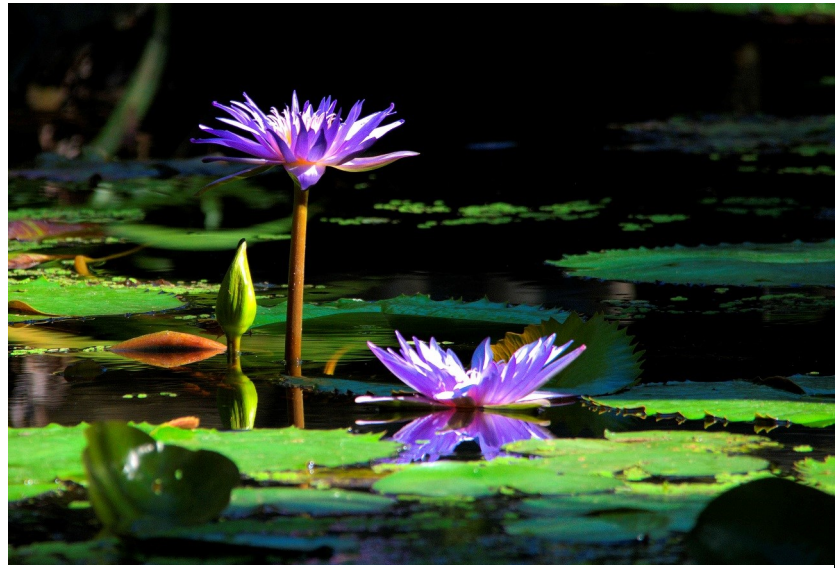




INDIAN RIVER COUNTY



2016

**Popular Annual Financial Report for the
Fiscal Year Ended September 30, 2016**

Prepared by Jeffrey R. Smith, CPA, CGFO, CGMA
Indian River County Clerk of the Circuit Court and Comptroller





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*Indian River County Administration Building A
Photo courtesy of Gary Tummond*

*Cover Photos:
Vero Beach Air Show photo courtesy of Jacob Avril,
Water Lily photo courtesy of Rick Woodard,
Citrus photo courtesy of the Indian River County
Chamber of Commerce*

MESSAGE FROM THE CLERK



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



To the Residents of Indian River County:

I am proud to present you with the County's Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2016. The PAFR is intended to provide readers with an easy to understand summary of Indian River County's financial activities. This report provides a brief analysis of where County revenues come from and how those dollars were managed and spent over the past fiscal year.

It is my responsibility as Clerk of the Circuit Court and County Comptroller to safeguard our County's public records and funds. As such, I serve as the official watchdog of County funds, providing checks and balances on the County budget, revenue, and spending. I remain committed to reviewing our County's financials each year and reporting the information through our Comprehensive Annual Financial Report (CAFR) and through this PAFR.

Most of the information in this report is derived from Indian River County's CAFR. Awarded the Certificate of Achievement for Excellence in Financial Reporting for the past 33 consecutive years from the Government Finance Officers Association, the CAFR contains more detailed audited financial information. Since the information in the PAFR is summarized and does not provide financial information for all funds at the fund level, it does not conform to general accepted accounting principles reporting requirements for government entities. Rather, this PAFR is prepared in a format so that non-financial readers can easily understand it. For a more in-depth and audited review of the County's finances, please refer to the CAFR, which includes detailed financial statements, notes, schedules, and reports. Both the CAFR and the PAFR are available on our website and can be accessed at www.clerk.indian-river.org/en/finance.

I hope you will find this report to be informative. It is my honor and privilege to serve as your Clerk and Comptroller. Thank you for the trust you continue to place in your County and those who work to serve you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey R. Smith". The signature is fluid and cursive.

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

ABOUT THIS REPORT



Alligator in an Indian River County waterway

Photo courtesy of Rick Woodard



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Indian River County
Florida**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Indian River County, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

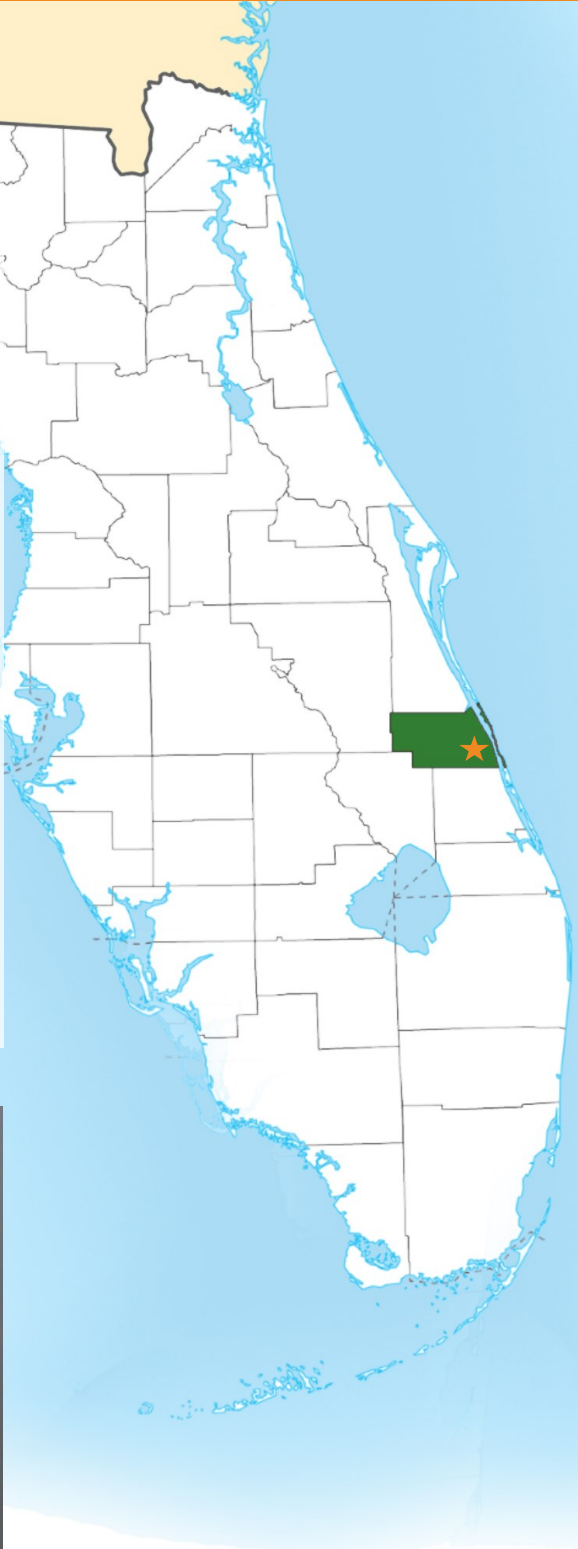
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

COUNTY OVERVIEW

Indian River County was established on June 29, 1925 by an act of the Florida Legislature. The City of Vero Beach is the seat of the County government. The current population of Indian River County is 146,410, increasing 2.15% over the previous year. Indian River County 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 to the west. There are approximately 100 miles of waterfront land in the county, including 23 miles of Atlantic beaches. Famous for its citrus, Indian River County is a major producer of citrus with approximately 34,151 acres dedicated to citrus production. The comfortable climate provides the basis for year-round enjoyment of the beaches, Indian River Lagoon, County parks, Sebastian Inlet State Park, and the Pelican Island National Wildlife Refuge by both residents and tourists.

