

School Board of Indian River County



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



“To Serve All Students with Excellence”



The School Board of Indian River County, Florida

Vero Beach, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

Prepared by:
Division of Finance & Operations



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**The School Board of Indian River County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2014**

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Transmittal Letter



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School District of Indian River County

1990 25th Street • Vero Beach, Florida 32960-3395 – Telephone: 772-564-3000 • Fax: 772-569-0424

Frances J. Adams, Ed.D.
Superintendent



December 12, 2014

Dear Chairman, Members of the Board, and the Citizens of Indian River County:

The Comprehensive Annual Financial Report of the School Board of Indian River County, Florida (the “School Board” or the “District”) for the fiscal year ended June 30, 2014, is hereby submitted. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District’s financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District’s management.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of Federal awards, schedule of findings and questioned costs, and the independent auditor’s report on compliance for each major Federal program and report on internal control over compliance, are included in the single audit section.

Generally accepted accounting principles used in the United States of America also require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

**“Educate and inspire every
Student to be successful”**

Karen Disney-Brombach
District 1



Dale Simchick
District 2



Matthew McCain
District 3



Carol Johnson
District 4



Claudia Jimenez
District 5

“To serve all students with excellence”

Equal Opportunity Educator and Employer

The report includes all funds of the District, the Indian River County School Board Leasing Corporation (“Leasing Corporation”), and the District’s charter schools, which comprise the reporting entity. The Leasing Corporation was formed by the District to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. Charter schools are public schools operating under a performance contract with the School Board. The Leasing Corporation was identified as a component unit, requiring blended presentation of the financial statements, and the District’s charter schools are included as discretely presented component units.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property taxes between districts within the State. Charter schools operating through a contract with the District are provided with a proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

GENERAL INFORMATION

The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District’s public schools. The District is responsible for maintaining a uniform system of records and accounts, as prescribed by the State Board of Education.

The geographical boundaries of the District are those of Indian River County. During the 2013-14 fiscal year, the District operated 25 schools, including 13 elementary schools, 4 middle schools, 2 high schools, 5 special centers for students and 1 separate adult education center. Additionally, the District sponsored 5 charter schools. The District reported 17,614 unweighted full-time equivalent students for all locations; and is projecting 17,710 unweighted full-time equivalent students for the 2014-15 fiscal year.

GENERAL DESCRIPTION AND LOCATION

Indian River County (County) encompasses approximately 497 square miles of land along the Atlantic Ocean and is located in the middle of Florida’s East Coast. In relation to other areas, the County is approximately 100 miles southeast of Orlando, 190 miles south of Jacksonville and 135 miles north of Miami. Brevard County borders to the north, St. Lucie County borders to the south, and Osceola and Okeechobee Counties form the western boundary. There are approximately 100 miles of waterfront land in the County, with 23 miles being the Atlantic beaches.

ECONOMIC CONDITIONS AND OUTLOOK

The County located in the middle of the state on the Atlantic Coast, is primarily supported by tourism and agriculture; mostly citrus, although other industries have grown in the past decade. Some stability is provided with top employers being governmental such as the District, the County, and the City of Vero Beach. The City of Vero Beach is the county seat and largest municipality. The District's taxable assessed property values have declined 26.5 percent since its 2007-08 fiscal year peak of \$18.6 billion to \$13.6 billion in the 2013-14 fiscal year, reflecting the economic decline's impact on housing. Taxable value growth of 1.5 percent in 2013-14 fiscal year and an anticipated 4.3 percent for the 2014-15 fiscal year to \$14.3 billion shows signs of economic stability. Socioeconomic indicators are generally favorable when compared to the state but slightly below average when compared to the nation.

While the economic recovery remains tenuous in the County, it still maintains long term expansion capabilities given its favorable location and moderately diversified base. The current above average unemployment rate of 7.1 percent in July 2014, compared to the State's 6.6 percent and the nation's 6.5 percent, is indicative of a still narrowly focused economy. Although unemployment rates are improving from a high of 14.4 percent in 2010, they have been significantly affected by the weakened housing market and related decline in real estate that has affected construction and service-related industries in the County and have not yet returned to the low of 4.3 percent experienced in calendar year 2006.

According to a 2007 Census of Agriculture, there were 415 farms located within the County totaling 157,196 acres, of which cropland covers 51.7 percent, improved pasture and rangelands cover 22.2 percent, forests and woodlands cover approximately 22.1 percent, and 4.0 percent is for other uses.

The County experienced steady population growth over the last decade, increasing 25 percent during the 1990s and another 22 percent since 2000 to a population of 141,994 for calendar year 2014. The population growth has historically been increasing. In addition, the median age of the resident population has increased as persons aged 65 and over, increased from 12 percent of the population in 2005 to 28.6 percent as of 2012. Vero Beach, the largest city in the County had a 2012 Census population of 15,527, compared to the 2000 Census population of 17,705. In 2011, Indian River County ranked 33 out of 67 counties in Florida in terms of total population.

The Atlantic beaches and the climate in the County provide the basis for a year-round tourist industry. There are numerous hotels and motels in the County as well as retail and service establishments geared to serving the tourist trade. Forty-six miles of riverfront on the Indian River, in addition to the 23 miles of Atlantic coastline, create an ideal setting for outdoor recreation. Residents and visitors have the opportunity to enjoy these resources at any of the 24 County parks or the Sebastian Inlet State Park. The County also has 7 public and 11 private golf courses as a source of outdoor recreation. Major private employers include Indian River Medical Center; Publix Supermarkets; Piper Aircraft, Inc.; Wal-Mart, Inc.; Sebastian River Medical Center; and John's Island, Inc.

LONG-TERM FINANCIAL PLANNING

The District follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the object level (e.g. salaries, benefits, and purchased services) within each function activity (e.g. instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

Unassigned and Assigned fund balance in the General Fund (10.19 percent of total General Fund revenues) exceeds the District policy of 5 percent of revenues. During the initial planning for the budget, the District each year sets aside 5 percent of its revenues in order to ensure compliance with this policy.

MAJOR INITIATIVES

Indian River Fellowship for Instructional Leaders (IRFIL)

Through the leadership of Superintendent of Indian River County Schools and Assistant Superintendent of Curriculum and Instruction, the District created an organization, Indian River Fellowship for Instructional Leaders (IRFIL), to facilitate District-wide leadership learning and develop the capacity of personnel to work as leaders. District personnel applied various methods to increase student improvement and yet student scores over time have not had the upward trend of academic achievement desired. The aim of IRFIL is to empower personnel so that they are acting as leaders in areas that improve student achievement..

The newly created organization meets via a cohort model. As part of these transformational/turnaround processes, specific topics are provided for the organizational work. Topics are ones that have shown the greatest return on investment of time in order to create a sustainable upward trend with academic achievement. This collaborative initiative is currently funded through Federal (Race to the Top and Title II Part A), local and state funds.

District personnel believe that isolated examples of excellence are not good enough; thus, they are focused on pursuing opportunities, such as IRFIL, that create pattern/breaking systematic change in public schools and high-quality educational opportunities that result in large-scale reform. In addition, District personnel are working on making systems that support improvement and excellence for all. It is their belief that IRFIL will systematically improve the quality of classroom instruction and the learning and achievement of ALL County students. Both administrators and teachers have expressed their excitement and support for IRFIL and want to be effectively engaged in this complex, challenging and crucial work. IRFIL was recognized as a Noteworthy Practice by the Florida Department of Education on July 8, 2014.

Continuation of the Moonshot Moment Initiative

“Moonshot Sports” was added to the Moonshot Moment Initiatives this year, incorporating many of our High School, and Middle School athletes along with numerous community sporting organizations to bring the philosophy of being a good student first helps to enhance the good athlete. Two large community events took place one - in September at the Indian River Soccer Fields and one in April at the Citrus Bowl at VBHS. Both incorporated athletes donating and reading books to younger student-athletes and students from throughout the County. At both events books were donated to students who attended the events.

“The Moonshot Moment Family Reading Party” with children’s author Marc Brown took place on March 3 at the VBHS Performing Arts Center. Students and their families came from all over the County to meet, hear and receive autographed “Arthur” books from Marc Brown. This was another family evening promoting our literacy goal that 90 percent of our children are reading on grade level by third grade.

Digital Literacy Integration

The District continues to move forward with its Digital Literacy Implementation. An online resource, Title I SMART Resources, was created especially for educators on the School District Web site. Teacher resources available include, but are not limited to the following: innovative shared lessons, interactive lesson templates, SMART presentations, technical assistance for SMART Notebook software and the Wonders Reading program, and website suggestions for teachers to develop interactive, standards-based lessons. The SMART initiative has moved into its next phase with the purchase of SMART Tables for select elementary schools. The purpose of the SMART Table pilot program is to transform student learning, increase student engagement, and help students practice 21st Century skills. The District’s Learning Management System, CANVAS, was purchased and plans for Professional Development sessions have been developed. Digital Curriculum is being utilized in the elementary and secondary schools. Trainings will occur for both students and teachers to effectively integrate digital curriculum with the new English Language Arts (ELA) and MATH standards and to support new textbook adoptions.

ELA and Math Textbook Adoptions

The Curriculum & Instruction department along with District secondary English/Language Arts (ELA) teachers and secondary 8th grade math teachers selected and adopted new textbooks that include the new Florida Standards and increased rigor. Teacher representatives from each of the secondary schools were on the committees and were committed to adopting a standardized-based tool that would be useful and beneficial for all in providing rigorous standardized-based instruction. The process began with a textbook extravaganza, which was a new phase in the adoption process.

OTHER INFORMATION

Student Performance. Indian River County students continue to perform very favorably as compared with other students in Florida based on the Florida Comprehensive Assessment Test (FCAT). The FCAT 2.0 measures student progress toward mastery of benchmarks of the Next Generation Sunshine State Standards for all Florida public school students in grades 3 through 10 and will transition to the Florida Standards Assessments in the 2014-15 school year. In the District, five schools achieved an “A”. Three schools received a letter grade of “B”, nine schools received a letter grade of “C”, and three schools received a letter grade of “D”. There were no schools in the District with an “F”. The District received a letter grade of “C” for the 2013-14 school year.

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by the Auditor General or another independent certified public accountant. The Office of the Auditor General for the State of Florida conducted the audit for the fiscal year ended June 30, 2014. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. The auditor’s report on the basic financial statements is included in the Financial Section of this report.

REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the School Board of Indian River County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. 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.

The School Board of Indian River County also received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This award, valid for one year, certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO.

This was the seventh consecutive year that the District has received these prestigious awards. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program and the Certificate of Excellence Program requirements, and we are submitting it to both GFOA and ASBO, to determine its eligibility to receive these prestigious awards.

ACKNOWLEDGEMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Finance and Operations, and of all the other departments, which provided valuable assistance and necessary support throughout the preparation of this report.

In closing, we would like to thank the members of the School Board for their leadership and support in planning and conducting the financial operations of the District.

Respectfully submitted,



Frances J. Adams, Ed.D.
Superintendent of Schools



Carter Morrison
Assistant Superintendent for Finance / Operations



Eloise Simpson
Accounting Manager



Charlene Atkins
Accounting Manager

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS – ELECTED



Mrs. Carol Johnson, Chair
Member from District 4
Member since November 2006
Current term expires November 2014



Ms. Claudia Jiménez
Member from District 5
Member since November 2008
Current term expires November 2016



Mrs. Karen Disney – Brombach
Member from District 1
Member since November 2006
Current term expires November 2014



Mrs. Dale Simchick
Member from District 2
Member since November 2010
Current term expires November 2014



Mr. Matthew McCain
Member from District 3
Member since November 2008
Current term expires November 2016

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

Frances J. Adams, Ed.D.	Superintendent
Andrew Rynberg	Assistant Superintendent for Curriculum and Instruction
Carter Morrison	Assistant Superintendent for Finance / Operations
William “Bill” Fritz	Assistant Superintendent for Human Resources/Risk Management
Denise Roberts	Executive Director Human Resources
Bruce Green	Assistant Superintendent for Instructional and Information Technology
Jody Idlette Bennett	Executive Director Core Curriculum
Michael Ferrentino	Executive Director Exceptional Student Education
Christopher Kohlstedt	Director for Instructional Support



Government Finance Officers Association

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

Presented to

**School Board of Indian River County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

School Board of Indian River County

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

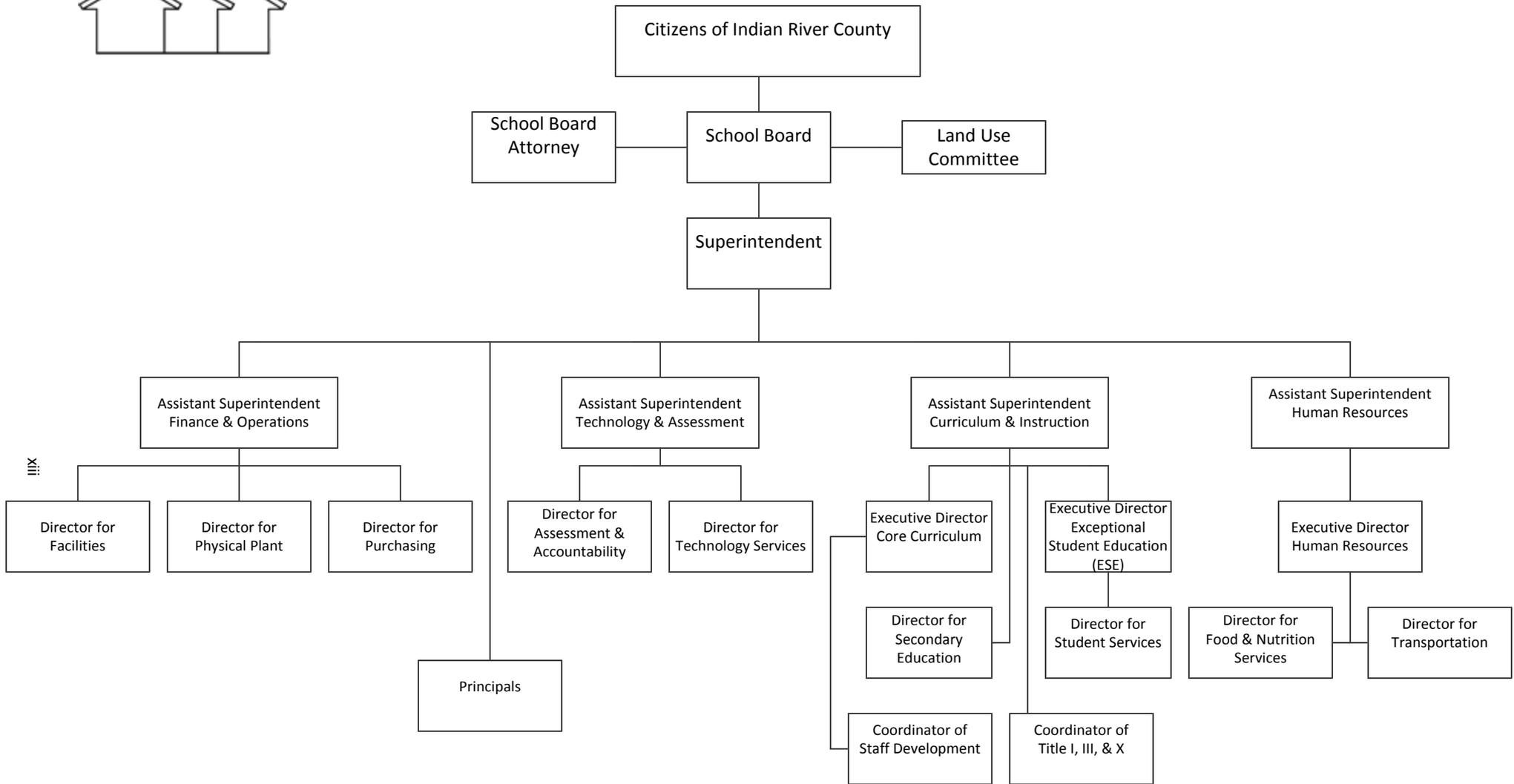
Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



School District of Indian River County Organizational Chart 2013-2014



Independent Auditor's Report



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DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450



PHONE: 850-412-2722
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Indian River County District School Board, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 8 percent of the assets and 18 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

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 auditor's 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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Indian River County District School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and major special revenue fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, 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 combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are 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 a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S 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***.

