balances	<u>\$ 54,920</u>	<u>\$ 27,049</u>	<u>\$ 81,969</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, 2015

	<u>General</u>	<u>Nonmajor Fund Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ -	\$ 16,158	\$ 16,158
Charges for services	1,653	-	1,653
Miscellaneous	21,036	-	21,036
Total revenues	<u>22,689</u>	<u>16,158</u>	<u>38,847</u>
EXPENDITURES			
General government	1,049,526	18,510	1,068,036
Total expenditures	<u>1,049,526</u>	<u>18,510</u>	<u>1,068,036</u>
Excess of revenues over (under) expenditures	(1,026,837)	(2,352)	(1,029,189)
OTHER FINANCING SOURCES (USES)			
Transfers from Board of County Commissioners	1,062,242	-	1,062,242
Transfers from other funds	-	3,528	3,528
Transfers to Board of County Commissioners	(31,877)	-	(31,877)
Transfers to other funds	(3,528)	-	(3,528)
Total other financing sources (uses)	<u>1,026,837</u>	<u>3,528</u>	<u>1,030,365</u>
Net change in fund balances	-	1,176	1,176
Fund balances at beginning of year	<u>-</u>	<u>2,352</u>	<u>2,352</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 3,528</u></u>	<u><u>\$ 3,528</u></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, 2015

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,653	\$ 1,653
Miscellaneous	-	21,036	21,036	-
Total revenues	-	21,036	22,689	1,653
EXPENDITURES				
General government	1,058,633	1,079,669	1,049,526	30,143
Total expenditures	1,058,633	1,079,669	1,049,526	30,143
Excess of revenues over (under) expenditures	(1,058,633)	(1,058,633)	(1,026,837)	31,796
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	1,062,242	1,062,242	1,062,242	-
Transfers to Board of County Commissioners	-	-	(31,877)	(31,877)
Transfers to other funds	(3,609)	(3,609)	(3,528)	81
Total other financing sources (uses)	1,058,633	1,058,633	1,026,837	(31,796)
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, 2015

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, 2015

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 \$31,877 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, 2015

NOTE 2 - CASH

Deposits

At September 30, 2015, the carrying amount of the Supervisor of Elections' deposits was \$80,761, and the bank balance was \$158,811. 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, 2015 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 (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member's employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, senior class 21.43%, DROP class 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%.

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2015, the Supervisor of Elections' actuarial contribution to FRS under the Pension Plan were \$63,701 and the HIS Programs were \$6,306. Employee contributions for were \$13,295. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2015, the Division of Retirement calculated the Supervisor of Elections' liability of \$349,072 for the FRS plan and \$158,326 for the Health Insurance Subsidy (HIS) Program, for a total of \$507,398 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Supervisor of Elections' proportion of the net pension liability was based on a projection of the Supervisor of Elections' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the Supervisor of Elections' proportion was .002703% for the FRS pension plan and .001552% for the HIS Program.

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Supervisor of Elections' contributions will be made statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 3 – PENSION PLAN - Continued

Florida Retirement System - Continued

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Supervisor of Elections' proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Supervisor of Elections' proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Supervisor of Elections' proportionate share of NPL	\$ 904,524	\$ 349,072	\$ (113,156)

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

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Supervisor of Elections' proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Supervisor of Elections' proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Supervisor of Election's proportionate share of NPL	\$ 180,405	\$ 158,326	\$ 139,915

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Supervisor of Elections since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

Indian River County, Florida
Supervisor of Elections
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

The Supervisor of Elections participated in the Indian River County Other Post Employment Benefit Trust (IRCOT). The Supervisor of Election's 2015 annual contribution of \$13,168 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 2015 at an annual cost of approximately \$59,625.

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, 2015:

	Beginning Balance 10/01/14	Additions	Deletions	Ending Balance 09/30/15
Accrued Compensated Absences	<u>\$ 26,671</u>	<u>\$ 31,733</u>	<u>\$ 39,987</u>	<u>\$ 18,417</u>

Of the \$18,417 liability for accrued compensated absences, management estimates that \$9,733 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, 2015

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, 2015.

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>
2016	\$ 6,672
2017	5,004
Total Future Minimum Lease Payments	<u>\$ 11,676</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*

May 25, 2016

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, 2015, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated May 25, 2016.

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.

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

MANAGEMENT LETTER

May 25, 2016

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, 2015, which collectively comprise the Supervisor of Elections' fund financial statements and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, 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.