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.



A view of Pelican Island National Wildlife Refuge located just east of Sebastian. Pelican Island was the first National Wildlife Refuge in the United States.

Photo courtesy of IndianRiverByAir.com

BOARD OF COUNTY COMMISSIONERS

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 also charged with the fiscal control of the resources of the County.



Susan Adams
District 1



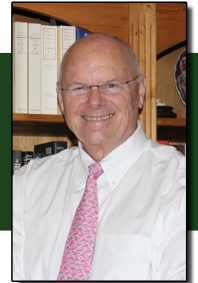
Joseph E. Flescher
District 2



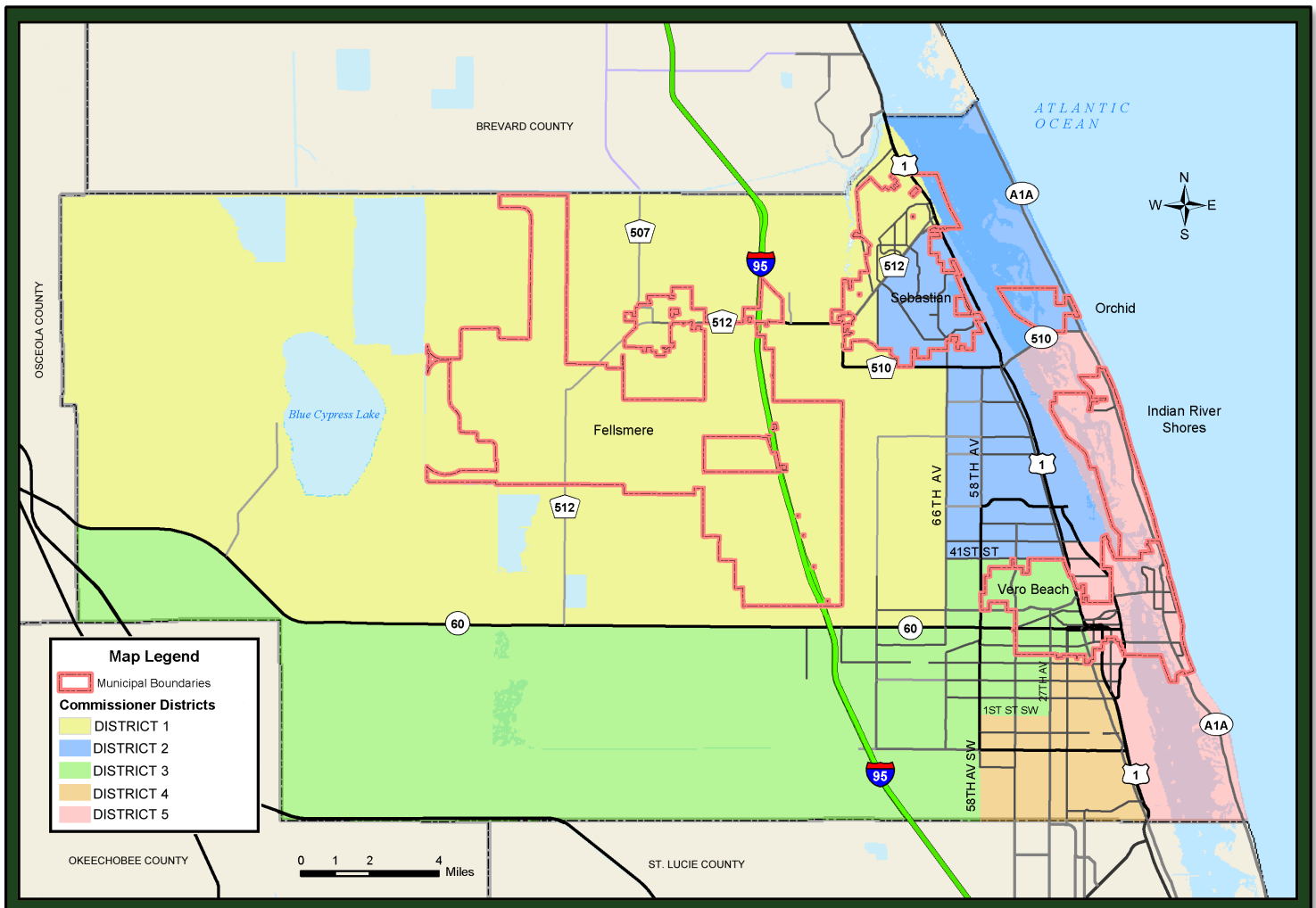
Tim Zorc
District 3



Peter D. O'Bryan
District 4



Bob Solari
District 5



ELECTED CONSTITUTIONAL OFFICERS



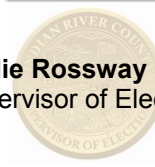
Deryl Loar
Sheriff



Carole Jean Jordan
Tax Collector



David C. Nolte
Property Appraiser



Leslie Rossway Swan
Supervisor of Elections



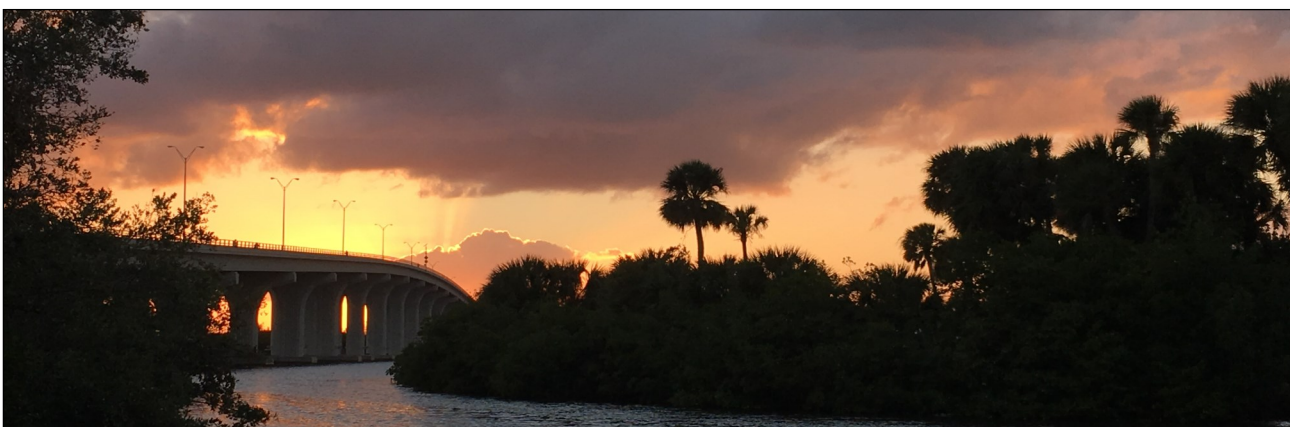
Jeffrey R. Smith
Clerk of Court and
Comptroller

In addition to the Board, there are five elected Constitutional Officers serving specific governmental functions: Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of the Circuit Court and Comptroller (Clerk). 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.