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 District's internal control over financial reporting and compliance.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 12, 2014

Audit Report No. 2015-077



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Management's Discussion and Analysis



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Management's Discussion and Analysis

This section of the School Board of Indian River County, Florida's (the District) comprehensive annual financial report represents our discussion and analysis of the financial performance of the District for the fiscal year ended June 30, 2014. This information should be read in conjunction with the financial statements included in this report.

Financial Highlights

- ◆ The assets of the District exceed its liabilities at June 30, 2014, by \$239 million. Of this amount, \$208 million represents the net investment in capital assets, and \$30 million represents restricted and unrestricted net position of \$38 million and negative \$8 million, respectively.
- ◆ The District's total net position decreased by \$2 million or 0.9 percent.
- ◆ Program revenues account for \$12.5 million or 7.1 percent of total revenues, and general revenues account for \$164.3 million or 92.9 percent.
- ◆ The governmental funds report combined fund balances of \$52.5 million, a decrease of \$5.3 million in comparison to the prior fiscal year.
- ◆ At the end of the fiscal year, assigned plus unassigned fund balance for the General Fund was \$13.6 million, or 10.2 percent of General Fund revenues.

Overview of the Financial Statements

This discussion and analysis, in conjunction with the financial statements, is intended to serve as an introduction to the District's basic financial statements. The statements are organized in such a manner that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities. The basic financial statements consist of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in the manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used in the private sector. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall financial well-being of the District.

The government-wide financial statements present the District's activities in three categories:

- ◆ Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's class size reduction and education finance programs provide most of the resources that support these activities.
- ◆ Business-type activities – The District charges fees to cover the cost of certain services it provides. These activities are for its Extended Day Care Program.
- ◆ Component units – The District presents five separate legal entities that operate as charter schools as discussed in the notes to the basic financial statements. Although these are legally separate organizations, the component units' activities are included in the financial statements since they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government. The Indian River County School Board Leasing Corporation, although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the leasing corporation, the leasing corporation has been included as an integral part of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and demonstrate compliance with various grant provisions. The District's three types of funds: governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the basic financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The District has several governmental fund types: the General Fund, the debt service funds, the special revenue funds (including the School Food Services Program), and the capital projects funds. Within these funds, the District maintains 14 individual funds. Of those funds, the General Fund, Special Revenue – Federal Economic Stimulus Fund, Debt Service – Other Fund, Debt Service – American Recovery and Reinvestment Act (ARRA) Fund, Capital Projects – Local Capital Improvement Fund, Capital Projects – Other Fund, and Capital Projects – American Recovery and Reinvestment Act (ARRA) Fund are considered to be major funds.

Proprietary Funds

Services for which the District charges a fee are generally reported in the proprietary funds. Proprietary funds use the accrual basis of accounting, the same as on the entity-wide statements. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for its Extended Day Care Program.
- Internal service funds are used to report activities that provide goods or services to support the District's other programs and functions through user fees. The District uses the internal service fund to account for the self-insurance program activities. Since these services predominately benefit governmental functions rather than business-type functions, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses private-purpose trust funds to account for scholarship funds established by private donors.

The District uses agency funds to account for resources held for student activities and groups.

Notes to the Basic Financial Statements

The notes to the basic financial statements contain additional information, which is essential to fully understand data provided within the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information showing historical trend information about the funded status of the District's postemployment benefits plan. The required supplementary information can be found immediately following the notes to the basic financial statements. The combining statements of the nonmajor governmental funds are presented immediately following the required supplementary information on the postemployment benefits plan.

Government-wide Financial Analysis

The School Board of Indian River County, Florida						
Condensed Statement of Net Position						
June 30, 2014 and 2013						
(amounts expressed in thousands)						
	Governmental		Business-type		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 77,817	\$ 82,731	\$ 701	\$ 639	\$ 78,518	\$ 83,370
Capital assets, net	335,477	330,555	-	-	335,477	330,555
Total assets	413,294	413,286	701	639	413,995	413,925
Current and other liabilities	19,659	17,659	31	22	19,690	17,681
Long-term liabilities	155,008	154,929	52	51	155,060	154,980
Total liabilities	174,667	172,588	83	73	174,750	172,661
Net position :						
Net Investment in capital assets	208,351	209,060	-	-	208,351	209,060
Restricted	38,435	37,900	-	-	38,435	37,900
Unrestricted (Deficit)	(8,159)	(6,262)	618	566	(7,541)	(5,696)
Total net position	\$ 238,627	\$ 240,698	\$ 618	\$ 566	\$ 239,245	\$ 241,264

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$239 million at the end of the fiscal year. The largest portion of the District’s net position, \$208 million (87 percent), reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported 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.

An additional portion of the District’s net position, \$38.4 million, represents resources subject to external restrictions on how they may be used. The remaining balance of net position (\$19.7 million after exclusion of \$9 million in compensated absences payable and \$18.9 million in other postemployment benefits obligations) is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors. Restricted net position has increased \$536 thousand from June 30, 2013, to June 30, 2014.

The School Board of Indian River County, Florida
Condensed Statement of Activities and Changes in Net Position
June 30, 2014 and 2013
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 2,256	\$ 2,635	\$ 714	\$ 708	\$ 2,970	\$ 3,343
Operating grants and contributions	6,493	6,354	-	-	6,493	6,354
Capital grants and contributions	3,068	2,853	-	-	3,068	2,853
General revenues:						
Property taxes, levied for operational purpose	87,941	83,819	-	-	87,941	83,819
Property taxes, levied for debt service	19	5,085	-	-	19	5,085
Property taxes, levied for capital projects	19,887	19,583	-	-	19,887	19,583
Grants and contributions, non-restricted	53,933	46,746	-	-	53,933	46,746
Unrestricted investment earnings	294	1,063	1	1	295	1,064
Miscellaneous	2,265	2,432	-	-	2,265	2,432
Total revenue	176,156	170,570	715	709	176,871	171,279
Expenses:						
Instruction	100,814	93,379	-	-	100,814	93,379
Student personnel services	5,012	4,604	-	-	5,012	4,604
Instructional media services	2,174	2,079	-	-	2,174	2,079
Instruction and Curriculum Dev Services	5,580	5,351	-	-	5,580	5,351
Instructional staff training services	2,530	1,970	-	-	2,530	1,970
Instruction related technology	1,255	941	-	-	1,255	941
School Board	945	797	-	-	945	797
General administration	901	1,030	-	-	901	1,030
School administration	8,747	8,632	-	-	8,747	8,632
Facility services - non-capitalized	4,015	8,866	-	-	4,015	8,866
Fiscal services	1,312	1,586	-	-	1,312	1,586
Food services	8,608	8,725	-	-	8,608	8,725
Central services	2,506	2,167	-	-	2,506	2,167
Student transportation services	6,683	6,425	-	-	6,683	6,425
Operation of plant	13,430	13,418	-	-	13,430	13,418
Maintenance of plant	3,427	3,455	-	-	3,427	3,455
Administrative technology services	3,756	2,357	-	-	3,756	2,357
Community services	251	250	-	-	251	250
Unallocated interest on long-term debt	6,281	6,840	-	-	6,281	6,840
Extended Day Care Program			663	663	663	663
Total expenses	178,227	172,872	663	663	178,890	173,535
Change in net position	(2,071)	(2,302)	52	46	(2,019)	(2,256)
Net position, beginning	240,698	244,162	566	520	241,264	244,682
Adjustment to beginning net position	-	(1,162)	-	-	-	(1,162)
Net position, ending	\$ 238,627	\$ 240,698	\$ 618	\$ 566	\$ 239,245	\$ 242,426

Governmental Activities

Governmental activities decreased the District's net position by \$2.1 million for the fiscal year ended June 30, 2014. Key components of this decrease are as follows:

- ◆ Unrestricted grants and contributions increased by \$7.2 million; State of Florida's Florida Education Finance Program Teacher Salary Allocation of \$3.1 million provided part of the increase. Also, an increase in the Base Student Allocation for the district of \$165.45 per unweighted FTE contributed an increase of approximately \$2.9 million.

- ◆ Governmental activities expenses increased from the prior fiscal year by \$5.4 million, due in part to the increase in teacher salaries funded by the Florida Education Finance Program Teacher Salary Allocation and an increase in Other Post-employment Benefits Liability of \$1.6 million.
- ◆ Property taxes levied for operational purposes increased by \$4.1 million, primarily as a result of an increase in the Special Election Millage from 0.25 mills to 0.60 mills and a 1.5 percent increase in the taxable assessed value of taxable property over the previous fiscal year.
- ◆ Property taxes collected for debt service decreased by \$5.1 million due to the retirement of the General Obligation Bonds. Due to the retirement, taxes were not levied for debt service on the 2013 tax roll for the 2013-14 fiscal year.

Business-Type Activities

The Extended Day Program business-type activities increased the District’s net position by \$52 thousand for the fiscal year ended June 30, 2014. Charges for services and other income totaled \$715 thousand, while Extended Day Care Program expenses totaled \$663 thousand.

Financial Analysis of the District’s Funds

The District’s governmental funds reported a combined fund balance of \$52.5 million, which is a decrease of \$5.3 million from last fiscal year’s total of \$57.8 million. The following schedule indicates the fund balance and the total change in fund balance by major fund versus other governmental funds as reported in the basic financial statements for the fiscal years ended June 30, 2014 and 2013.

<i>Fund Balance (in thousands)</i>	2014	2013	Increase (Decrease)	Percentage Change
General Fund	\$ 20,524	\$ 16,962	\$ 3,562	21.0%
Special Revenue Federal Economic Stimulus Fund	-	-	-	-
Debt Service Funds				
Other	1,014	673	341	50.7%
ARRA	4,412	2,946	1,466	49.8%
Capital Projects Funds:				
Local Capital Improvement	16,022	20,748	(4,726)	(22.8)%
Other	3,262	8,176	(4,914)	(60.1)%
ARRA	-	5,028	(5,028)	(100.0)%
Other Governmental Funds	7,261	3,284	3,977	121.1%
Total	<u>\$ 52,495</u>	<u>\$ 57,817</u>	<u>\$ (5,322)</u>	<u>(9.2)%</u>

General Fund

The District's General Fund balance increased by \$3.6 million. The tables that follow illustrate the financial activities and balance of the General Fund.

<i>Revenues</i> <i>(in thousands)</i>	2014	2013	Increase (Decrease)	Percentage Change
Taxes	\$ 87,941	\$ 83,819	\$ 4,122	4.9%
Investment earnings	226	282	(56)	(19.9)%
State revenues	41,909	36,054	5,855	16.2%
Other revenues	3,269	4,077	(808)	(19.8)%
Other financing sources	4,587	1,544	3,043	197.1%
Total	\$ 137,932	\$ 125,776	\$ 12,156	9.7%

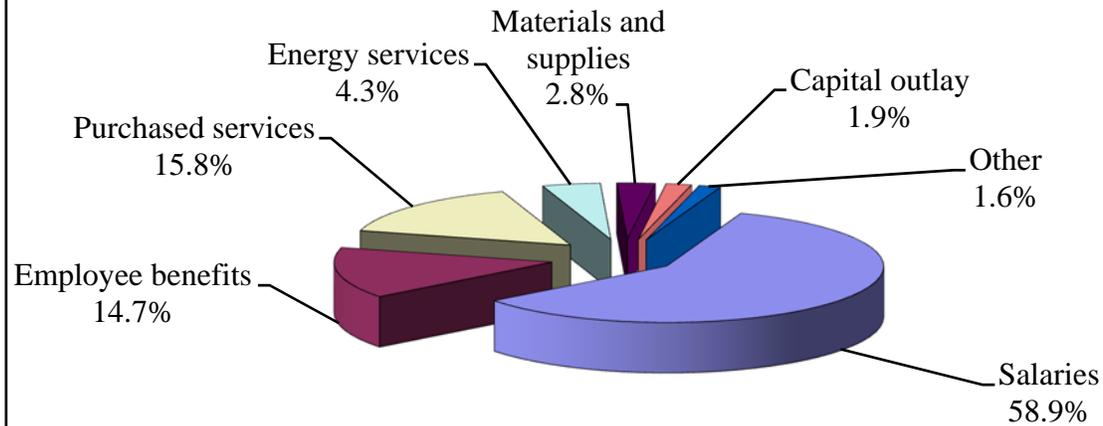
Property tax revenue increased by \$4.1 million, primarily as a result of an increase in the Special Millage from 0.25 mills for the fiscal year ended June 30, 2013 to 0.60 mills for the fiscal year ended June 30, 2014. The taxable assessed value of property increased 1.4 percent over the previous fiscal year, partially offset by the decrease in the millage rates of approximately 3.0 percent as set by the Legislature.

State revenue increased by \$5.9 million for the fiscal year ended June 30, 2014, primarily due to the increase in FEFP funding.

The increase in other financing sources of \$3 million is primarily due to the transfer from the Local Capital Improvement Fund to cover the expenditures in the maintenance and facilities departments. As the table below illustrates, the largest portions of General Fund expenditures are for salaries and fringe benefits. The District is a service entity and, as such, is labor intensive.

<i>Expenditures by Object</i> <i>(in thousands)</i>	2014	2013	Increase (Decrease)	Percentage Change
Salaries	\$ 79,181	\$ 75,778	\$ 3,403	4.5%
Employee benefits	19,718	17,203	2,515	14.6%
Purchased services	21,197	19,287	1,910	9.9%
Energy services	5,768	5,695	73	1.3%
Materials & supplies	3,803	3,754	49	1.3%
Capital outlay	2,543	784	1,759	224.4%
Other	2,160	2,601	(441)	(17.0)%
Total	\$ 134,370	\$ 125,102	\$ 9,268	7.4%

Expenditures by Object



Expenditures increased \$9.3 million, or 7.4 percent from the prior fiscal year.