TAX COLLECTOR

INDEPENDENT AUDITORS' REPORT

May 25, 2016

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, 2015, 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, 2015, 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, 2015, 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 May 25, 2016 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

Indian River County, Florida
Tax Collector
Balance Sheet
General Fund
September 30, 2015

ASSETS

Cash and cash equivalents	\$ 2,760,091
Accounts receivable	118,285
Inventories	2,517
Prepaid items	2,560
Total assets	<u>\$ 2,883,453</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 179,739
Due to other governments	2,646,564
Unearned revenues	56,814
Other deposits	336
Total liabilities	<u>2,883,453</u>

Fund Balances:

Nonspendable:	
Inventories	2,517
Prepaid items	2,560
Unassigned	<u>(5,077)</u>
Total fund balances	<u>-</u>

Total liabilities and fund balances	<u>\$ 2,883,453</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, 2015**

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 5,630,680	\$ 5,630,680	\$ 5,811,102	\$ 180,422
Interest	9,000	9,000	7,104	(1,896)
Total revenues	<u>5,639,680</u>	<u>5,639,680</u>	<u>5,818,206</u>	<u>178,526</u>
EXPENDITURES				
General government	<u>3,528,034</u>	<u>3,528,034</u>	<u>3,443,706</u>	<u>84,328</u>
Total expenditures	<u>3,528,034</u>	<u>3,528,034</u>	<u>3,443,706</u>	<u>84,328</u>
Excess of revenues over (under) expenditures	2,111,646	2,111,646	2,374,500	262,854
OTHER FINANCING USES				
Transfers to Board of County Commissioners	<u>(2,111,646)</u>	<u>(2,111,646)</u>	<u>(2,374,500)</u>	<u>(262,854)</u>
Total other financing uses	<u>(2,111,646)</u>	<u>(2,111,646)</u>	<u>(2,374,500)</u>	<u>(262,854)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances at beginning of year			-	
Fund balances at end of year			<u>\$ -</u>	

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

**Indian River County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Fund
September 30, 2015**

ASSETS

Cash and cash equivalents	\$ 3,983,972
Total assets	<u>\$ 3,983,972</u>

LIABILITIES

Due to other governments	\$ 3,983,972
Total liabilities	<u>\$ 3,983,972</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, 2015

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, 2015

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 \$56,814 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, 2015

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 \$2,646,564 at September 30, 2015 and are included as due to other governments on the balance sheet. Of this amount, \$2,374,500 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, 2015, the carrying amount of the Tax Collector’s deposits was \$6,187,892 and the bank balance was \$6,298,291. 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, 2015 was \$18,500.

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, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS - Continued

B. Investments - Continued

At September 30, 2015, 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)	\$ 1,018	0.08	0.19%	AAAm
Florida Trust Day to Day Fund	25,326	0.08	4.71	AAAm
Other Fixed Rate Investments:				
Certificate of Deposit – 12 Month	253,287	0.80	47.11	N/A
Certificate of Deposit – 24 Month	<u>258,040</u>	0.32	<u>47.99</u>	N/A
Total Fair Value	<u>\$ 537,671</u>		<u>100.00%</u>	
Portfolio weighted average maturity		0.53		

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, 2015, the Florida PRIME held a rating of AAAm by Standard and Poor's and had a weighted average days to maturity of 28 days.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2015

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.

NOTE 4 – PENSION PLAN

Florida Retirement System

Plan Description: The Tax Collector’s employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system, administered by the Florida Department of Management Services (DMS). Benefit provisions are established and may be amended by state statute. A financial report is available from the DMS website at www.dms.myflorida.com or by mail at Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000.

Effective July 1, 2011, the FRS became a contributory plan for all members, except DROP participants, whereby members contribute 3% and employers pay a rate based upon each member’s employment class. Classes and rates in effect at July 1, 2015 were: regular class 7.26%, senior class 21.43%, DROP class 12.88%, and elected official class 42.27%. Included in these rates is a health insurance subsidy of 1.66%.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 – PENSION PLAN - Continued

Florida Retirement System - Continued

Employees elect participation in either the defined benefit plan (Pension Plan) or the defined contribution plan (Investment Plan). If the employee enrolled in the FRS prior to July 1, 2011, normal retirement is age 62 with 6 years of service or 30 years of service, regardless of age. If the employee enrolled in the FRS on or after July 1, 2011, normal retirement is age 65 with 8 years of service or 33 years of service, regardless of age.