The Clerk, Sheriff, and Supervisor of Elections submit proposed operating budgets to the Board prior to May 1st. The Florida Department of Revenue receives budgets from the Property Appraiser prior to June 1st and from the Tax Collector prior to August 1st. 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 1st. The Clerk operating budget includes 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 15th of each year.

During September, public hearings are held pursuant to 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 (at the fund level) the budgets for all governmental fund types.



The Barber Bridge Photo courtesy of Laura McIver

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Listed are some major projects included in the current Capital Improvements Plan, which estimates the cost of improvements and evaluates the need for public facilities.

Go-Line Bus Transfer Hub: The \$1.8 million bus transfer hub facility currently under construction consists of a 1,732 square foot structure with bathrooms and open air waiting areas. There will also be 3,410 square feet of pre-manufactured aluminum structures providing covered walkways and shelter for riders and 1.6 acres of improvements that include parking, lighting, landscaping, stormwater treatment, and space to accommodate eight bus routes. The site plan also allows for future building expansion. Federal and state grants will provide the funding.

Shooting Range Skeet & Trap Improvements: Improvements at the Indian River County Shooting Range consist of three new combination national competition skeet and trap fields, including hi/low trap houses, lighting for the skeet and trap ranges to promote night time usage, storage building, parking area, and landscaping. A fifteen station sporting clays course will be constructed. The \$1.3 million funding will be from impact fees and optional one cent sales tax.

87th Street and 91st Avenue Sidewalk Improvements: The project consists of a six-foot wide concrete sidewalk along the north right of way line of 87th Street from 101st Avenue to County Road 510 and along the east right of way line of 91st Avenue from 79th Street to 87th Street. Drainage improvements, swale grading, pavement markings, and sodding of certain areas in Vero Lake Estates are also included. Funding in the amount of \$1.2 million will be from grant funds and optional one cent sales tax.

Fire Rescue Station #14: Construction is expected to be completed in fiscal year 2017 at a cost of approximately \$2.5 million. The 26th Street and 66th Avenue site will accommodate new growth and development in the County. Funding is from impact fees and optional one cent sales tax.

800Mhz P25 Radio System Migration Project: To meet current operational standards, the 800Mhz radio system will migrate to the Federal Communications

Commission recommended Project 25 (P25) which is the standard for the design and manufacture of interoperable digital two way communications for public safety organizations. The \$5.9 million phased upgrade of the system over a five year period will be funded from optional one cent sales tax.

Old Dixie Highway Resurfacing from 71st Avenue to County Road 510: The \$2.5 million improvements to Old Dixie Highway consist of pavement reconstruction for 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 pavement markings will be completed. This project is funded by an F.D.O.T. Small County Outreach Program grant and gas taxes.

1st Street SW and 43rd Avenue Intersection Improvements: Improvements will consist of the reconstruction of a portion of 1st Street SW with the addition of left turn lanes in both directions. Within the intersection, 43rd Avenue will be milled and resurfaced. Concrete pipe will be installed in the Indian River Farms Water Control District Canal. A traffic signal, four-foot wide paved shoulders, curbing, and a five-foot wide sidewalk will be included. The estimated \$2.2 million cost will be funded by optional one cent sales tax.

The following major capital projects were completed in fiscal year 2016:

Intergenerational Recreation Facility: The grand opening ceremony of the \$12.2 million state of the art recreational facility at the South County Regional Park was held in August of 2016.

45th Street Beautification Project: The milling and resurfacing of 45th Street from 43rd Avenue to east of 24th Avenue, along with sidewalk enhancements and extensive landscape improvements, were completed at a cost of \$1.4 million.

20th Avenue and 16th Street Intersection Improvements: The \$1.1 million realignment of 20th Avenue at 16th Street and the addition of left turn lanes to 20th Avenue was completed.

Fire Station #1 Renovations: Major renovations were completed at a cost of \$1.4 million.