Salary expenditures increased by \$3.4 million or 4.5 percent, primarily due to the Teacher Salary Allocation provided to districts for teacher raises.

Employee benefits expenditures increased by \$2.5 million or 14.6 percent, as a result of the Florida Retirement System rate increase and increased salary cost.

Purchased services expenditures increased by \$1.9 million or 9.9 percent due to the increase attributed to the voter approved millage for technology, state and local funding passed through to charter schools as a result of increased enrollment, and Teacher Salary Allocation from the state, the outsourcing of custodial substitutes, and increased legal fees and communications expenditures.

Capital outlay increased by \$1.8 million or 224.4 percent largely due to the renovation of facilities for Adult Education and technology purchases from the voter approved 0.6 millage.

Special Revenue – Federal Economic Stimulus Fund

The Special Revenue – Federal Economic Stimulus Fund does not report fund balance because revenues are reported to the extent of expenditures. Revenues and expenditures increased by \$76 thousand each from the previous fiscal year. This increase was due to the spend-down of the Race to the Top grant, which are scheduled to continue until the 2014-15 fiscal year.

Debt Service - Other Fund

The Debt Service – Other Fund has a total fund balance of \$1 million, which is reserved for payment of debt service expenditures. This increase from the prior fiscal year is the residual amount of funds transferred from the Capital Project-Other fund during the 2013-14 fiscal year. The 2007 Certificate of Participation was closed during the fiscal year. The unspent funds were transferred to Debt Service- Other for future debt service interest payments.

Debt Service – ARRA Fund

The Debt Service – ARRA Fund has a total fund balance of \$4.4 million, which is restricted for the payment of debt service on Certificates of Participation, Series 2010 Qualified School Construction Bonds (QSCB) issued on December 17, 2010. This increase from the prior fiscal year represents the annual deposit into and interest earned on the sinking fund held by the Trustee.

Capital Projects – Local Capital Improvement Fund

The fund balance of the Capital Projects – Local Capital Improvement Fund decreased by \$4.7 million, or 22.8 percent during the fiscal year. This was due to an increase in funds transferred for maintenance and facilities and a spend down funds for capital projects. Fund balance totaled \$16 million; of this amount, \$ 4.3 million has been encumbered for specific projects.

Capital Projects – Other Fund

The fund balance of the Capital Projects – Other Fund decreased by \$4.9 million, or 60.1 percent during the fiscal year as a result of the completion of capital projects as well as no new capital project debt issues. It should be noted that \$0.8 million of the \$3.3 million of fund balance has been encumbered for specific purposes.

Capital Projects – ARRA Fund

The fund balance of the Capital Projects – ARRA Fund decreased by \$5 million, or 100 percent. The fund balance was restricted for specific capital projects funded from the Series 2010 QSCB. The District spent \$0.7 million of these funds during the fiscal year on the Vero Beach Elementary Replacement project, \$1.6 million on the Fellsmere Elementary classroom addition, and \$2.7 on the Treasure Coast Elementary classroom addition.

Other Governmental Funds

The fund balance of the Other Governmental Funds increased by \$4 million or 121.1 percent. The District participates in the State of Florida State Board of Education bonding program for State revenues due to the District from motor vehicle license fees. This increase is due to the advance refunding by the State of Florida for a portion of the bonds which were still to be redeemed at June 30, 2014.

General Fund Budget Information

The District's budget is prepared in accordance with Florida Statutes and is based on the modified accrual basis of accounting, which is the same basis as used to account for actual transactions. The most significant budgeted fund is the General Fund. Final budgeted revenues and expenditures were in line with original budgeted amounts.

The District amended its final budget for expenditures to reflect increases in salaries and other employee related costs as well as non-labor costs. Expenditures were originally budgeted at \$140.9 million, and actual expenditures were lower than the original budget by \$6.5 million due to the District's conservative spending and restricted fund sources such as Advanced Placement, Career and Professional Education Act, 0.6 Voter Approved Millage, and Adult and Workforce Development.

Capital Assets

The District's capital assets for its governmental activities as of June 30, 2014, total \$335.5 million (net of accumulated depreciation). Capital assets include land, construction in progress;

improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, motor vehicles, and audio visual materials and computer software.

Major capital asset events during the current fiscal year included the following:

- ◆ Construction in progress at June 30, 2014, includes Fellsmere Elementary classroom addition and cafeteria, and Citrus Elementary chiller plant relocation.
- ◆ Projects completed and included in buildings and improvements include Fellsmere Elementary phase I demolition and site work, Sebastian River Middle School locker room renovation, Treasure Coast Elementary classrooms, and Osceola Magnet School kitchen and cafeteria renovation.

The total increase in the District's capital assets (net of accumulated depreciation) for the current fiscal year was approximately 1.5 percent. Detailed information regarding capital asset activity is included in Notes III.D. and III.P. to the basic financial statements.

Long-Term Debt and Other Long-Term Liabilities

At the end of the current fiscal year, the District has total long-term liabilities outstanding of \$155 million. Of this amount, \$9.6 million represents state bonds, \$117.6 million represents certificates of participation, \$9 million represents compensated absences payable, and \$18.9 million represents other postemployment benefits payable. During the 2013-14 fiscal year, the District made principal payments of \$345 thousand on State Board of Education bonds and \$5.1 million on certificates of participation. Compensated absences increased by \$101 thousand, increased State Board of Education bonds by \$3.6 million, and increased unamortized premiums on the state bonds by \$555 thousand.

Detailed information regarding long-term debt activity is included in the notes to the basic financial statements, specifically Note III.F., Certificates of Participation; Note III.G., Bonds Payable, and Note III.I., Changes in Long-Term Liabilities.

Economic Factors and Next Year's Budgets and Rates

Local property taxes are the District's primary source of revenue. The required local effort (RLE) for the 2014-15 fiscal year is projected to be 5.268 mills (a decrease of .009 mills); the discretionary millage is projected to be .748 mills; voted additional operating is projected to be .60 mills; and capital outlay millage is projected to be 1.50 mills. General Fund revenues and other financing sources are projected to be \$140.7 million, and expenditures are expected to be \$146.5 million.

Requests for Information

This comprehensive annual financial report is designed to provide a general financial overview of the School Board of Indian River County, Florida for all those interested in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Board of Indian River County, Florida, Attn: Assistant Superintendent for Finance/Operations, 1990 25th Street, Vero Beach, FL 32960.

BASIC FINANCIAL STATEMENTS



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The School Board of Indian River County, Florida
Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Charter Schools
ASSETS				
Cash and Cash Equivalents	\$ 54,761	\$ 701	\$ 55,462	\$ 3,432
Cash with Fiscal Agent	4,175	-	4,175	-
Investments	8,314	-	8,314	-
Receivables	125	-	125	161
Due From Other Agencies	3,213	-	3,213	63
Inventories	440	-	440	-
Prepaid Items	-	-	-	157
Notes Receivable	2,408	-	2,408	-
Restricted Investments	4,381	-	4,381	-
Capital Assets:				
Non-Depreciable	31,747	-	31,747	780
Depreciable (Net)	303,730	-	303,730	14,613
Total Assets	413,294	701	413,995	19,206
LIABILITIES				
Accrued Salaries and Benefits	3,696	18	3,714	506
Accounts Payable	1,755	11	1,766	136
Construction Contracts Payable	566	-	566	-
Retainage Payable on Contracts	103	-	103	-
Due to Other Agencies	1,209	2	1,211	-
Matured Debt Payable	5,065	-	5,065	-
Matured Interest Payable	2,232	-	2,232	-
Unearned Revenue	1,417	-	1,417	363
Accrued Interest Payable	54	-	54	3
Estimated Insurance Claims Payable	3,562	-	3,562	-
Noncurrent Liabilities:				
Portion Due Within One Year	12,226	14	12,240	657
Portion Due In More Than One Year	142,782	38	142,820	7,173
Total Liabilities	174,667	83	174,750	8,838
NET POSITION				
Net Investment in Capital Assets	208,351	-	208,351	7,563
Restricted for:				
Special Revenue - Food Service	2,820	-	2,820	110
Capital Projects	19,433	-	19,433	2
Debt Service	9,663	-	9,663	-
State Required Carryover Programs, Adult Workforce, and Donations	6,520	-	6,520	-
Unrestricted	(8,160)	618	(7,542)	2,693
Total Net Position	\$ 238,627	\$ 618	\$ 239,245	\$ 10,368

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	Charter Schools
Primary Government:								
Governmental Activities:								
Instruction	\$ 100,814	\$ 304	\$ -	\$ -	\$ (100,510)	\$ -	\$ (100,510)	\$ -
Student Personnel Services	5,012	-	-	-	(5,012)	-	(5,012)	-
Instructional Media Services	2,174	-	-	-	(2,174)	-	(2,174)	-
Instruction and Curriculum Development Services	5,580	-	-	-	(5,580)	-	(5,580)	-
Instructional Staff Training Services	2,530	-	-	-	(2,530)	-	(2,530)	-
Instruction Related Technology	1,255	-	-	-	(1,255)	-	(1,255)	-
School Board	945	-	-	-	(945)	-	(945)	-
General Administration	901	-	-	-	(901)	-	(901)	-
School Administration	8,747	-	-	-	(8,747)	-	(8,747)	-
Facilities Services - Non-Capitalized	4,015	-	-	1,026	(2,989)	-	(2,989)	-
Fiscal Services	1,312	-	-	-	(1,312)	-	(1,312)	-
Food Services	8,608	1,722	6,493	-	(393)	-	(393)	-
Central Services	2,506	-	-	-	(2,506)	-	(2,506)	-
Student Transportation Services	6,683	57	-	-	(6,626)	-	(6,626)	-
Operation of Plant	13,430	-	-	-	(13,430)	-	(13,430)	-
Maintenance of Plant	3,427	-	-	-	(3,427)	-	(3,427)	-
Administrative Technology Services	3,756	-	-	-	(3,756)	-	(3,756)	-
Community Services	251	173	-	-	(78)	-	(78)	-
Unallocated Interest on Long-Term Debt	6,281	-	-	2,042	(4,239)	-	(4,239)	-
Total Governmental Activities	\$ 178,227	\$ 2,256	\$ 6,493	\$ 3,068	\$ (166,410)	\$ -	\$ (166,410)	
Business-Type Activities:								
Extended Day Care Program	663	714	-	-	-	51	51	
Total Primary Government	\$ 178,890	\$ 2,970	\$ 6,493	\$ 3,068	\$ (166,410)	\$ 51	\$ (166,359)	
Component Units:								
Charter Schools	<u>\$ 15,912</u>	<u>\$ 679</u>	<u>\$ 885</u>	<u>\$ 229</u>				<u>(14,119)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for Operational Purposes					87,941	-	87,941	-
Property Taxes, Levied for Debt Service					19	-	19	-
Property Taxes, Levied for Capital Projects					19,887	-	19,887	-
Grants and Contributions not Restricted to Specific Programs					53,933	-	53,933	13,944
Unrestricted Investment Earnings					294	1	295	5
Miscellaneous					2,265	-	2,265	484
Total General Revenues					<u>164,339</u>	<u>1</u>	<u>164,340</u>	<u>14,433</u>
Changes in Net Position					(2,071)	52	(2,019)	314
Net Position - Beginning					240,698	566	241,264	10,054
Net Position - Ending					<u>\$ 238,627</u>	<u>\$ 618</u>	<u>\$ 239,245</u>	<u>\$ 10,368</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Balance Sheet - Governmental Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>General Fund</u>	<u>Federal Economic Stimulus Fund</u>	<u>Other Fund</u>	<u>American Recovery and Reinvestment Act (ARRA) Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 23,079	\$ 12	\$ 262	\$ 31
Cash with Fiscal Agent	-	-	-	-
Investments	80	-	8,049	-
Receivables	115	-	-	-
Due from Other Agencies	1,733	71	-	-
Inventories	337	-	-	-
Notes Receivable	2,408	-	-	-
Restricted Investments	-	-	-	4,381
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 27,752</u>	<u>\$ 83</u>	<u>\$ 8,311</u>	<u>\$ 4,412</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accrued Salaries and Benefits	\$ 2,856	\$ 1	\$ -	\$ -
Accounts Payable	1,158	82	-	-
Construction Contracts Payable	-	-	-	-
Retainage Payable on Contracts	-	-	-	-
Due to Other Agencies	792	-	-	-
Matured Debts Payable	-	-	5,065	-
Matured Interest Payable	-	-	2,232	-
Unearned Revenue	14	-	-	-
Accrued Interest Payable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>4,820</u>	<u>83</u>	<u>7,297</u>	<u>-</u>
Deferred Inflows:				
Note Receivable	2,408	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>2,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	417	-	177	-
Restricted	6,520	-	837	4,412
Assigned	6,070	-	-	-
Unassigned	7,517	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>20,524</u>	<u>-</u>	<u>1,014</u>	<u>4,412</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 27,752</u>	<u>\$ 83</u>	<u>\$ 8,311</u>	<u>\$ 4,412</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Capital Projects

Local Capital Improvement Fund	Other Fund	American Recovery and Reinvestment Act (ARRA) Fund	Other Governmental Funds	Total Governmental Funds
\$ 16,357	\$ 3,818	\$ -	\$ 3,508	\$ 47,067
-	-	-	4,175	4,175
37	-	-	123	8,289
-	-	-	10	125
-	11	-	649	2,464
-	-	-	103	440
-	-	-	-	2,408
-	-	-	-	4,381
\$ 16,394	\$ 3,829	\$ -	\$ 8,568	\$ 69,349
\$ -	\$ -	\$ -	\$ 838	\$ 3,695
249	21	-	237	1,747
117	449	-	-	566
6	97	-	-	103
-	-	-	166	958
-	-	-	-	5,065
-	-	-	-	2,232
-	-	-	24	38
-	-	-	42	42
372	567	-	1,307	14,446
-	-	-	-	2,408
-	-	-	-	2,408
37	-	-	104	735
15,985	3,262	-	7,157	38,173
-	-	-	-	6,070
-	-	-	-	7,517
16,022	3,262	-	7,261	52,495
\$ 16,394	\$ 3,829	\$ -	\$ 8,568	\$ 69,349

The School Board of Indian River County, Florida
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2014
 (amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$	52,495
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		335,477
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,267
Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unearned revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the governmental funds.		2,408
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		(12)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds Payable	9,573	
Certificates of Participation Payable	117,553	
Compensated Absences Payable	8,972	
Other Postemployment Benefits Payable	18,910	
Total long-term liabilities	155,008	(155,008)
Total Net Position - Governmental Activities	\$	<u><u>238,627</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	General Fund	Special Revenue Federal Economic Stimulus Fund	Debt Service	
			Other Fund	American Recovery and Reinvestment Act (ARRA) Fund
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 152	\$ -	\$ -	\$ -
Miscellaneous Federal Direct	8	-	-	1,413
Total Federal Direct	160	-	-	1,413
Federal Through State Sources:				
Food Service	-	-	-	-
Other Federal Through State Sources	402	363	-	-
Total Federal through State	402	363	-	-
State Sources:				
Florida Education Finance Program	20,125	-	-	-
Categorical - Class Size Reduction	19,323	-	-	-
Food Service	-	-	-	-
CO&DS Withheld for SBE/COBI Bond	10	-	-	-
CO&DS Distribution	-	-	-	-
Other State Sources	2,451	-	-	-
Total State Sources	41,909	-	-	-
Local Sources:				
Ad Valorem Taxes	87,941	-	-	-
Impact Fees	-	-	-	-
Food Service	-	-	-	-
Investment Income	226	-	2	7
Other Local Sources	2,707	-	-	-
Total Local Sources	90,874	-	2	7
Total Revenues	\$ 133,345	\$ 363	\$ 2	\$ 1,420

The accompanying notes to the basic financial statements are an integral part of this statement.