Under the Pension Plan, early retirement is available before reaching normal retirement age and will be subject to an early-retirement reduction of 5% for each year your age at retirement is under your normal retirement age. For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs after one year of service. Participants have access to the full value of their vested account balance when they leave FRS employment, regardless of age. These participants receive a defined contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Benefits Provided: Retirement benefits are determined by age, years of service, the average of the highest 5 or 8 fiscal years of pay, membership class and the payment option selected at retirement. For further information concerning the Florida Retirement System and contribution rates, please read the County-wide note on pension plans.

Contributions: Employer contributions to the FRS are based on a percentage of covered payroll that has been actuarially determined as an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

For the year ended September 30, 2015, the Tax Collector's actuarial contributions to FRS under the Pension Plan were \$176,804 and the HIS Program were \$22,837. Employee contributions were \$48,835. Both employer and employee contributions were equal to 100% of the required contribution for each year.

Pension Liabilities: At September 30, 2015, the Division of Retirement calculated the Tax Collector's liability of \$959,301 for the FRS plan and \$568,329 for the Health Insurance Subsidy (HIS) Program, for a total of \$1,527,630 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's proportion of the net pension liability was based on a projection of the Tax Collector's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2015, the Tax Collector's proportion was .007427% for the FRS pension plan and .005573% for the HIS Program.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 – PENSION PLAN - Continued

Florida Retirement System - Continued

Discount Rate for Pension Plan: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Tax Collector's contributions will be made statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Tax Collector's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the Pension Plan: The following presents the Tax Collector's proportionate share of the NPL (net pension liability) of the pension plan calculated using the discount rate of 7.65%. Also presented is what the Tax Collector's proportionate share of the FRS plan NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Clerk's proportionate share of NPL	\$ 2,485,767	\$ 959,301	\$ (310,969)

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

Sensitivity of the Tax Collector's Proportionate Share of the Net Position Liability to Changes in the Discount Rate for the HIS Program: The following presents the Tax Collector's proportionate share of the NPL (net pension liability) of the HIS Program calculated using the discount rate of 3.80%. Also presented is what the Tax Collector's proportionate share of the HIS Program NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease (2.80%)</u>	<u>Current Discount Rate (3.80%)</u>	<u>1% Increase (4.80%)</u>
Clerk's proportionate share of NPL	\$ 647,585	\$ 568,329	\$ 502,242

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 4 – PENSION PLAN - Continued

Florida Retirement System - Continued

Refer to the County-wide note for actuarial assumptions (including the investment rate of return), pension liability on financial statements, and an explanation of pension expense components. The pension liability is not reported in the financial statements of the Tax Collector since they are not payable from available spendable resources. It is reported in the financial statements of the County by the fund which normally pays the personnel service costs of the employee.

NOTE 5 – OTHER POSTEMPLOYMENT BENEFITS

The Tax Collector participated in the Indian River County Other Postemployment Benefits Trust (IRCOT). The Tax Collector paid their 2015 annual contribution of \$74,070 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.

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 2015 at an annual cost of approximately \$246,990. 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, 2015:

	Beginning Balance 10/01/14	Additions	Deletions	Ending Balance 09/30/15
Accrued Compensated Absences	<u>\$ 120,018</u>	<u>\$ 31,854</u>	<u>\$ 41,321</u>	<u>\$ 110,551</u>

Of the \$110,551 liability for accrued compensated absences, management estimates that \$13,748 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Tax Collector since they are not payable from available spendable resources. They are reported in the financial statements of the County.

Indian River County, Florida
Tax Collector
Notes To Financial Statements
Year Ended September 30, 2015

NOTE 8 – OPERATING LEASES

The Tax Collector has entered into noncancelable operating leases as lessee for office space and office equipment. Lease expenditures totaled \$115,412 for the fiscal year ended September 30, 2015.

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>
2016	\$ 100,921
2017	2,352
2018	2,352
Total future minimum lease payments	<u>\$ 105,625</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*

May 25, 2016

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, 2015, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated May 25, 2016.

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

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 Lobson LLC". The script is cursive and fluid, with the letters "L" and "L" in "Lehmann" and "Lobson" being particularly prominent.

MANAGEMENT LETTER

May 25, 2016

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, 2015, which collectively comprise the Tax Collector's fund financial statements and have issued our report thereon dated May 25, 2016.

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 May 25, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)4., 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 "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

INDEPENDENT ACCOUNTANTS' REPORT

May 25, 2016

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, 2015. 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, includes 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, 2015.

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.