Manatee in the Indian River

Photo courtesy of the Indian River County Chamber of Commerce

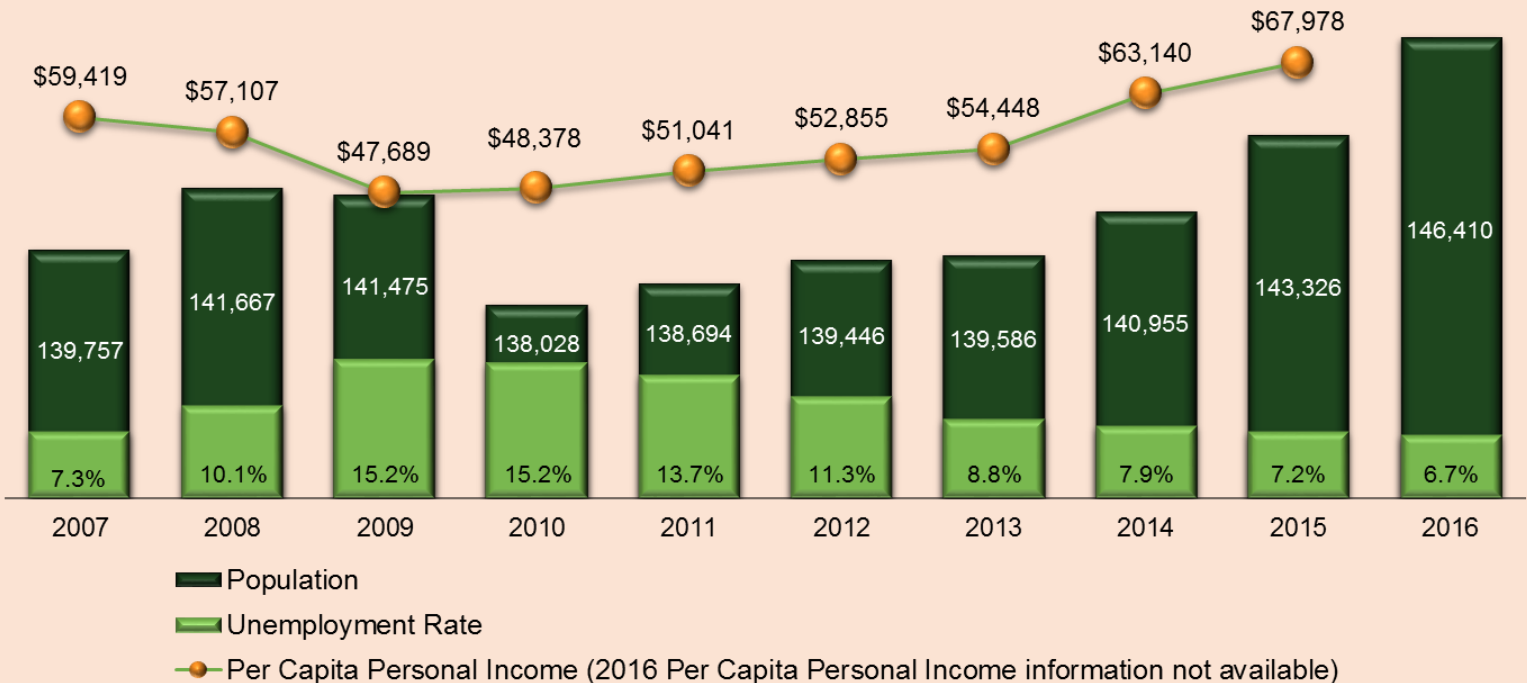
LOCAL ECONOMY

PRINCIPAL EMPLOYERS	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1. School District of Indian River County	2,113	3.70%
2. Indian River Medical Center	1,753	3.07%
3. Indian River County*	1,328	2.32%
4. Publix Supermarkets	1,250	2.19%
5. Piper Aircraft Inc.	750	1.31%
6. Sebastian River Medical Center	698	1.22%
7. Wal-Mart	693	1.21%
8. John's Island	526	0.92%
9. City of Vero Beach	424	0.74%
10. Indian River Estates	350	0.61%
Principal Employers' Total:	9,885	17.29%
Total Employed in County:	57,162	

Source: Indian River County, Florida annual budgets for individual employers. Florida Agency for Workforce Innovation - Labor Market Statistics, and Bureau of Economic and Business Research at University of Florida for total County employment figures.

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

Indian River County continues to experience signs of improvement in the economy. Total taxable property tax values increased slightly from \$13.4 billion in 2015 to \$14.3 billion in 2016. Construction activity also saw a significant increase with 24% more building permits issued for new construction in 2016 over 2015. The population of the County has been steadily increasing, growing to 146,410 in 2016. Unemployment has been decreasing, falling to 6.7% in 2016 from 7.2% in 2015. Historically, Indian River County's economy was made up of agriculture (citrus and cattle) and tourism. Those industries have now been complemented with an increase in health care and information technology firms, light manufacturing, wholesale and retail trade, and service sector jobs. The top three major employers in Indian River County, providing over 9% of the total number of jobs in the County, are the School District of Indian River County, Indian River Medical Center, and Indian River County Government.



PROPERTY TAXES

The Board of County Commissioners and other taxing entities each set a property tax rate called a “millage rate”. This rate is used to calculate overall property taxes. A “mill” is equal to \$1 of tax for every \$1,000 of assessed property value. **The picture below illustrates how each dollar of the County-wide portion of the property tax bill is broken down. The County-wide portion is paid by all property owners within the County boundaries.** If you own a home in Indian River County, the tax bill you pay each year funds much more than County Government. Depending on where you live, your tax bill may also include millage rates for taxes paid to cities, such as the City of Vero Beach, or a special taxing district, such as the Sebastian Inlet Taxing District.

PRINCIPAL TAXPAYERS	REAL PROPERTY ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUE
1. Florida Power & Light	\$126,936,400	0.89%
2. Disney Vacation Dev. Inc.	77,307,630	0.54%
3. Windsor Properties	51,704,720	0.36%
4. John’s Island Club Inc.	39,574,422	0.28%
5. Bellsouth Communications	33,974,999	0.24%
6. McGuire, Allen Robert Jr.	31,078,330	0.22%
7. Health Care REIT	26,267,550	0.18%
8. MHC Village Green	22,366,216	0.16%
9. Vero Acquisition	22,206,200	0.16%
10. Wells Fargo Bank	21,733,313	0.15%
Principal Taxpayers’ Total:	\$453,149,780	3.18%
Total County Taxable Valuation:	\$14,301,405,281	

Source: Indian River County Property Appraiser

Breakdown of the County-wide Portion of a Property Tax Bill Based on Taxable Value of \$200,000 Total Taxes: \$3,098.84

*For illustrative purposes only. Amounts shown in the example do not include cities, unincorporated areas, or any applicable districts within. Amounts shown are also net of applicable exemption amounts. *Note: The residents of the Town of Indian River Shores are not levied the Emergency Management Services District tax.*



GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

The Statement of Net Position presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources. The difference is 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.

In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$978.2 million at the close of the fiscal year. The largest portion of the County's net position reflects its investment in capital assets, such as land, buildings, infrastructure, intangibles, machinery, and equipment, less any related outstanding debt used to acquire those assets. These capital assets amount to \$739.8 million, or 76% of the County's net position. \$132.1 million, or 14%, represents resources that are subject to external restrictions on how they may be used. The remaining \$106.3 million is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.

The decrease in deferred inflows of resources and the increases in other liabilities and deferred outflows of resources was mainly due to the rise in the County's share of the net pension liability as calculated by the Florida Retirement System. The increase in net investment in capital assets was a result of completed construction projects and decreased outstanding debt.

	2016	2015	Increase (Decrease)
Assets			
Current and other assets	\$361.8	\$342.3	\$19.5
Capital assets	789.8	790.4	(0.6)
Total Assets	\$1,151.6	\$1,132.7	18.9
Deferred Outflows of Resources	47.8	14.8	33.0
Liabilities			
Other liabilities	128.5	77.6	50.9
Long-term liabilities	87.6	94.2	(6.6)
Total liabilities	216.1	171.8	44.3
Deferred Inflows of Resources	5.1	15.6	(10.5)
Net Position			
Net investment in capital assets	739.8	733.3	6.5
Restricted	132.1	128.6	3.5
Unrestricted	106.3	98.2	8.1
Total net position	\$978.2	\$960.1	\$18.1

(Chart in millions)

Views of the Indian River (left) and the Atlantic Ocean (right) along SR A1A.

Photo courtesy of IndianRiverByAir.com

STATEMENT OF ACTIVITIES

The Statement of Activities presents information showing how the County'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.

	2016	2015	Increase (Decrease)	Percent Change
REVENUES				
Program revenues:				
Charges for services	\$75.9	\$70.6	\$5.3	7.5%
Operating grants/contributions	24.6	24.9	(0.3)	-1.2%
Capital grants/contributions	11.0	20.3	(9.3)	-45.8%
General revenues:				
Property taxes	84.7	76.6	8.1	10.6%
Sales taxes	24.4	23.5	0.9	3.8%
Franchise fees	9.3	9.2	0.1	1.1%
Other	7.2	3.5	3.7	105.7%
Total revenues	237.1	228.6	8.5	3.7%
EXPENSES				
General Government	27.5	24.7	2.8	11.3%
Public safety	77.6	66.4	11.2	16.9%
Physical environment	1.4	1.6	(0.2)	-12.5%
Transportation	28.2	26.0	2.2	8.5%
Economic environment	0.4	0.4	0.0	0.0%
Human services	7.8	7.4	0.4	5.4%
Culture/recreation	14.7	17.0	(2.3)	-13.5%
Court related	7.1	6.7	0.4	6.0%
Interest and fiscal charges	0.9	1.0	(0.1)	-10.0%
Water and sewer	35.4	35.2	0.2	0.6%
Solid waste	12.7	11.7	1.0	8.5%
Golf course	2.6	2.5	0.1	4.0%
Building	2.7	2.1	0.6	28.6%
Total expenses	219.0	202.7	16.3	8.0%
Increase (decrease) in net position	18.1	25.9	(7.8)	-30.1%
Net position - Beginning	960.1	1,003.9	(43.8)	-4.4%
Restatement to implement GASB 68	-	(69.7)	(69.7)	-
Net position - Ending	\$978.2	\$960.1	\$18.1	1.9%