Capital Projects

Local Capital Improvement Fund	Other Fund	American Recovery and Reinvestment Act (ARRA) Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 152
-	30	-	-	1,451
-	30	-	-	1,603
-	-	-	6,384	6,384
-	-	-	10,040	10,805
-	-	-	16,424	17,189
-	-	-	-	20,125
-	-	-	-	19,323
-	-	-	109	109
-	-	-	592	602
-	-	-	75	75
-	1,074	-	-	3,525
-	1,074	-	776	43,759
19,887	-	-	19	107,847
-	940	-	-	940
-	-	-	1,722	1,722
30	10	5	3	283
-	348	-	10	3,065
19,917	1,298	5	1,754	113,857
\$ 19,917	\$ 2,402	\$ 5	\$ 18,954	\$ 176,408

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	General Fund	Special Revenue Federal Economic Stimulus Fund	Debt Service	
			Other Fund	Recovery and Reinvestment Act (ARRA) Fund
EXPENDITURES				
Current:				
Instruction	\$ 85,096	\$ 116	\$ -	\$ -
Student Personnel Services	3,519	-	-	-
Instructional Media Services	1,948	-	-	-
Instruction and Curriculum Development Services	3,400	63	-	-
Instructional Staff Training Services	1,234	109	-	-
Instruction Related Technology	1,176	-	-	-
School Board	866	-	-	-
General Administration	397	-	-	-
School Administration	7,766	-	-	-
Facilities Services - Non-Capitalized	634	-	-	-
Fiscal Services	1,181	-	-	-
Food Services	15	-	-	-
Central Services	2,247	6	-	-
Student Transportation Services	5,141	-	-	-
Operation of Plant	12,217	-	-	-
Maintenance of Plant	2,932	-	-	-
Administrative Technology Services	3,359	-	-	-
Community Services	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction	587	-	-	-
Other Capital Outlay	626	69	-	-
Debt Service:				
Principal	-	-	5,367	-
Interest and Fiscal Charges	29	-	4,476	1,556
Total Expenditures	134,370	363	9,843	1,556
Excess (Deficiency) of Revenues Over Expenditures	(1,025)	-	(9,841)	(136)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,326	-	10,182	1,602
Transfers Out	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Sale of Capital Assets	58	-	-	-
Loss Recoveries	203	-	-	-
Total Other Financing Sources (Uses)	4,587	-	10,182	1,602
Net Change in Fund Balances	3,562	-	341	1,466
Fund Balances, Beginning	16,962	-	673	2,946
Fund Balances, Ending	\$ 20,524	\$ -	\$ 1,014	\$ 4,412

The accompanying notes to the basic financial statements are an integral part of this statement.

Capital Projects

	Local Capital Improvement Fund	Other Fund	Recovery and Reinvestment Act (ARRA) Fund	Other Governmental Funds	Total Governmental Funds
\$	-	\$ -	\$ -	\$ 5,640	\$ 90,852
	-	-	-	950	4,469
	-	-	-	3	1,951
	-	-	-	1,559	5,022
	-	-	-	931	2,274
	-	-	-	-	1,176
	-	-	-	-	866
	-	-	-	409	806
	-	-	-	43	7,809
	2,841	61	7	169	3,712
	-	-	-	-	1,181
	-	-	-	7,781	7,796
	-	-	-	-	2,253
	-	-	-	61	5,202
	-	-	-	-	12,217
	-	-	-	-	2,932
	-	-	-	-	3,359
	-	-	-	245	245
	-	-	-	-	-
	6,629	5,737	5,026	9	17,988
	1,716	297	-	327	3,035
	-	-	-	345	5,712
	-	-	-	283	6,344
	<u>11,186</u>	<u>6,095</u>	<u>5,033</u>	<u>18,755</u>	<u>187,201</u>
	<u>8,731</u>	<u>(3,693)</u>	<u>(5,028)</u>	<u>199</u>	<u>(10,793)</u>
	-	380	-	-	16,490
	(13,457)	(2,653)	-	(380)	(16,490)
	-	-	-	3,603	3,603
	-	-	-	555	555
	-	1,005	-	-	1,063
	-	47	-	-	250
	<u>(13,457)</u>	<u>(1,221)</u>	<u>-</u>	<u>3,778</u>	<u>5,471</u>
	(4,726)	(4,914)	(5,028)	3,977	(5,322)
	<u>20,748</u>	<u>8,176</u>	<u>5,028</u>	<u>3,284</u>	<u>57,817</u>
\$	<u>16,022</u>	<u>\$ 3,262</u>	<u>\$ -</u>	<u>\$ 7,261</u>	<u>\$ 52,495</u>

The School Board of Indian River County, Florida
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
June 30, 2014
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds \$ (5,322)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlays and donations in excess of depreciation/amortization expense and sale of capital assets in the current period.

Capital Outlay - Facilities and Construction - Governmental Fund:	17,988	
Capital Outlay - Other Capital Outlay - Governmental Funds	3,035	
Donated Items	80	
Undepreciated Cost of Assets Sold	(972)	
Less: Depreciation/Amortization Expense	(15,167)	4,964

Certificates of participation premiums are reported in the governmental funds in the fiscal year debt is issued, but are amortized over the life of the debt in the government-wide statements. 71

Repayment of long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Certificates of Participation Repayments	5,065	
Bond Repayments	345	
Issuance of Advanced Refunding Bonds, Including Premium	(4,158)	
Capital Lease Repayments	302	1,554

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as an expense when interest accrues in the statement of activities. This is the amount of accrued interest at fiscal year-end (\$54), less the amount accrued in the prior fiscal year (\$3). (51)

In the statement of activities, the cost of other postemployment benefits obligation is measured by actuarial estimations, while in the governmental funds expenditures are recognized based on the amounts actually paid for other postemployment benefits. This is the net increase of the postemployment benefits obligation for the current period. (1,603)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned (\$2,075) in excess of the amount paid (\$1,976) in the current period. (100)

Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unavailable revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the government funds. This is the amount recognized in the current year in governmental funds, whereas the entire amount was recognized in the prior fiscal year in the government-wide statements. (717)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net loss of internal service funds is reported with governmental activities. (867)

Change in Net Position - Governmental Activities \$ (2,071)

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 120	\$ 165	\$ 152	\$ (13)
Other Federal Direct	-	8	8	-
Total Federal Direct	<u>120</u>	<u>173</u>	<u>160</u>	<u>(13)</u>
Federal Through State Sources:				
Other Federal Through State Sources	<u>310</u>	<u>402</u>	<u>402</u>	<u>-</u>
Total Federal through State	<u>310</u>	<u>402</u>	<u>402</u>	<u>-</u>
State Sources:				
Florida Education Finance Program	21,861	20,125	20,125	-
Categorical - Class Size Reduction	19,661	19,323	19,323	-
CO&DS Withheld for SBE/COBI Bond	10	10	10	-
Other State Sources	<u>2,807</u>	<u>2,448</u>	<u>2,451</u>	<u>3</u>
Total State Sources	<u>44,339</u>	<u>41,906</u>	<u>41,909</u>	<u>3</u>
Local Sources:				
Ad Valorem Taxes	87,043	87,049	87,941	892
Investment Income	230	230	226	(4)
Other Local Sources	<u>3,144</u>	<u>3,192</u>	<u>2,707</u>	<u>(485)</u>
Total Local Sources	<u>90,417</u>	<u>90,471</u>	<u>90,874</u>	<u>403</u>
Total Revenues	<u>135,186</u>	<u>132,952</u>	<u>133,345</u>	<u>393</u>
EXPENDITURES				
Current:				
Instruction:				
Salaries	52,972	52,315	52,033	282
Employees Benefits	11,618	12,801	12,692	109
Purchased Services	15,769	15,682	15,279	403
Energy Services	3	6	3	3
Materials and Supplies	6,319	4,381	2,914	1,467
Capital Outlay	197	975	494	481
Other Expenditures	<u>2,984</u>	<u>1,726</u>	<u>1,681</u>	<u>45</u>
Total Instruction	<u>89,862</u>	<u>87,886</u>	<u>85,096</u>	<u>2,790</u>
Student Personnel Services:				
Salaries	2,817	2,757	2,756	1
Employees Benefits	636	686	682	4
Purchased Services	25	22	14	8
Energy Services	5	5	5	-
Materials and Supplies	27	29	23	6
Capital Outlay	1	1	1	-
Other Expenditures	<u>20</u>	<u>40</u>	<u>38</u>	<u>2</u>
Total Student Personnel Services	<u>3,531</u>	<u>3,540</u>	<u>3,519</u>	<u>21</u>
Instructional Media Services:				
Salaries	1,354	1,437	1,437	-
Employees Benefits	368	377	377	-
Purchased Services	4	8	4	4
Materials and Supplies	20	17	15	2
Capital Outlay	134	325	98	227
Other Expenditures	<u>4</u>	<u>18</u>	<u>17</u>	<u>1</u>
Total Instructional Media Services	<u>\$ 1,884</u>	<u>\$ 2,182</u>	<u>\$ 1,948</u>	<u>\$ 234</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 2,214	\$ 2,695	\$ 2,694	\$ 1
Employees Benefits	504	646	646	-
Purchased Services	31	24	16	8
Materials and Supplies	24	32	29	3
Capital Outlay	1	3	3	-
Other Expenditures	12	12	12	-
Total Instruction and Curriculum Development Services	<u>2,786</u>	<u>3,412</u>	<u>3,400</u>	<u>12</u>
Instructional Staff Training Services:				
Salaries	750	849	846	3
Employees Benefits	134	206	206	-
Purchased Services	104	179	109	70
Materials and Supplies	7	23	20	3
Capital Outlay	-	7	-	7
Other Expenditures	56	61	53	8
Total Instructional Staff Training Services	<u>1,051</u>	<u>1,325</u>	<u>1,234</u>	<u>91</u>
Instruction Related Technology:				
Salaries	524	559	559	-
Employees Benefits	141	138	138	-
Purchased Services	634	705	448	257
Energy Services	2	-	-	-
Materials and Supplies	3,922	5	5	-
Capital Outlay	8	528	26	502
Total Instruction Related Technology	<u>5,231</u>	<u>1,935</u>	<u>1,176</u>	<u>759</u>
School Board:				
Salaries	179	207	207	-
Employees Benefits	166	168	162	6
Purchased Services	389	475	457	18
Materials and Supplies	2	2	1	1
Other Expenditures	45	40	39	1
Total School Board	<u>781</u>	<u>892</u>	<u>866</u>	<u>26</u>
General Administration:				
Salaries	274	274	274	-
Employees Benefits	83	76	76	-
Purchased Services	18	27	22	5
Materials and Supplies	7	7	6	1
Other Expenditures	140	111	19	92
Total General Administration	<u>522</u>	<u>495</u>	<u>397</u>	<u>98</u>
School Administration:				
Salaries	6,079	6,092	6,092	-
Employees Benefits	1,433	1,473	1,471	2
Purchased Services	100	102	78	24
Energy Services	1	1	1	-
Materials and Supplies	258	66	56	10
Capital Outlay	37	115	32	83
Other Expenditures	12	40	36	4
Total School Administration	<u>\$ 7,920</u>	<u>\$ 7,889</u>	<u>\$ 7,766</u>	<u>\$ 123</u>

Continued on next page.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current (continued)				
Facilities Services Non-Capitalized:				
Salaries	\$ 442	\$ 495	\$ 495	\$ -
Employees Benefits	104	98	98	-
Purchased Services	15	17	15	2
Energy Services	5	7	7	-
Materials and Supplies	3	2	2	-
Capital Outlay	520	587	17	570
Total Facilities Services Non-Capitalized	1,089	1,206	634	572
Fiscal Services:				
Salaries	804	828	828	-
Employees Benefits	216	215	215	-
Purchased Services	138	117	114	3
Materials and Supplies	5	4	4	-
Other Expenditures	22	23	20	3
Total Fiscal Services	1,185	1,187	1,181	6
Food Services:				
Salaries	-	14	14	-
Employees Benefits	-	1	1	-
Total Food Services	-	15	15	-
Central Services:				
Salaries	1,224	1,472	1,472	-
Employees Benefits	341	367	367	-
Purchased Services	438	460	361	99
Energy Services	10	12	10	2
Materials and Supplies	77	32	16	16
Capital Outlay	11	8	2	6
Other Expenditures	62	20	19	1
Total Central Services	2,163	2,371	2,247	124
Student Transportation Services:				
Salaries	2,878	2,994	2,803	191
Employees Benefits	895	867	858	9
Purchased Services	319	423	291	132
Energy Services	883	832	838	(6)
Materials and Supplies	131	175	174	1
Capital Outlay	19	5	5	-
Other Expenditures	87	173	172	1
Total Student Transportation Services	5,212	5,469	5,141	328
Operation of Plant:				
Salaries	3,123	3,237	3,236	1
Employees Benefits	947	920	919	1
Purchased Services	2,865	3,179	2,854	325
Energy Services	4,885	4,829	4,807	22
Materials and Supplies	430	406	368	38
Capital Outlay	12	10	8	2
Other Expenditures	46	35	25	10
Total Operation of Plant	\$ 12,308	\$ 12,616	\$ 12,217	\$ 399