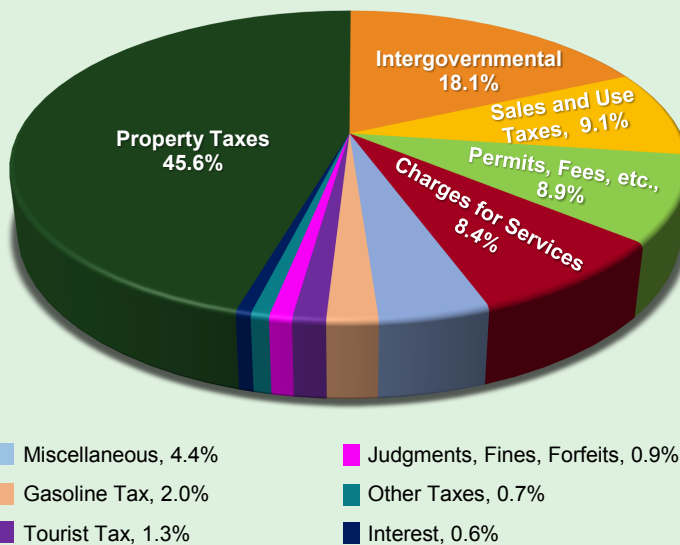
(Chart in millions)

GOVERNMENTAL FUNDS

REVENUES

REVENUE SOURCES	2016	2015
Property Taxes	\$84,695,191	\$76,621,036
Intergovernmental	33,535,027	32,065,821
Sales & Use Taxes	16,858,894	16,190,352
Permits, Fees, and Special Assessments	16,530,179	15,567,731
Charges for Services	15,532,928	18,558,182
Miscellaneous	8,158,393	2,470,553
Gasoline Tax	3,741,935	3,672,972
Tourist Tax	2,433,491	2,267,101
Judgments, Fines, Forfeits	1,672,773	897,860
Other Taxes	1,353,020	1,418,617
Interest	1,133,215	894,705
Total Revenues	\$185,645,046	\$170,624,930

Overall, general revenues for the fiscal year 2016 increased from the prior year. This is due mainly to increased property tax values and tax rates. The County's primary source of revenue is property taxes, amounting to \$84.7 million, or 45.6%, of Governmental Funds revenues in 2016. This is an increase of \$8.1 million from fiscal year 2015.



EXPENDITURES

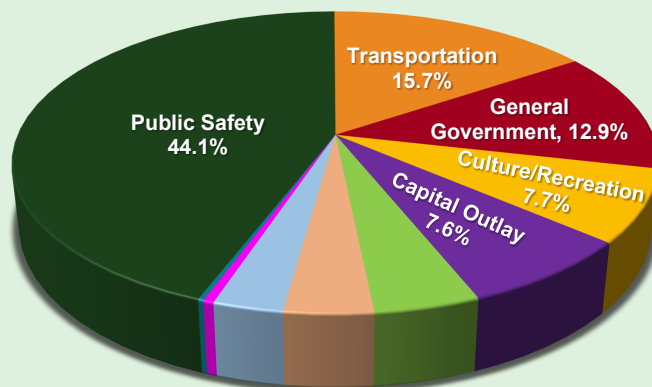
Expenditures for fiscal year 2016 totaled \$175.3 million, which was an increase over the previous year. By far, the largest expenditure of County funds is for Public Safety, increasing this year mainly due to the purchase of new emergency services vehicles and increases in salaries and benefits. Public safety activities include law enforcement, correctional facilities, fire rescue, and emergency management. Capital Outlay also increased with the completion of the South County Intergenerational Facility. Culture and Recreation for fiscal year 2016 decreased from the previous year following the completion of the Hurricane Sandy beach nourishment project.

EXPENDITURES	2016	2015
Public Safety	\$77,316,218	\$71,703,248
Transportation	27,505,659	27,945,569
General Government	22,693,234	22,957,111
Culture/Recreation	13,562,765	15,719,709
Human Service	7,868,392	7,519,756
Court Related	6,605,682	6,677,909
Debt Service	5,215,007	5,446,070
Capital Outlay	13,329,391	5,309,597
Physical Environment	788,803	1,055,021
Economic Environment	424,593	436,320
Total Expenditures	\$175,309,744	\$164,770,310



North County Aquatic Center while hosting the Special Olympics State Swimming Championship

Photo courtesy of IndianRiverByAir.com



- Human Services, 4.5%
- Physical Environment, 0.4%
- Court Related, 3.8%
- Economic Environment, 0.3%
- Debt Service, 3.0%

GENERAL FUND

The General Fund is the chief operating fund of the County. The ending fund balance as of September 30, 2016 was \$48.4 million.

In 2010, the County implemented the Governmental Accounting Standards Board (GASB) Statement 54. The objective of Statement 54 is to provide clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Fund Balance Comparison

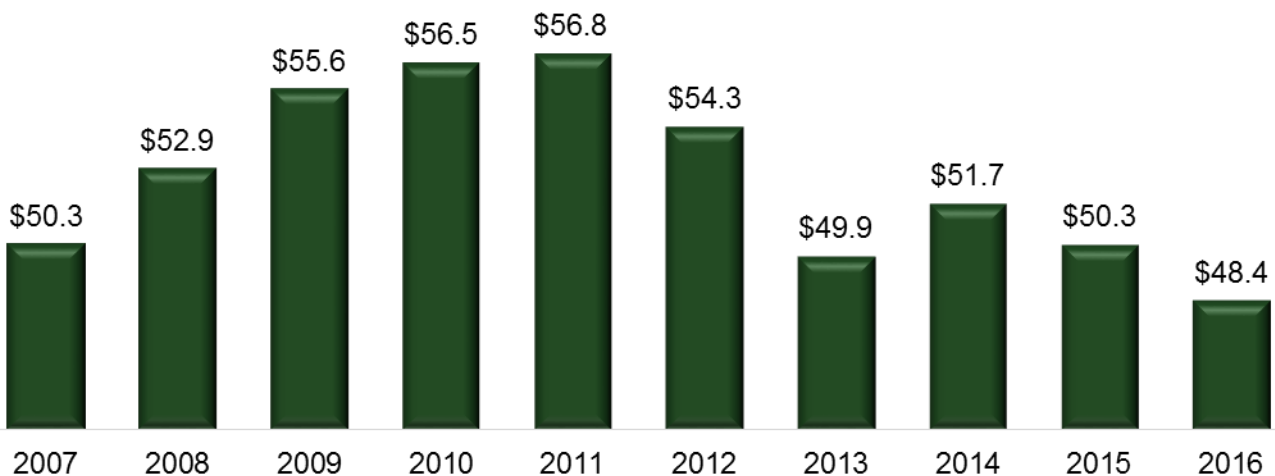
	2016	2015
Nonspendable	\$371,121	\$459,546
Restricted	1,000,000	1,000,000
Committed	1,166,830	1,092,575
Assigned	-	-
Unassigned	45,909,787	47,727,109
Total	\$48,447,738	\$50,279,230

The fund balance classifications used are:

- **Nonspendable** - Amounts that cannot be spent because they are not in spendable form, such as inventory, prepaid items, and advances to other funds.
- **Restricted** - Use of these resources is based on constraints imposed by external parties, such as creditors, grantors, contributors, or laws and regulations.
- **Committed** - Amounts that can only be spent by approval by a County ordinance by the Board of County Commissioners.
- **Assigned** - Amounts are designated for specific purposes by the Board of County Commissioners via budget amendments and do not meet the criteria of restricted or committed classifications.
- **Unassigned** - Amounts in the general fund that do not meet any other fund balance classifications.

Fund Balance Trend

(in millions as of September 30)



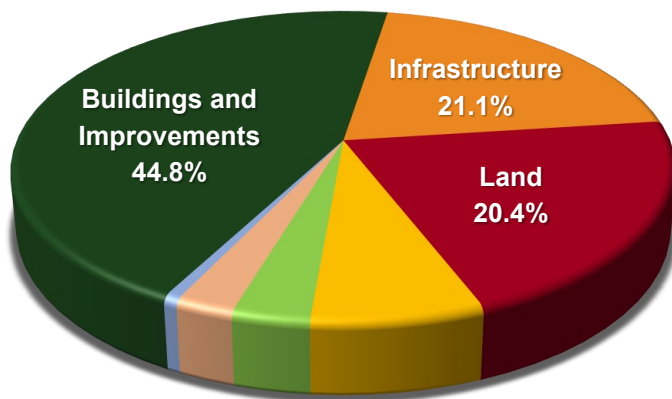
This chart shows the original and final amended budget for the General Fund for the fiscal year 2016. There was a \$8.3 million increase in operating appropriations between the original and final amended budget. This included \$5.2 million in grants appropriations and prior year rollovers for the Senior Resource Association (SRA) to provide County-wide public transportation, \$0.4 million in building and equipment maintenance including replacement air conditioning and chiller units for County buildings, \$0.4 million for All Aboard Florida, FMPA, and other legal and professional services, and \$0.3 million cost of living increases. Actual expenditures for the fiscal year 2016 were \$3.8 million lower than anticipated. This included \$1.3 million in SRA grant costs not yet expended, \$0.5 million in unspent legal, professional, and other contractual services, \$0.4 million lower than expected Sheriff expenses, and \$0.3 million in unspent salary and benefits expenditures.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$55,216,397	\$55,216,397	\$55,947,406	\$731,009
Permits, fees and special assessments	8,627,900	8,627,900	9,533,523	905,623
Intergovernmental	11,823,039	17,175,187	18,359,411	1,184,224
Charges for services	7,946,387	8,107,857	7,653,391	(454,466)
Judgments, fines and forfeits	361,950	361,950	1,253,925	891,975
Interest	152,115	152,115	363,004	210,889
Miscellaneous	3,617,120	3,835,510	4,276,456	440,946
Total revenues	87,744,908	93,476,916	97,387,116	3,910,200
Expenditures				
General government	20,266,325	21,871,409	20,839,685	1,031,724
Public safety	43,006,023	43,629,860	43,118,362	511,498
Physical environment	298,144	315,376	295,860	19,516
Transportation	750,000	6,113,992	4,724,438	1,389,554
Economic environment	411,520	437,003	420,669	16,334
Human services	3,937,003	3,997,892	3,828,810	169,082
Culture/recreation	8,727,616	9,344,787	8,743,746	601,041
Court related	5,885,952	5,935,947	5,861,673	74,274
Total expenditures	83,282,583	91,646,266	87,833,243	3,813,023
Excess of revenues over (under) expenditures	4,462,325	1,830,650	9,533,873	7,723,223
Other Financing Sources (Uses)				
Transfers in	1,224,985	1,383,509	1,342,555	(40,954)
Transfers out	(9,397,661)	(12,729,066)	(12,727,920)	1,146
Total other financing sources (uses)	(8,172,676)	(11,345,557)	(11,385,365)	(39,808)
Net change in fund balances	(3,710,351)	(9,514,907)	(1,831,492)	7,683,415
Fund balances at beginning of year	3,710,351	9,514,907	50,279,230	
Fund balances at end of year	-	-	48,447,738	

CAPITAL ASSETS

CAPITAL ASSETS	2016	2015
Buildings and Improvements	\$353.4	\$353.8
Infrastructure	166.8	145.0
Land	161.3	161.2
Right-of-Way	57.6	57.4
Construction in Progress	26.0	52.2
Equipment	19.8	16.4
Intangibles	4.8	4.4
Total Capital Assets	\$789.7	\$790.4

(Chart in millions)



- Right-of-way, 7.3%
- Equipment, 2.5%
- Construction in Progress, 3.3%
- Intangibles, 0.6%

The County's investment in capital assets for its governmental and business-type activities on September 30, 2016 amounted to \$789.7 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 fiscal year 2016 was less than 1% over the previous year.

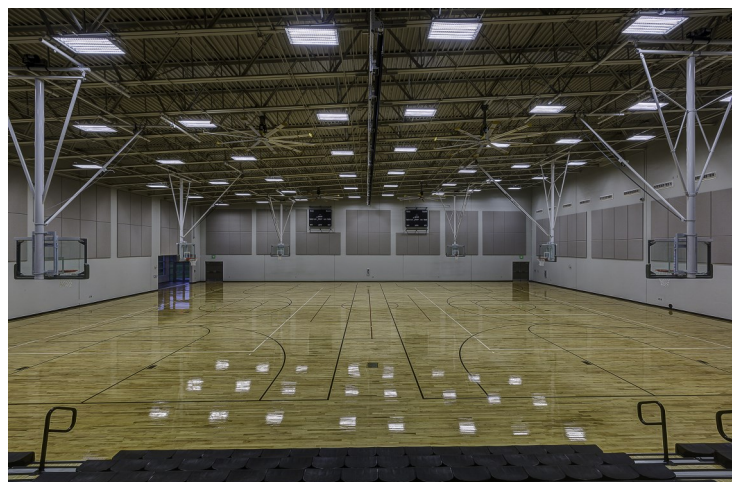
In fiscal year 2016, there was an increase in buildings and improvements and infrastructure, along with a decrease in construction in progress, primarily due to the following completed capital asset projects during the fiscal year 2016:

- 66th Avenue expansion project from SR60 to 49th Street - \$22.8 million
- South County Intergenerational Facility - \$12.2 million