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
EXPENDITURES				
Current (continued)				
Maintenance of Plant:				
Salaries	\$ 1,665	\$ 1,874	\$ 1,872	\$ 2
Employees Benefits	458	467	466	1
Purchased Services	312	375	317	58
Energy Services	72	95	93	2
Materials and Supplies	190	208	155	53
Capital Outlay	10	30	29	1
Total Maintenance of Plant	<u>2,707</u>	<u>3,049</u>	<u>2,932</u>	<u>117</u>
Administrative Technology Services:				
Salaries	1,395	1,563	1,563	-
Employees Benefits	306	345	344	1
Purchased Services	713	882	818	64
Energy Services	2	4	4	-
Materials and Supplies	15	15	15	-
Capital Outlay	123	1,524	615	909
Total Administrative Technology Services	<u>2,554</u>	<u>4,333</u>	<u>3,359</u>	<u>974</u>
Capital Outlay:				
Facilities Acquisition and Construction	-	587	587	-
Other Capital Outlay	-	626	626	-
Total Capital Outlay:	<u>-</u>	<u>1,213</u>	<u>1,213</u>	<u>-</u>
Debt Service:				
Interest and Fiscal Charges	100	29	29	-
Total Debt Service	<u>100</u>	<u>29</u>	<u>29</u>	<u>-</u>
Total Expenditures	<u>140,886</u>	<u>141,044</u>	<u>134,370</u>	<u>6,674</u>
(Deficiency) of Revenues Over Expenditures	<u>(5,700)</u>	<u>(8,092)</u>	<u>(1,025)</u>	<u>7,067</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,061	4,326	4,326	-
Sale of Capital Assets	75	75	58	(17)
Loss Recoveries	-	203	203	-
Total Other Financing Sources (Uses)	<u>4,136</u>	<u>4,604</u>	<u>4,587</u>	<u>(17)</u>
Net Change in Fund Balance	<u>(1,564)</u>	<u>(3,488)</u>	<u>3,562</u>	<u>7,050</u>
Fund Balance, Beginning	<u>16,962</u>	<u>16,962</u>	<u>16,962</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 15,398</u>	<u>\$ 13,474</u>	<u>\$ 20,524</u>	<u>\$ 7,050</u>

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Special Revenue - Federal Economic Stimulus Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal Through State Sources:				
Other Federal Through State Sources	\$ 631	\$ 663	\$ 363	\$ (300)
Total Federal through State	<u>631</u>	<u>663</u>	<u>363</u>	<u>(300)</u>
Total Revenues	<u>631</u>	<u>663</u>	<u>363</u>	<u>(300)</u>
EXPENDITURES				
Current:				
Instruction:				
Salaries	31			-
Purchased Services	108	15		15
Materials and Supplies	-	47	44	3
Capital Outlay	31	132	72	60
Total Instruction	<u>170</u>	<u>194</u>	<u>116</u>	<u>78</u>
Student Personnel Services:				
Purchased Services	<u>10</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total Student Personnel Services	<u>10</u>	<u>5</u>	<u>-</u>	<u>5</u>
Instruction and Curriculum Development Services:				
Salaries	69	50	50	-
Employees Benefits	29	8	8	-
Purchased Services	<u>3</u>	<u>7</u>	<u>5</u>	<u>2</u>
Total Instruction and Curriculum Development Services	<u>101</u>	<u>65</u>	<u>63</u>	<u>2</u>
Instructional Staff Training Services:				
Salaries	12	12	1	11
Employees Benefits	1	1		1
Purchased Services	157	195	108	87
Materials and Supplies	80	33		33
Other Expenditures	<u>40</u>	<u>29</u>		<u>29</u>
Total Instructional Staff Training Services	<u>290</u>	<u>270</u>	<u>109</u>	<u>161</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Special Revenue - Federal Economic Stimulus Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current (continued)				
Central Services:				
Purchased Services	\$ 45	\$ 45	\$ 6	\$ 39
Total Central Services	<u>45</u>	<u>45</u>	<u>6</u>	<u>39</u>
Administrative Technology Services:				
Purchased Services	<u>15</u>	<u>15</u>		<u>15</u>
Total Administrative Technology Services	<u>15</u>	<u>15</u>	<u>-</u>	<u>15</u>
Capital Outlay:				
Other Capital Outlay		<u>69</u>	<u>69</u>	<u>-</u>
Total Capital Outlay	<u>-</u>	<u>69</u>	<u>69</u>	<u>-</u>
Total Expenditures	<u>631</u>	<u>663</u>	<u>363</u>	<u>300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Net Position
Proprietary Funds
June 30, 2014
(amounts expressed in thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Fund
	Extended Day Care Program	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 701	\$ 7,694
Investments	-	25
Due from Other Agencies	-	749
Total Current Assets	701	8,468
 Total Assets	 701	 8,468
LIABILITIES		
Current Liabilities:		
Accrued Salaries and Benefits	18	1
Accounts Payable	11	8
Due to Other Agencies	2	251
Unearned Revenue	-	1,379
Estimated Insurance Claims Payable	-	3,562
Compensated Absences Payable	14	
Total Current Liabilities	45	5,201
Long-Term Liabilities:		
Compensated Absences Payable	4	-
Other Postemployment Benefits Payable	34	-
Total Long-Term Liabilities	38	-
Total Liabilities	83	5,201
NET POSITION		
Unrestricted	618.00	3,267.00

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Business-Type Activities <u>Nonmajor Enterprise Fund Extended Day Program</u>	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES		
Charges for Services	\$ 714	\$ -
Premium Revenues	-	16,701
Other Operating Revenues	-	735
	<u>714</u>	<u>17,436</u>
OPERATING EXPENSES		
Insurance Claims	-	14,075
Insurance Premiums	-	2,786
Service Agent Fees	-	1,426
Professional and Technical Services	37	-
Salaries and Benefits	561	100
Materials and Supplies	64	-
Facilities Services - Non-Capitalized	1	2
Other Expenses	-	-
	<u>663</u>	<u>18,389</u>
Operating Income (Loss)	<u>51</u>	<u>(953)</u>
NONOPERATING REVENUES		
Gifts, Grants and Bequests	-	75
Investment Earnings	1	11
	<u>1</u>	<u>86</u>
Change in Net Position	52	(867)
Total Net Position, Beginning	<u>566</u>	<u>4,134</u>
Total Net Position, Ending	<u>\$ 618</u>	<u>\$ 3,267</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Business-Type Activities <u>Nonmajor Enterprise Fund Extended Day Care Program</u>	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Premiums	\$ -	\$ 16,503
Cash Received for Other Operating Revenues	714	763
Cash Payments for Insurance Premiums	-	(2,786)
Cash Payments to Employees for Services	(552)	(100)
Cash Payments for Fees	-	(1,426)
Cash Payments for Insurance Claims	-	(13,670)
Cash Payments for Other	(101)	1
	<u>61</u>	<u>(715)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Subsidies from Grants	-	75
	<u>-</u>	<u>75</u>
Net Cash Provided by Noncapital Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments		81
Interest on Investments	1	11
	<u>1</u>	<u>92</u>
Net Cash Provided by Investing Activities		
Net Change in Cash and Cash Equivalents	62	(548)
Cash and Cash Equivalents, Beginning	639	8,242
Cash and Cash Equivalents, Ending	<u>\$ 701</u>	<u>\$ 7,694</u>
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 51	\$ (953)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable		27
Increase in Due From Other Agencies		(489)
Increase in Accrued Salaries and Benefits	3	-
Increase in Accounts Payable	5	3
Increase in Due to Other Agencies	1	251
Increase in Unearned Revenue		40
Increase in Estimated Insurance Claims Payable		406
Decrease in Compensated Absences Payable	(1)	-
Increase in Other Postemployment Benefits Payable	2	-
	<u>10</u>	<u>238</u>
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	<u>\$ 61</u>	<u>\$ (715)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014
(amounts expressed in thousands)

	Private-Purpose Trust Fund	
	Waldo Schraubstader Scholarship Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 21	\$ 1,392
Investments	47	-
Accounts Receivable	-	7
Inventory	-	60
	68	1,459
LIABILITIES		
Accounts Payable	-	55
Internal Accounts Payable	-	1,404
	-	\$ 1,459
NET POSITION		
Net Position Held in Trust for Scholarships and Other Purposes	\$ 68	

The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Private-Purpose Trust Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Fiduciary Fund
	Private-Purpose Trust Fund
	Waldo Schraubstader Scholarship Fund
ADDITIONS	
Investments Earnings:	
Interest on Investments	\$ 1
Increase in Fair Value of Investments	1
Total Investment Earnings	2
DEDUCTIONS	
Other Expenses	4
Change in Net Position	(2)
Total Net Position, Beginning	70
Total Net Position, Ending	\$ 68

The accompanying notes to the basic financial statements are an integral part of this statement.



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THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation fleet is allocated to the appropriate functions of student transportation, maintenance of plant, and food service operations while the remaining depreciation expense is allocated proportionately to all functions based upon functional expenses as a percentage of total expenses.

B. Reporting Entity

The Indian River County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Indian River County School District (District) is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education, and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Indian River County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

Based on the application of these criteria, the following component units are included within the District's reporting entity:

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

Notes to the Basic Financial Statements

June 30, 2014

- Blended Component Unit. The Indian River County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note to the financials. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District. Per Florida Statute, charter schools operate under charters approved by their sponsor. Charter schools listed below are sponsored by the Indian River County District School board and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them and there is a potential for the charter schools to provide specific financial benefits to, or impose specific financial burdens on the District.

Except for Imagine Schools at South Vero, the charter schools listed below are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. Imagine Schools at South Indian River County, LLC, doing business as Imagine Schools at South Vero, is organized as a limited liability company pursuant to Chapter 608, Florida Statutes, the Florida Limited Liability Company Act, and Section 1002.23, Florida Statutes.

- Indian River Charter High School, Inc. was established to provide educational services to secondary school students in grades 9 through 12 who want or need a nontraditional structure and learning environment to successfully complete their high school academic and vocational preparation and earn their high school diploma.
- North County Charter School, Inc. was established to provide educational services to students in grades K through 5, to learn at high levels, through an academically rigorous and innovative curriculum that incorporates the development of good character.
- Sebastian Charter Junior High, Inc. was established to educate students in grades 6 through 8 in a challenging and wholesome environment which provides an educational environment where students have learning opportunities that set high expectations for academic growth, individual achievement, and character development.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

- St. Peter's Academy, Inc., was established to provide educational services to students in grades K through 6, to demonstrate that students can learn at high levels, through academically rigorous and innovative curriculum that incorporates the development of good character.
- Imagine Schools at South Vero, LLC, was established to provide students in grades K through 8, with a quality learning opportunity by maintaining a caring learning environment, working with parents and local communities to develop the intellect and character of the students who choose to attend the school; utilizing innovative teaching techniques delivered by a highly qualified faculty; and offering a challenging curriculum that prepares children for lives of leadership in a rapidly changing world.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2014. Audits of the charter schools for the fiscal year ended June 30, 2014 were conducted by independent accounting firms and the audit reports are on file at the District Administrative Office.

C. Basis of Presentation: Government-wide Financial Statements

Government-wide financial statements include the non-fiduciary financial activity of the primary government and its component units. The District does not have any major component units. These statements include a governmental activities column which incorporates data from governmental and internal service fund, while business-type activities incorporate data from the District's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

D. Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Economic Stimulus Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act.
- Debt Service – Other Fund – to account for financial resources generated for debt principal and interest for the Series 2005 and Series 2007 Certificates of Participation.
- Debt Service – American Recovery and Reinvestment Act (ARRA) Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs of the Qualified School Construction Bond (QSCB) issue.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects; motor vehicle purchases; equipment purchases; costs of environmental compliance; and debt service payments on a capital lease for a telephone system.
- Capital Projects – Other Fund – to account for other financial resources generated by the Series 2005 and 2007 Certificates of Participation, Impact Fees, and Class Size Reduction Construction funds to be used for capital projects.
- Capital Projects – American Recovery and Reinvestment Act (ARRA) Fund – to account for the financial resources of the QSCB issue to be used for certain capital construction and improvement projects.

The District reports the following proprietary funds:

- Internal Service Fund – to account for the District's individual self-insurance program.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

- Enterprise Fund - Extended Day Care Program – to account for the financial resources of the District’s Extended Day Care Program. This program provides before and after school care to students and is administered by the District.

The District reports the following fiduciary funds:

- Private-Purpose Trust Fund – to account for resources of the Estate of Waldo Schraubstader Scholarship Fund.
- Agency Funds – to account for and administer resources of the school internal funds which are custodial in nature and used for student activities such as athletics, classes, and clubs.

E. Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Revenues susceptible to accrual include ad valorem taxes, impact fees, and interest on investments. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting their assets and liabilities.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

F. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund Investment Pool (LGIP).

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Investments

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, trust accounts, amounts placed with the SBA for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The District's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.84438408 at June 30, 2014. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

Investments made locally consist of mutual funds and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

3. Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are valued using a weighted average cost method, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs associated with the construction of capital assets are not material and are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	7 - 35 years
Buildings and Fixed Equipment	8 - 50 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	10 years
Property under Capital Lease	20 years
Audio Visual Materials and Computer Software	5 - 7 years

Current year information relative to changes in capital assets is described in a subsequent note.

5. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts are amortized over the life of the related debt using a straight-line method. Bonds and other long-term debts payables such as certificates of participation are reported net of the applicable premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Changes in long term liabilities for the current year are reported in a subsequent note.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

6. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report this unavailable revenue from a note receivable for State revenues available to the District in a prior period but which were loaned to another school district under an agreement with the State. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted and unrestricted resources (e.g., restricted bond or grant proceeds). To calculate the amounts report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. Fund Balance Flow Assumptions

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, restricted, assigned and unassigned fund balances). To calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

The District does not have a policy regarding the commitment of fund balances and, therefore, does not report any committed fund balance.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the Assistant Superintendent of Finance/Operations to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Board has adopted minimum fund balance, Policy 6233 (C), which provides that at least 5 percent of the current year's annual estimated General Fund revenues be reserved for contingency purposes. In the event these reserves are needed, a majority vote of the Board is required before using these funds, and the Superintendent is required to provide a financial plan to the Board to restore the funds to the minimum 5 percent amount along with a timeline for restoration.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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2. State Revenue Sources

Significant revenues from State sources for current operations include funding from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State also provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

3. District Property Taxes

The Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Indian River County Property Appraiser, and property taxes are collected by the Indian River County Tax Collector.

The Board adopted the 2013 tax levy on September 09, 2013. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property as of January 1, and are delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

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Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Indian River County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes levied for the current year are presented in a subsequent note.

4. Additional Operating Millage

In August 2012, the voters of Indian River County approved a 0.6 mills school operating millage levy for 4 years effective January 2013 to fund technology needs of the District. The collections began in the 2013-14 fiscal year.

5. Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Indian River County Commission on May 17, 2005. The educational impact fees are collected by the County for most new residential construction. The fees shall be used solely for the purpose of providing capital improvements to the public education system necessitated by new residential development, and are not be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, site acquisition, facility design and construction, site development, necessary off-site improvements, and furniture and equipment.

6. Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

7. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Changes in long-term liabilities for the current year are reported in a subsequent note.