Photos of the completed South County Intergenerational Facility

Photos courtesy of the Indian River County Recreation Department



DEBT

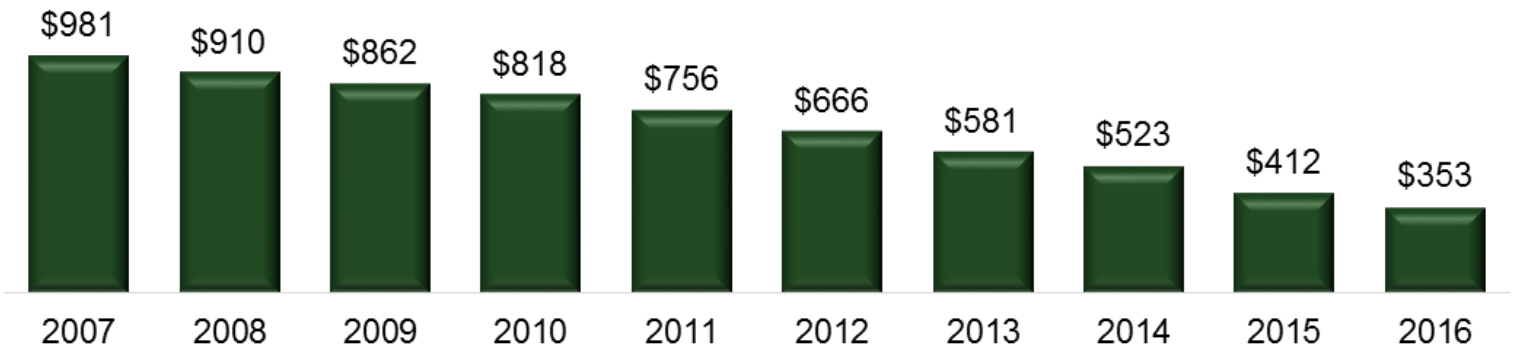
At the end of fiscal year 2016, the County had \$51.6 million in outstanding long-term debt. Of this amount, \$19.7 million is debt backed by the full faith and credit of the government. Outstanding debt decreased by \$7.5 million during fiscal year 2016 which included the last installment of \$3.5 million on the Limited General Obligation Bonds, Series 2006. This led to a decrease of .0379 per \$1000 of assessed value in the Land Acquisition property tax millage.

The chart below shows the amount of debt per capita within the County. The debt per capita has been steadily decreasing over the last 10 fiscal years falling by another \$59 during fiscal year 2016.

	2016	2015
General Obligation Debt		
Limited General Oblig. Bonds, Series 2006	-	\$3.5
Limited General Oblig. Note, Series 2015	\$19.7	20.1
Revenue Bonds/Notes		
Spring Training Facility, Series 2001	6.7	7.2
Water and Sewer Rev. Note, Series 2015	6.2	7.2
Water and Sewer Ref. Rev., Series 2009	19.0	21.1
Total	\$51.6	\$59.1

(Chart in millions)

Debt Per Capita



CASH AND INVESTMENTS

In accordance with the Florida Statutes, the County adopted investment policies which guides the investment of County funds. These policies establish 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.

Cash reported on the financial statements includes bank deposits, cash on hand, certificates of deposit, money market accounts, and all highly liquid investments with maturities of ninety days or less when purchased. Investments consist of U.S. Treasury Securities, U.S. Government Agency Securities, money market funds, certificates of deposit, Florida PRIME Fund, the Florida Trust Day to Day Fund, and the Florida Local Government Investment Trust Fund (FLGIT).

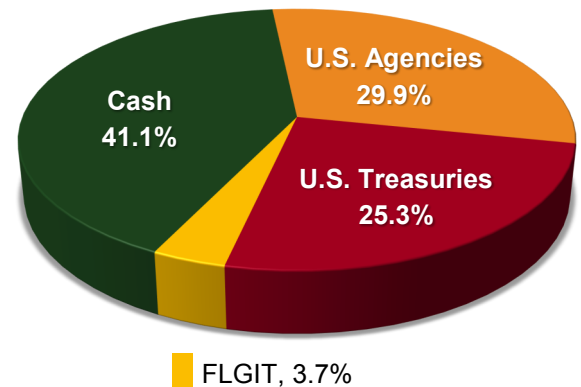
The Clerk invests the surplus funds in accordance with the policy guidelines and earned \$2.1 million in interest income in fiscal year 2016. As of September 30, 2016, the County's investment portfolio was invested in the categories listed in the chart below. The fair market value of the investments was \$339.9 million and the weighted average maturity was 0.90 years.



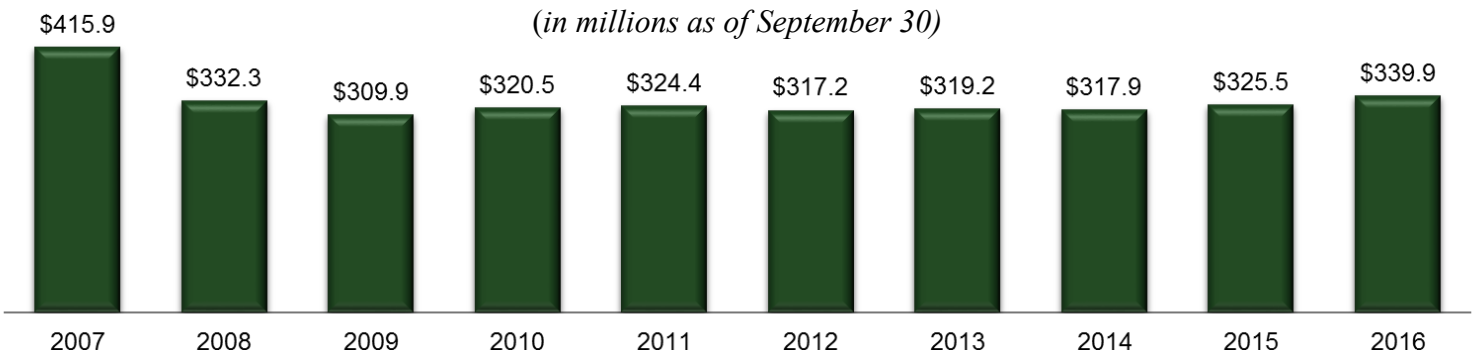
Ball fields at the North County Regional Park

Photo courtesy of IndianRiverByAir.com

CASH & INVESTMENTS	AMOUNT	PERCENTAGE OF PORTFOLIO
Cash	\$139,739,705	41.1%
U.S. Agencies	101,545,376	29.9%
U.S. Treasuries	86,146,484	25.3%
Florida Local Government Investment Trust Fund (FLGIT)	12,467,718	3.7%
Total:	\$339,899,283	100%



Cash and Investment Balances
(in millions as of September 30)



ROLE OF THE CLERK



The Wabasso Bridge and views of the Indian River Lagoon looking North. Photo courtesy of IndianRiverByAir.com

Established in 1838 by the Florida Constitution, the Clerk of Circuit Court and Comptroller (Clerk) is an elected official responsible for safeguarding public funds and protecting public records. The Clerk's Office performs 926 different constitutional and statutory functions and duties. This number does not include the responsibilities required of the Clerk by Court Rule and Administrative Order. In addition to being the County Comptroller, the Clerk is also the Clerk of the Circuit Court, County Recorder, and Clerk to the Board of the County Commissioners (Board).