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8. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for employee health and other insurance premiums. Operating expenses include insurance claims and excess coverage premiums. The principal operating revenues of the enterprise fund are fees for child care services. Operating expenses include salaries and benefits. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and SBE rules in establishing budget balances for governmental funds, as described below:

- A. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- B Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- C. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- D. Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders and other contract commitments are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund balance on average daily balances.

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B. Investments

As of June 30, 2014, the District has the following investments and maturities:

Investments	Maturities	Fair Value
State Board of Administration (SBA):		
Florida PRIME (1) (2)	40 Day Average	\$ 18,128,798
Fund B Surplus Funds Trust Fund (Fund B) (3)	2.86 Years Average	320,399
Debt Service Accounts	6 Months	121,575
Mutual Funds:		
Morgan Stanley U.S. Government Securities Trust (4)	2.6 Years Average	46,786
First American Money Market Fund (5) (6)	24 Day Average	7,871,943
Total Investments, Primary Government		\$ 26,489,501
Notes: (1) Includes \$13,747,634 considered cash equivalents for financial statement reporting purposes.		
(2) Includes \$4,381,164 held under a trust agreement for Certificates of Participation financing arrangements.		
(3) Includes \$177,038 held under a trust agreement for Certificates of Participation financing arrangements.		
(4) The U.S. Government Securities Trust invests exclusively in U.S. Government securities.		
(5) Held under a trust agreement for Certificates of Participation financing arrangements.		
(6) First American Money Market Fund invests exclusively in short-term U.S. Government Securities and repurchase agreements secured by U.S. Government Securities.		

Section 218.415, Florida Statutes, limits the types of investments in which a District can invest unless specifically authorized in District policy. All investments during the fiscal year an at year-end were authorized by the District's Investment Policy.

➤ Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to provide sufficient liquidity to pay obligations as they become due, the District's investment policy limits the length of investments as follows: (1) investments of current operating funds shall have maturities of no longer than twenty-four (24) months, and (2) investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate for the need for the funds and in accordance with debt covenants, but in no event shall exceed five years.

Florida PRIME had a weighted average days to maturity (WAM) of 40 days at June 30, 2014. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. Due to the nature of the securities in Fund B, the interest rate risk information required by GASB Statement No. 40 indicating specific identification,

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duration, weighted average maturity, segmented time distribution or simulation model is not available. However, an estimate of weighted average life (WAL) is available. In the calculation of the WAL, the time at which an expected principal amount is to be received, measure in years, is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL, based on expected future cash flows, of Fund B at June 30, 2014, is estimated at 2.86 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. The District's participation in Fund B is involuntary.

➤ Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits investments to the SBA's Florida PRIME, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies, Intergovernmental Investment Pool, and Corporate Securities.

The District's investments held in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account.

At June 30, 2014, the District's investment in Florida PRIME is Rated AAAM by Standard & Poor's. Fund B is unrated.

At June 30, 2014, the District's investment in the First American Money Market Fund was rated AAAM by Standard & Poor's, Aaa-mf by Moody's Investors Service, and AAAMmf by Fitch's Rating Agency.

At June 30, 2014, the District's investment in the Morgan Stanley U.S. Government Securities Trust mutual fund is unrated.

C. NOTE RECEIVABLE

Pursuant to Section 1013.68(6), Florida Statutes, in March 2002, the District entered into an inter-local loan agreement to assign \$9,308,048 of its Classrooms First Program allocation from the State of Florida to the Osceola County District School Board. In return, the Osceola County District School Board agreed to repay the Indian River County School District the funds in 15 annual installments. The effective interest rate on the loan is 5.776 percent with annual loan principal and interest payments totaling \$897,039 through August 1, 2016. If an installment payment is not made when due, the State of Florida will make payment to the Board within 10 days of notification of nonpayment. As such, the District considers the receivable totally collectible and did not report an allowance for uncollectible amounts.

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The note receivable at June 30, 2014, is \$2,407,754 as shown in the schedule below:

Fiscal Year Ending June 30	Total	Principal	Interest
2015	\$ 897,039	\$ 757,959	\$ 139,080
2016	897,039	801,742	95,297
2017	<u>897,039</u>	<u>848,053</u>	<u>48,986</u>
Total	<u>\$ 2,691,117</u>	<u>\$2,407,754</u>	<u>\$283,363</u>

D. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 7-1-13	Reclassification Note (1)	Additions	Deletions	Balance 6-30-14
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated:					
Land	\$ 23,061,429	\$	\$	\$ 915,823	\$ 22,145,606
Improvements Other Than Buildings	182,686				182,686
Construction in Progress	<u>5,795,269</u>		8,828,432	5,205,578	<u>9,418,123</u>
Total Capital Assets Not Being Depreciated	<u>29,039,384</u>		<u>8,828,432</u>	<u>6,121,401</u>	<u>31,746,415</u>
Capital Assets Being Depreciated/Amortized:					
Improvements Other Than Buildings	21,220,055		2,141,388	566	23,360,877
Buildings and Fixed Equipment	388,961,379		12,224,159	-	401,185,538
Furniture, Fixtures, and Equipment	18,991,795	1,941,691	1,226,078	1,019,080	21,140,484
Motor Vehicles	10,878,880		1,545,673	97,918	12,326,635
Property Under Capital Lease	1,941,691	(1,941,691)	-		-
Audio Visual Materials and Computer Software	<u>3,997,941</u>		<u>300,051</u>	<u>262,675</u>	<u>4,035,317</u>
Total Capital Assets Depreciated/Amortized	<u>445,991,741</u>		<u>17,437,349</u>	<u>1,380,239</u>	<u>462,048,851</u>
Less Accumulated Depreciation/Amortization for:					
Improvements Other Than Buildings	12,672,720		1,135,208	-	13,807,928
Buildings and Fixed Equipment	107,265,329		11,396,113	-	118,661,442
Furniture, Fixtures, and Equipment	14,641,653	396,429	1,452,517	999,000	15,491,599
Motor Vehicles	5,852,668		982,200	88,020	6,746,848
Property Under Capital Lease	396,429	(396,429)			-
Audio Visual Materials and Computer Software	<u>3,646,708</u>		<u>200,818</u>	<u>236,767</u>	<u>3,610,759</u>
Total Accumulated Depreciation/Amortization	<u>144,475,507</u>		<u>15,166,856</u>	<u>1,323,787</u>	<u>158,318,576</u>
Total Capital Assets Being Depreciated/Amortized Net	<u>301,516,234</u>		<u>2,270,493</u>	<u>56,452</u>	<u>303,730,275</u>
Governmental Activities Capital Assets, Net	<u>\$ 330,555,618</u>	<u>\$</u>	<u>\$ 11,098,925</u>	<u>\$ 6,177,853</u>	<u>\$ 335,476,690</u>

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Note 1 - The class of property and related accumulated depreciation, previously reported as property under capital lease has been reclassified as equipment under Furniture, Fixtures, and Equipment.

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	Amount
<u>Function</u>	
Instruction	\$ 8,325,585
Student Personnel Services	409,348
Instructional Media Services	178,732
Instruction and Curriculum Development Services	459,923
Instructional Staff Training Services	208,270
Instruction Related Technology	107,676
School Board	79,300
General Administration	73,901
School Administration	715,278
Facility Services - Non-Capitalized	340,052
Fiscal Services	108,165
Food Services	730,231
Central Services	206,420
Student Transportation Services	1,364,798
Operation of Plant	1,119,047
Maintenance of Plant	432,464
Administrative Technology Services	307,666
Total Depreciation/Amortization Expense- Governmental Activities	<u>\$ 15,166,856</u>

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E. CHANGES IN SHORT-TERM DEBT

The following is a schedule of changes in short-term debt:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
GOVERNMENTAL ACTIVITIES				
Tax Anticipation Notes	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -

The Tax Anticipation Notes, Series 2013, with an interest rate of 1 percent and a net interest cost of 0.1682 percent, were issued on October 18, 2013, for \$10,000,000, and matured on January 31, 2014. The proceeds were utilized for payment of operating expenses incurred for the District's schools for the 2013-14 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year.

F. CERTIFICATES OF PARTICIPATION

The District entered into a master financing arrangement on November 1, 2005, characterized as a lease-purchase agreement, with the Indian River School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing for construction of educational facilities and the purchase of land. The financing was accomplished through the issuance of Certificates of Participation, to be repaid from the proceeds of rents paid by the District. As a condition of the financing arrangements, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$10 per year. The initial terms of the lease agreements for the Series 2005 and 2007 are 20 years commencing on November 1, 2005 (Series 2005), and August 1, 2007 (Series 2007). The Series 2010A has a term of 18 years commencing on December 17, 2010. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease agreements and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for the remaining terms of the lease agreements.

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Certificates of Participation at June 30, 2014, are as follows:

Series	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity to
Series 2005	\$ 80,050,000	\$ 53,735,000	4.125 - 5.000	2025
Series 2007	45,020,000	36,725,000	4.00 - 5.00	2027
Series 2010A-QSCB	26,261,000	26,261,000	0.5276 net *(1)	2029
Total Certificates of Participation	<u>\$ 151,331,000</u>	<u>\$ 116,721,000</u>		

Note: (1) The Series 2010A-Lease Certificate is designated as a "qualified school construction bond" as defined in Section 54F of the Internal Revenue Code, and pursuant to Section 6431 of the Code, the Board has elected to receive Federal subsidy payments on each interest payment date for the Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates if the interest were determined at the applicable tax credit rate for the Certificates pursuant to Section 54A(b)(3) of the Code. The interest rate is 5.91 percent with an allowable current Federal subsidy of 5.3824 percent.

The District properties included in the ground leases under this arrangement include:

Series 2005 Certificates of Participation

Vero Beach High School renovations
Alternative Education Center
Sebastian River Middle School Music Addition
152 acres of land for future educational facilities

Series 2007 Certificates of Participation

Storm Grove Middle School
Support Services Complex

Series 2010A Qualified School Construction Bonds (QSCB) - Certificates of Participation

Vero Beach Elementary School Replacement
Fellsmere Elementary Expansion Project Addition
Treasure Coast Elementary Expansion Project Addition

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The lease payments for the 2005 and 2007 Series Certificates are payable by the District, semiannually, on July 1 and January 1. The 2010 Series QSCB is payable semiannually on June 1 and December 1. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	Certificates of Participation Outstanding		
	Total	Principal	Interest
2015	\$ 11,078,425	\$ 5,270,000	\$ 5,808,425
2016	11,082,775	5,490,000	5,592,775
2017	11,078,283	5,715,000	5,363,283
2018	11,081,718	5,960,000	5,121,718
2019	11,078,418	6,210,000	4,868,418
2020-2024	55,397,888	35,835,000	19,562,888
2025-2029	61,833,262	52,241,000	9,592,262
Total Minimum Lease Payments	172,630,769	116,721,000	55,909,769
Plus: Unamortized Premium	831,599	831,599	-
Total Certificates of Participation	<u>\$ 173,462,368</u>	<u>\$ 117,552,599</u>	<u>\$ 55,909,769</u>

The District issued Certificates of Participation (COPS) dated December 1, 2010, under the QSCB Program pursuant to Section 54F of the United States Internal Revenue Code of 1986 as amended (the Code). The QSCB Program provides for an issuer interest rate subsidy on certain bonds or COPS. The District received an approved allocation of funds from the Florida Department of Education sufficient for the designation of the Series 2010A COP as a QSCB under the Code. Pursuant to Section 6431 of the Code, the District has elected to receive Federal subsidy payments (the Issuer Subsidy) from the United States Treasury on each interest payment date for the 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate pursuant to Section 54A(b)(3) of the Code. The tax credit rate applicable to the Series 2010A Certificates is 5.80 percent. The Series 2010A Certificates were issued in the amount of \$26,261,000. Interest payments are to be made to the holders of the Certificates on June 1 and December 1 of each year at the stated coupon rate of 5.91 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on December 1, 2028. Beginning in 2012, the

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District is to deposit \$1,458,994 into a sinking fund annually on December 1. The accumulated amount in this fund is to be used to repay the principal amount of these certificates upon maturity.

G. BONDS PAYABLE

Bonds payable at June 30, 2014, are as follows:

Bond Type	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2005A	\$ 6,405,000	\$ 4,305,000	4.00 - 5.00	2025
Series 2008A	1,210,000	970,000	4.25 - 5.00	2028
Series 2010A	160,000	140,000	3.50 - 5.00	2030
Series 2014A	<u>3,603,000</u>	<u>3,603,000</u>	2.00 - 5.00	2025
Total Bonds Payable	<u>\$ 11,378,000</u>	<u>\$ 9,018,000</u>		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ State School Bonds

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the State Board of Administration.

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Annual requirements to amortize the bonded debt outstanding as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2015	\$ 4,506,203	\$ 4,354,000	\$ 152,203
2016	557,432	344,000	213,432
2017	558,113	356,000	202,113
2018	568,322	381,000	187,322
2019	565,273	397,000	168,273
2020-2024	2,832,075	2,309,000	523,075
2025-2029	935,010	867,000	68,010
2030	10,400	10,000	400
Sub-Total	10,532,828	9,018,000	1,514,828
Plus Unamortized Premium	555,011	555,011	
Total State School Bonds	\$ 11,087,839	\$ 9,573,011	\$ 1,514,828

H. DEFEASED DEBT

On May 22, 2014, the State of Florida refunded callable portions of their State Board of Education Capital Outlay bonds and issued 2014 Series-A bonds to effectuate a savings in debt service costs. The District's pro rata share of the net proceeds of the Series 2014-A bonds which totaled \$4,174,993 (after deduction of \$25,131 by the Florida Department of Education for the District's pro rata share of underwriting fees, insurance and other issuance costs) was placed in a trust account to refund the Series 2005-A bonds, that mature on or after July 1, 2014, and scheduled to be called on January 1, 2015. The trust account is not considered to be risk-free in accordance with GASB Statement No. 7. As a result, the refunding of \$4,305,000 representing the District's portion of Series 2005-A bonds are considered to be an economic defeasance and not a legal defeasance and the liability for these bonds has not been removed from the government-wide financial statements. When the Series 2005-A bonds are called on January 1, 2015, they will be removed. The Series 2014-A bonds were issued to reduce the District's total debt service over the next ten years by approximately \$702,000.

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I. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7-1-13	Additions	Deductions	Balance 6-30-14	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 121,786,000	\$ -	\$ 5,065,000	\$ 116,721,000	\$ 5,270,000
Unamortized Premiums	902,585	-	70,986	831,599	70,986
Total Certificates of Participation Payable	122,688,585	-	5,135,986	117,552,599	5,340,986
Bonds Payable	5,760,000	3,603,000	345,000	9,018,000	4,354,000
Unamortized Premiums		555,011		555,011	
Total Bonds Payable	5,760,000	4,158,011	345,000	9,573,011	4,354,000
Obligations Under Capital Lease	301,547	-	301,547	-	-
Compensated Absences Payable	8,872,451	2,075,446	1,975,626	8,972,271	1,975,626
Other Postemployment Benefits Payable	17,306,248	1,945,501	342,033	18,909,716	-
Total Governmental Activities	\$ 154,928,831	\$ 8,178,958	\$ 8,100,192	\$ 155,007,597	\$ 11,670,612
BUSINESS-TYPE ACTIVITIES					
Compensated Absences Payable	\$ 19,329	\$ 12,704	\$ 13,659	\$ 18,374	\$ 13,659
Other Postemployment Benefits Payable	31,626	2,708	476	33,858	-
Total Business-Type Activities	\$ 50,955	\$ 15,412	\$ 14,135	\$ 52,232	\$ 13,659

For the governmental activities, compensated absences are generally liquidated with resources of the General Fund. The governmental activities portion of other postemployment benefits payable is liquidated with resources of the Internal Service Fund, and the business-type activities portion is liquidated with nonmajor Enterprise Fund resources. Insofar as the Internal Service Fund's premium contributions are received from the General Fund, and Special Revenue Funds, these funds indirectly liquidate the governmental activities of other postemployment benefits payable.

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J. INTERFUND TRANSFERS

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 4,326,397	\$ -
Debt Service		
Other	10,181,548	-
ARRA	1,602,497	-
Capital Projects:		
Local Capital Improvement	-	13,457,506
Other	380,000	2,652,936
Nonmajor:		
Governmental	-	380,000
Total	<u>\$ 16,490,442</u>	<u>\$ 16,490,442</u>

Interfund transfers represent permanent transfers between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments in the Debt Service – Other Fund and the Debt Service – ARRA Fund and to the General Fund for maintenance and repair of educational plant. The transfers from Capital Projects - Other Fund were to provide for payments to charter schools for capital expenditures and other debt service payments. The transfer from the Debt Service – Other Fund represents residual tax revenue collections on a general obligation bond fund after payment of the debt. Since the funds are no longer needed for debt service payments, they are being used for capital projects on buildings financed with the original debt.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

K. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2014:

Major Funds							
	General	Debt Service - Other	Debt Service - ARRA	Capital Projects - Local Capital Improvement	Capital Projects - Other	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 337,069	\$ -	\$ -	\$ -	\$ -	\$ 103,151	\$ 440,220
Fund B Trust	80,217	177,038		36,907		1,484	295,646
Restricted:							
State Required Carryover	4,374,525						4,374,525
Adult Workforce	2,082,158						2,082,158
Donations	62,854						62,854
Debt Service		837,127	4,412,223			4,289,956	9,539,306
Capital Projects				15,984,703	3,261,999	149,747	19,396,449
Food Service						2,716,442	2,716,442
Assigned:							
Purchase Obligations	345,998						345,998
Next Year's Budget Deficit	5,724,231						5,724,231
Unassigned	7,516,866						7,516,866
Total Fund Balance	\$ 20,523,918	\$ 1,014,165	\$ 4,412,223	\$ 16,021,610	\$3,261,999	\$ 7,260,780	\$ 52,494,695

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosure, fund balances may also be classified as follows:

➤ **Nonspendable**

The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies as nonspendable those amounts reported as inventories and the unavailable balances invested in Florida SBA Fund B Surplus Funds Trust Fund.

➤ **Restricted**

The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. In the General Fund, the District classifies as restricted any unspent State categorical funding as well as donations that are legally or otherwise restricted.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

➤ Unassigned

The portion of fund balance that is residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

At the end of the fiscal year, the unassigned general fund balance was \$7,516,866 or 5.64 percent of general fund total revenues.

L. SCHEDULE OF STATE REVENUE SOURCES

Accounting policies relating to certain State revenue sources are described in Note 1. The following is a schedule of the District's State revenue for the 2013-14 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 20,124,589
Categorical Educational Programs - Class Size Reduction	19,323,457
Workforce Development Program	1,095,633
Charter School Capital Outlay	1,026,397
Motor Vehicle License Tax (Capital Outlay and Debt Service)	676,934
Voluntary Prekindergarten	497,719
School Recognition	444,675
Lottery Funds	175,315
Mobile Home License Tax	154,341
Food Service Supplement	109,018
Miscellaneous	130,969
	<hr/>
Total	<u>\$ 43,759,047</u>

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

M. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2013 tax roll for the 2013-14 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	5.259	\$ 71,982,024
Prior Period Funding Adjustment Millage	0.009	123,188
Basic Discretionary Local Effort	0.748	10,238,313
Voted School Tax:		
Additional Operating	0.600	8,212,551
Total General Fund Taxes Levied		90,556,076
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	20,530,845
Total	8.116	\$111,086,921

N. FLORIDA RETIREMENT SYSTEM

Essentially all regular employees of the District are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Florida Retirement System Investment Plan (Investment Plan).

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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. District employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law; but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

FRS Retirement Contribution Rates

The State of Florida establishes contribution rates for participating employers and employees. During the 2013-14 fiscal year, contribution rates were as follows:

Retirement Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Elected County Officers	3.00	33.03
Florida Retirement System, Senior Management Service	3.00	18.31
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.84
Florida Retirement System, Reemployed Retiree	(B)	(B)
Notes:	(A)	Employer rates include 1.20 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.
	(B)	Contribution rates are dependent upon retirement class in which reemployed.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions, including employee contributions, for the fiscal years ended June 30, 2012, June 30, 2013, and June 30, 2014, totaled, \$5,237,762, \$5,491,629, and \$7,476,263 respectively, which were equal to the required contributions for each fiscal year.

There were 327 District participants in the Investment Plan during the 2013-14 fiscal year. The District's contributions including employee contributions to the Investment Plan totaled \$1,451,143, which was equal to the required contribution for the 2013-14 fiscal year.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850)413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by email at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

O. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and eligible dependents are eligible to participate in the District's self-funded health and hospitalization plan for medical and prescription drug coverage, along with the fully-insured life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, Medicare-eligible retirees receive insurance coverage at a lower premium rate than active employees pursuant to Florida Statutes. The benefits provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District and may be amended by Board action. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB does not issue a stand-alone report and is not included in the report of another entity.

Funding Policy – OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2013-14 fiscal year, there were 379 retirees received other postemployment benefits. The District provided required contributions of \$342,509 toward annual OPEB costs, net of retiree contributions totaling \$858,447 which represents 1 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and*

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Description	Fiscal Year Ending	
	June 30, 2013	June 30, 2014
Other Post Employment Benefits		
Normal Cost (service cost for one year)	\$ 805,671	\$ 905,624
Amortization of Unfunded Actuarial Accrued Liability	874,162	896,216
Interest on Normal Cost and Amortization	<u>67,193</u>	<u>72,074</u>
Annual Required Contribution	1,747,026	1,873,914
Interest on Net OPEB Obligation	633,533	693,515
Adjustment to Annual Required Contribution	<u>(565,664)</u>	<u>(619,220)</u>
Annual OPEB Cost (Expense)	1,814,895	1,948,209
Contribution Toward the OPEB Cost	<u>315,357</u>	<u>342,509</u>
Increase in Net OPEB Obligation	1,499,538	1,605,700
Net OPEB Obligation, Beginning of Year	<u>15,838,336</u>	<u>17,337,874</u>
Net OPEB Obligation, End of Year	<u>\$ 17,337,874</u>	<u>\$ 18,943,574</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2014, and the two preceding years, were as follows:

Year	OPEB Cost	Toward the OPEB Cost	Annual OPEB Cost Contributed	Obligation
2011-12	\$ 1,590,593	\$ 251,765	15.8%	\$ 15,838,336
2012-13	1,814,895	317,357	17.5%	17,337,874
2013-14	1,948,209	342,509	17.6%	18,943,574

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Funded Status and Funding Progress. As of July 1, 2013, the most recent valuation date, the actuarial accrued liability for benefits was \$16,185,989 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$16,185,989 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$85,329,180, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the OPEB 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 required schedule of funding progress immediately following the notes to the basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The 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, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of July 1, 2013, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2014, and the frozen entry age normal cost actuarial method to estimate the Districts 2013-14 fiscal year annual required contributions. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, and an annual healthcare cost trend rate of 10 percent initially beginning July 1, 2014, reduced by 0.5 percent per year, to an ultimate rate of 5 percent. The investment rate of return and payroll growth rate include a general price inflation of 2.5 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over a 30-year period. The remaining amortization period at June 30, 2014, was 23 years.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

P. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances. Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2014:

Major Funds					
General	Special Revenue - Federal Economic Stimulus	Capital Projects - Local Capital Improvement	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,712,113	\$ 92,136	\$ 4,327,229	\$ 780,009	\$ 389,900	\$ 7,301,387

Construction Contracts. Encumbrances include the following major construction contract commitments at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
Fellsmere Elementary Classroom Addition & Cafeteria			
Architect	\$ 559,528	\$ 536,809	\$ 22,719
Contractor	8,801,540	5,958,835	2,842,705
Citrus Elementary Chiller Plant Relocation			
Architect	88,758	85,309	3,449
Contractor	1,060,498	607,747	452,751
Total	\$10,510,324	\$7,188,700	\$3,321,624

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Q. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; third party injuries and/or property damage and natural disasters. The Indian River County District School Board is a member of the South Central Educational Risk Management Program (SCERMP), under which eight district school boards have established a public entity risk sharing pool for Property, General Liability, Automobile liability, Workers' Compensation, Governmental Crime, and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The inter-local agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums), and purchases insurance coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents/finance directors or an authorized representative of all participating districts. Employers' Mutual, Inc. d.b.a. Ascension Benefits and Insurance Solutions of FL serves as the third-party administrator, insurance broker and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except wind/hail/flood), respectively. The named wind/hail/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence. The deductible for all other wind events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000 time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2013-14 fiscal year was \$75 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2013-14 fiscal year was \$1million. SCERMP purchases excess liability coverage through a commercial insurance carrier which covers workers' compensation losses in excess of the self-insured retention. Employers Liability is included subject to \$2,000,000 per occurrence.

The District is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, as it is now written, as it may be amended by the Legislature at future dates, which effectively limits the amount of liability of governmental entities for tort claims to \$200,000 per claim and \$300,000 per occurrence.

The District self-insures its health care coverage for employees and retired former employees. Blue Cross Blue Shield of Florida acts as the third-party administrator for the health insurance program. The program includes excess coverage of claim amounts above \$175,000 per insured per year. Premiums received for, and claims (and other expenses) paid on behalf of,

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

Indian River County School Board employees and their dependents are reported in the District's Internal Service Fund.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's health self-insurance program:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012-13	\$ 3,195,579	\$ 13,524,011	\$ (13,563,619)	\$ 3,155,971
2013-14	3,155,971	14,075,461	(13,669,740)	3,561,692

Settled claims have not exceeded the District's purchased commercial coverage in any of the past three years.

R. LITIGATION

The District is a defendant in various lawsuits arising in the normal course of business, including claims for property damage, personal injuries, etc. In the opinion of management, the ultimate outcome of the lawsuits, most of which are covered by insurance, will not have a material effect on the District's financial position.

S. SUBSEQUENT EVENTS

On November 20, 2014 the District issued Refunding Certificates of Participation, Series 2014A, in the amount of \$45,455,000. The Series 2014A Certificates of Participation are being issued to refund the outstanding Series 2005 Certificates.

In addition, the Board also approved on October 7, 2014, an authorization to bid an interest rate under a Forward Purchase Contract for the Series 2010-A Qualified School Construction Bond (QSCB) sinking fund. This contract would allow the sinking fund deposits to be invested at a rate estimated to provide for the future payoff of the debt and to provide savings to the District on each annual sinking fund installment.

The original QSCB contract required a \$5 million compensating balance to be held in reserve during the life of the loan. The contract has been amended to eliminate this requirement and the change was approved by the Board on October 7, 2014.

The School Board of Indian River County, Florida
Required Supplementary Information
Schedule of Funding Progress
Other Postemployment Benefits Plan
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)			Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
		Entry Age (b) (3)	Unfunded AAL (UAAL) (b-a)				
6/30/2012	-	11,968	11,968	0.00%	79,288	15.1%	
7/1/2012	-	16,668 ⁽²⁾	16,668	0.00%	79,693	20.9%	
6/30/2014	-	16,186	16,186	0.00%	85,329	19.0%	

(1) There was a significant drop in the actuarial liability of approximately \$50 million dollars, due to the School Board's decision to require Medicare eligible retirees to pay the full cost of their health insurance. Medicare eligible retirees now pay future rate increases that are expected to match claims and administrative costs. Based on this change, there is no implicit or explicit cost to the employer for Medicare eligible retirees. This change eliminated Medicare-eligible retirees from the GASB OPEB liability. Medicare eligible retirees will continue to be excluded as long as this decision remains in place and as long as future charges do not exceed the commingled rate of active and retired employees as described by Section 112.08, Florida Statutes.

(2) The unfunded accrued liability increased from \$11,968,208 at June 30, 2012, to \$16,667,576 at June 30, 2013. This increase in liability of \$4,699,368 was due to changes in certain assumptions used as follows:

- (a) The Aging Table published under the Affordable Care Act was used for 2013. This table was not available for 2012. This table does not differentiate between genders and produces higher costs for older aged participants, which results in an increased liability.
- (b) The termination rates were set to match those of the most recent Florida Retirement System (FRS) defined benefit pension valuation. This valuation does not have separate rates for teachers who are then classified as regular class for termination decrement purposes.

(3) The District's OPEB actuarial valuation used the entry age normal cost actuarial method to estimate the actuarial accrued liability.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Food Services Fund—To account for the activities of the District’s food services function. These activities are funded primarily through local charges and Federal awards.

Contracted Programs Fund—To account for programs funded by Federal and State sources, requiring separate accountability because of legal or regulatory restrictions.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

SBE/COBI Bonds Fund—To account for the payment of principal, interest and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District’s portion of the state-assessed motor vehicle license tax.

District Bonds Fund—To account for the payment of principal, interest and fiscal charges on the General Obligation Refunding Bonds, Series 2002, which is payable from the District’s millage levy that was originally voted on by the District’s electorate.

Capital Projects Funds

Capital project funds are used to account for the financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.

SBE/COBI Bonds Fund—To account for capital project activity funded by proceeds of bonds issued by the State Board of Education on behalf of the District.

Capital Outlay and Debt Service Fund—To account for capital project activity funded by the District’s portion of the state Capital Outlay and Debt Service program.

Public Education Capital Outlay Fund—To account for capital project activity funded through the state Public Education Capital Outlay program.