As the County Comptroller, the Clerk acts as the County Treasurer, Auditor, and Finance Officer, providing a check and balance on the County's budget, revenue, and expenditures. Among other financial duties, the Clerk handles the investment of available county funds, provides financial reporting to the Board, processes accounts payable and payroll, provides accounting services to all departments under the Board of County Commissioners, pre-audits all county expenditures before payment, conducts internal post-audits to determine if financial controls are sufficient, and is responsible for the collection and enforcement of Tourist Tax.

As the Clerk of the Circuit Court, the Clerk is responsible for aiding in the judicial process and maintaining the integrity of the court records. Some of the Clerk's responsibilities include processing all Civil and Criminal cases in the county, preparing court dockets, attending hearings and trials, collecting fines and fees, jury management, maintaining custody of all evidence and exhibits entered by the court, maintaining the court registry, auditing guardianship reports and child support payments, issuing marriage licenses, and processing passport applications.

As County Recorder, the Clerk is responsible for maintaining the County's Official Records. Some of the Clerk's duties as County Recorder include recording and indexing all deeds, mortgages, and other documents pertaining to real property in the county, recording and indexing all judgments, orders, and other documents pertaining to court cases in the county, processing tax deed applications and conducting sales, recording plats of subdivisions, and collecting and disbursing documentary stamp taxes and intangible taxes.

As Clerk to the Board of County Commissioners, the Clerk serves as the custodian of the Board's records. Among other duties, the Clerk attends meetings of the Board and other committees, produces, records, indexes, and distributes the official minutes of these meetings, maintains legal custody of the Official County Seal, and provides citizens a forum through the Value Adjustment Board to address complaints when they believe the Property Appraiser overvalued their property or improperly denied an exemption.

GLOSSARY OF TERMS

Assets

What is owned by the County. Includes such items as pooled cash and investments, receivables, inventories, deposits with others, and prepaid items.

Capital Assets

Includes such items as County land, construction in progress, equipment, infrastructure and buildings, and improvements net of depreciation.

Capital Grants/Contributions

State, federal, other government and private contributions to fund capital projects.

Deferred Outflow of Resources

A consumption of net position by the government that is applicable to a future reporting period.

Deferred Inflow of Resources

An acquisition of net position by the government that is applicable to a future reporting period.

Fund Balance

The difference between assets plus deferred outflows of resources, less liabilities and deferred inflows of resources reported in the balance sheet of a governmental fund.

General Revenues

All of the revenues that are not required to be reported as program revenues in the government-wide statement of activities. General revenues include property taxes, sales and use taxes, state-shared revenues, as well as other County–levied taxes, investment income, rents, and the sale of surplus property.



Liabilities

Debts and obligations of the County.

Long-term Liabilities

Includes such items as bonds, notes, compensated absences, and other County obligations.

Net Investment in Capital Assets

Represents amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Net Position

Net worth of the County calculated as the difference between total assets plus deferred outflows of resources, less liabilities and deferred inflows of resources.

Operating Grants/Contributions

State, federal, other government and private contributions to fund specific programs.

Per Capita

Amount per County resident.

Program Revenues

Term used in the statement of activities, which includes charges for services, operating grants, and capital grants.

Refunding

New bonds or notes issued to retire previously issued bonds on their maturity or callable date.

Restricted

Funds set aside for a specific purpose due to legal or external requirements.

Unrestricted

Funds available for the County to use for operations.

From March through October each year, the beaches of Indian River County are home to the nests of three different species of sea turtle - Loggerheads, Leatherbacks, and Green Turtles.

*Turtle photos by Joe Rimkus, Jr.
and courtesy of Indian River County Public Works*

*Back cover photo: The Atlantic Ocean
Photo courtesy of the Indian River County Chamber of Commerce*

CONTACTING YOUR GOVERNMENT

County Elected Officials

**Clerk of the Circuit Court and
County Comptroller**

Jeffrey R. Smith

www.clerk.indian-river.org

Indian River County Courthouse
2000 16th Ave.
Vero Beach, FL 32960
772-770-5185

Board of County Commissioners

Susan Adams – District 1

Joseph E. Flescher – District 2

Tim Zorc – District 3

Peter D. O'Bryan – District 4

Bob Solari – District 5

www.ircgov.com

Indian River County
Administration Building A
1801 27th St.
Vero Beach, FL 32960
772-226-1490

Property Appraiser

David C. Nolte

www.ircpa.org

Indian River County
Administration Building B
1800 27th St.
Vero Beach, FL 32960
772-567-8000, ext. 1469

Tax Collector

Carole Jean Jordan

www.irctax.com

Indian River County
Administration Building B
1800 27th St.
Vero Beach, FL 32960
772-226-1338

Supervisor of Elections

Leslie Rossway Swan

www.voteindianriver.com

4375 43rd Ave.
Vero Beach, FL 32967
772-226-3440

Sheriff

Deryl Loar

www.ircsheriff.org

4055 41st Ave.
Vero Beach, FL 32960
772-569-6700

State Elected Officials

Governor

Rick Scott

www.flgov.com

850-717-9337

Lieutenant Governor

Carlos Lopez-Cantera

www.flgov.com

850-488-7146

Attorney General

Pam Bondi

www.myfloridalegal.com

1-866-966-7226

Chief Financial Officer

Jeff Atwater

www.myfloridacfo.com

1-877-693-5236

Commissioner of Agriculture

Adam Putnam

www.freshfromflorida.com

1-800-435-7352

State Attorney

19th Judicial Circuit

Bruce Colton

www.sao19.org

772-226-3300

Public Defender

19th Judicial Circuit

Diamond R. Litty

www.pd19.org

772-770-5080

State Senate – District 17

Debbie Mayfield

www.flsenate.gov/senators/s17

772-226-1970

House of Representatives

District 54

Erin Grall

www.myfloridahouse.gov

772-778-5005

Federal Elected Officials

United States Senator

Bill Nelson

www.billnelson.senate.gov

1-888-671-4091

United States Senator

Marco Rubio

www.rubio.senate.gov

1-866-630-7106

United States Representative

District 8

Bill Posey

www.posey.house.gov

772-226-1701

For more information about the Indian River
County Clerk of the Circuit Court and
Comptroller, visit the Clerk's website at
www.clerk.indian-river.org

To search Court Records:
<http://public.indian-river.org>

To search Official Records:
<http://ori.indian-river.org>

For Foreclosure Auctions:
www.indian-river.realforeclose.com

For Tax Deed Auctions:
www.indian-river.realtaxdeed.com

To Apply for a Marriage License:
<http://ori.indian-river.org/marriagekiosk>

To Make Court Payments:
indianrivercotix.com

To Enroll in Property Fraud Alert:
ori.indian-river.org/fraudalert



Prepared under the supervision of:
Jeffrey R. Smith, CPA, CGFO, CGMA
Indian River County
Clerk of the Circuit Court and Comptroller

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
(772) 226-1945