The School Board of Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
ASSETS			
Cash and Cash Equivalents	\$ 2,626	\$ 662	\$ 3,288
Cash with Fiscal Agent	-	-	-
Investments	-	-	-
Receivables	-	10	10
Due from Other Agencies	304	345	649
Inventories	103	-	103
Total Assets	\$ 3,033	\$ 1,017	\$ 4,050
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ 126	\$ 712	\$ 838
Accounts Payable	19	183	202
Due to Other Agencies	47	119	166
Unearned Revenue	21	3	24
Accrued Interest Payable	-	-	-
Total Liabilities	213	1,017	1,230
Fund Balances:			
Nonspendable	103	-	103
Restricted	2,717	-	2,717
Total Fund Balances	2,820	-	2,820
Total Liabilities and Fund Balances	\$ 3,033	\$ 1,017	\$ 4,050

Debt Service			Capital Projects			Total Nonmajor Governmental Funds
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Total Nonmajor Capital Projects	
\$ -	\$ 35	\$ 35	\$ 5	\$ 180	\$ 185	\$ 3,508
4,175	-	4,175	-	-	-	4,175
122	1	123	-	-	-	123
-	-	-	-	-	-	10
-	-	-	-	-	-	649
-	-	-	-	-	-	103
<u>\$ 4,297</u>	<u>\$ 36</u>	<u>\$ 4,333</u>	<u>\$ 5</u>	<u>\$ 180</u>	<u>\$ 185</u>	<u>\$ 8,568</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 838
-	-	-	-	35	35	237
-	-	-	-	-	-	166
-	-	-	-	-	-	24
42	-	42	-	-	-	42
<u>42</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>35</u>	<u>35</u>	<u>1,307</u>
	1	1	-	-	-	104
4,255	35	4,290	5	145	150	7,157
<u>4,255</u>	<u>36</u>	<u>4,291</u>	<u>5</u>	<u>145</u>	<u>150</u>	<u>7,261</u>
<u>\$ 4,297</u>	<u>\$ 36</u>	<u>\$ 4,333</u>	<u>\$ 5</u>	<u>\$ 180</u>	<u>\$ 185</u>	<u>\$ 8,568</u>

The School Board of Indian River County, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Revenues:			
Federal Sources:			
Other Federal Through State Sources	\$ -	\$ 10,040	\$ 10,040
Food Service	6,384	-	6,384
Total Federal Sources	<u>6,384</u>	<u>10,040</u>	<u>16,424</u>
State Sources:			
Food Service	109	-	109
CO&DS Withheld for SBE/COBI Bond	-	-	-
CO&DS Distribution	-	-	-
Total State Sources	<u>109</u>	<u>-</u>	<u>109</u>
Local Sources:			
Ad Valorem Taxes	-	-	-
Food Service	1,722	-	1,722
Investment Income	3	-	3
Other Local Sources	8	2	10
Total Local Sources	<u>1,733</u>	<u>2</u>	<u>1,735</u>
Total Revenues	<u>8,226</u>	<u>10,042</u>	<u>18,268</u>

<u>Debt Service</u>			<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
<u>SBE / COBI Bonds</u>	<u>District Bonds</u>	<u>Total Nonmajor Debt Service</u>	<u>SBE / COBI Bonds</u>	<u>Capital Outlay and Debt Service</u>	<u>Total Nonmajor Capital Projects</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,040
-	-	-	-	-	-	6,384
-	-	-	-	-	-	16,424
-	-	-	-	-	-	109
592	-	592	-	-	-	592
-	-	-	-	75	75	75
592	-	592	-	75	75	776
-	19	19	-	-	-	19
-	-	-	-	-	-	1,722
-	-	-	-	-	-	3
-	-	-	-	-	-	10
-	19	19	-	-	-	1,754
592	19	611	-	75	75	18,954

The School Board of Indian River County, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Special Revenue</u>		
	<u>Food Services</u>	<u>Contracted Programs</u>	<u>Total Nonmajor Special Revenue</u>
Expenditures:			
Current:			
Instruction	\$ -	\$ 5,640	\$ 5,640
Student Personnel Services	-	950	950
Instructional Media Services	-	3	3
Instruction and Curriculum Development Services	-	1,559	1,559
Instructional Staff Training Services	-	931	931
General Administration	-	409	409
School Administration	-	43	43
Facilities Services - Non-Capitalized	-	-	-
Food Services	7,781	-	7,781
Student Transportation Services	-	61	61
Community Services	-	245	245
Capital Outlay:			
Facilities Acquisition & Construction	-	-	-
Other Capital Outlay	122	201	323
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>7,903</u>	<u>10,042</u>	<u>17,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>323</u>	<u>-</u>	<u>323</u>
Other Financing Sources:			
Transfers In	-	-	-
Transfers Out	-	-	-
Sale of Capital Assets	-	-	-
Issuance of Long-Term Debt	-	-	-
Premium on Issuance of Long-Term Debt	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>323</u>	<u>-</u>	<u>323</u>
Fund Balances, Beginning	<u>2,497</u>	<u>-</u>	<u>2,497</u>
Fund Balances, Ending	<u>\$ 2,820</u>	<u>\$ -</u>	<u>\$ 2,820</u>

Debt Service			Capital Projects			Total
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Total Nonmajor Capital Projects	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,640
-	-	-	-	-	-	950
-	-	-	-	-	-	3
-	-	-	-	-	-	1,559
-	-	-	-	-	-	931
-	-	-	-	-	-	409
-	-	-	-	-	-	43
-	-	-	11	158	169	169
-	-	-	-	-	-	7,781
-	-	-	-	-	-	61
-	-	-	-	-	-	245
-	-	-	6	3	9	9
-	-	-	-	4	4	327
345	-	345	-	-	-	345
283	-	283	-	-	-	283
<u>628</u>	<u>-</u>	<u>628</u>	<u>17</u>	<u>165</u>	<u>182</u>	<u>18,755</u>
<u>(36)</u>	<u>19</u>	<u>(17)</u>	<u>(17)</u>	<u>(90)</u>	<u>(107)</u>	<u>199</u>
-	-	-	-	-	-	-
-	(380)	(380)	-	-	-	(380)
-	-	-	-	-	-	-
3,603	-	3,603	-	-	-	3,603
555	-	555	-	-	-	555
<u>4,158</u>	<u>(380)</u>	<u>3,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,778</u>
<u>4,122</u>	<u>(361)</u>	<u>3,761</u>	<u>(17)</u>	<u>(90)</u>	<u>(107)</u>	<u>3,977</u>
133	397	530	22	235	257	3,284
<u>\$ 4,255</u>	<u>\$ 36</u>	<u>\$ 4,291</u>	<u>\$ 5</u>	<u>\$ 145</u>	<u>\$ 150</u>	<u>\$ 7,261</u>

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service - Other Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Investment Income	\$ 6	\$ 2	\$ 2	\$ -
Total Local Sources	<u>6</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total Revenues	<u>6</u>	<u>2</u>	<u>2</u>	<u>-</u>
Expenditures:				
Principal	5,367	5,367	5,367	-
Interest and Fiscal Charges	<u>4,478</u>	<u>4,476</u>	<u>4,476</u>	<u>-</u>
Total Expenditures	<u>9,845</u>	<u>9,843</u>	<u>9,843</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,839)</u>	<u>(9,841)</u>	<u>(9,841)</u>	<u>-</u>
Other Financing Sources				
Transfers In	<u>9,845</u>	<u>10,182</u>	<u>10,182</u>	<u>-</u>
Total Other Financing Sources	<u>9,845</u>	<u>10,182</u>	<u>10,182</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 6</u>	<u>\$ 341</u>	341	<u>\$ -</u>
Fund Balance, Beginning			<u>673</u>	
Fund Balance, Ending			<u>\$ 1,014</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service - American Recovery and Reinvestment Act (ARRA) Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources:				
Miscellaneous Federal Direct	\$ 1,391	\$ 1,413	\$ 1,413	\$ -
Local Sources:				
Investment Income	4	7	7	-
Total Revenues	<u>1,395</u>	<u>1,420</u>	<u>1,420</u>	<u>-</u>
Expenditures:				
Interest and Fiscal Charges	1,557	1,556	1,556	-
Total Expenditures	<u>1,557</u>	<u>1,556</u>	<u>1,556</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(162)</u>	<u>(136)</u>	<u>(136)</u>	<u>-</u>
Other Financing Sources				
Transfers In	1,625	1,602	1,602	-
Total Other Financing Sources	<u>1,625</u>	<u>1,602</u>	<u>1,602</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 1,463</u>	<u>\$ 1,466</u>	1,466	<u>\$ -</u>
Fund Balance, Beginning			<u>2,946</u>	
Fund Balance, Ending			<u>\$ 4,412</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Local Capital Improvement Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 19,734	\$ 19,887	\$ 19,887	\$ -
Investment Income	99	30	30	-
Total Revenues	<u>19,833</u>	<u>19,917</u>	<u>19,917</u>	<u>-</u>
Expenditures:				
Capital Outlay	<u>25,811</u>	<u>27,208</u>	<u>11,186</u>	<u>16,022</u>
Total expenditures	<u>25,811</u>	<u>27,208</u>	<u>11,186</u>	<u>16,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,978)</u>	<u>(7,291)</u>	<u>8,731</u>	<u>16,022</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(14,771)</u>	<u>(13,457)</u>	<u>(13,457)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(14,771)</u>	<u>(13,457)</u>	<u>(13,457)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (20,749)</u>	<u>\$ (20,748)</u>	<u>\$ (4,726)</u>	<u>\$ 16,022</u>
Fund Balance, Beginning			<u>20,748</u>	
Fund Balance, Ending			<u>\$ 16,022</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Other Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources:				
Other	\$ -	\$ 30	\$ 30	\$ -
Total Federal Sources	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>
State Sources:				
Other	791	1,074	1,074	-
Total State Sources	<u>791</u>	<u>1,074</u>	<u>1,074</u>	<u>-</u>
Local Sources:				
Investment Income	-	10	10	-
Impact Fees	-	940	940	-
Other	23	348	348	-
Total Local Sources	<u>23</u>	<u>1,298</u>	<u>1,298</u>	<u>-</u>
Total Revenues	<u>814</u>	<u>2,402</u>	<u>2,402</u>	<u>-</u>
Expenditures:				
Capital Outlay	8,229	9,357	6,095	3,262
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>8,229</u>	<u>9,357</u>	<u>6,095</u>	<u>3,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,415)</u>	<u>(6,955)</u>	<u>(3,693)</u>	<u>3,262</u>
Other Financing Sources (Uses):				
Transfers In	-	380	380	-
Transfers Out	(761)	(2,653)	(2,653)	-
Sale of Capital Assets	-	1,005	1,005	-
Loss Recoveries	-	47	47	-
Total Other Financing Sources (Uses)	<u>(761)</u>	<u>(1,221)</u>	<u>(1,221)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (8,176)</u>	<u>\$ (8,176)</u>	<u>(4,914)</u>	<u>\$ 3,262</u>
Fund Balance, Beginning			<u>8,176</u>	
Fund Balance, Ending			<u>\$ 3,262</u>	

F=Foot, CF = Crossfoot

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - American Recovery and Reinvestment Act (ARRA) Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 5	\$ 5	\$ -
Total Local Sources	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Expenditures:				
Capital Outlay	5,028	5,033	5,033	-
Total Expenditures	<u>5,028</u>	<u>5,033</u>	<u>5,033</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,028)</u>	<u>(5,028)</u>	<u>(5,028)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (5,028)</u>	<u>\$ (5,028)</u>	<u>(5,028)</u>	<u>\$ -</u>
Fund Balance, Beginning			<u>5,028</u>	
Fund Balance, Ending			<u>\$ -</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue - Food Services Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources:				
Food Service	6,129	6,129	6,384	255
Total Federal Sources	<u>6,129</u>	<u>6,129</u>	<u>6,384</u>	<u>255</u>
State Sources:				
Food Service	119	119	109	(10)
Total State Sources	<u>119</u>	<u>119</u>	<u>109</u>	<u>(10)</u>
Local Sources:				
Food Service	\$ 1,827	\$ 1,827	\$ 1,722	\$ (105)
Investment Income	-	-	3	3
Other Local Sources	-	-	8	8
Total Local Sources	<u>1,827</u>	<u>1,827</u>	<u>1,733</u>	<u>(94)</u>
Total Revenues	<u>8,075</u>	<u>8,075</u>	<u>8,226</u>	<u>151</u>
Expenditures:				
Food Services:				
Salaries	2,764	2,716	2,551	165
Employee Benefits	947	861	749	112
Purchased Services	147	120	115	5
Energy Services	270	327	304	23
Materials and Supplies	3,677	3,836	3,783	53
Capital Outlay	202	47	47	-
Other Expenditures	205	233	232	1
Total Food Service	<u>8,212</u>	<u>8,140</u>	<u>7,781</u>	<u>359</u>
Capital Outlay:				
Capital Outlay	-	122	122	-
Total Expenditures	<u>8,212</u>	<u>8,262</u>	<u>7,903</u>	<u>359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(137)</u>	<u>(187)</u>	<u>323</u>	<u>510</u>
Net Change in Fund Balance	<u>\$ (137)</u>	<u>\$ (187)</u>	323	<u>\$ 510</u>
Fund Balance, Beginning			<u>2,497</u>	
Fund Balance, Ending			<u>\$ 2,820</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue - Contracted Programs Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources:				
Other Federal Through State Sources	\$ 12,510	\$ 12,623	\$ 10,040	\$ (2,583)
Total Federal Sources	<u>12,510</u>	<u>12,623</u>	<u>10,040</u>	<u>(2,583)</u>
Local Sources:				
Other Local Sources	-	2	2	-
Total Local Sources	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total Revenues	<u>12,510</u>	<u>12,625</u>	<u>10,042</u>	<u>(2,583)</u>
Expenditures:				
Instruction:				
Salaries	4,163	4,114	3,777	337
Employee Benefits	1,222	1,127	1,001	126
Purchased Services	126	236	224	12
Materials and Supplies	529	855	434	421
Capital Outlay	791	423	82	341
Other Expenditures	62	124	122	2
Total Instruction	<u>6,893</u>	<u>6,879</u>	<u>5,640</u>	<u>1,239</u>
Student Personnel Services:				
Salaries	784	751	717	34
Employee Benefits	181	171	169	2
Purchased Services	19	11	6	5
Materials and Supplies	122	120	58	62
Other Expenditures	-	-	-	-
Total Student Personnel Services	<u>1,106</u>	<u>1,053</u>	<u>950</u>	<u>103</u>
Instructional Media Services:				
Salaries	-	3	3	-
Employee Benefits	-	-	-	-
Other Expenditures	-	-	-	-
Total Instructional Media Services	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Instruction and Curriculum Development Services:				
Salaries	1,449	1,547	1,245	302
Employee Benefits	354	355	278	77
Purchased Services	291	127	30	97
Materials and Supplies	10	10	-	10
Capital Outlay	43	41	4	37
Other Expenditures	3	8	2	6
Total Instruction and Curriculum Development Services	<u>2,150</u>	<u>2,088</u>	<u>1,559</u>	<u>529</u>
Instructional Staff Training Services:				
Salaries	379	507	392	115
Employee Benefits	83	75	66	9
Purchased Services	455	471	324	147
Materials and Supplies	67	109	90	19
Capital Outlay	3	-	-	-
Other Expenditures	138	114	59	55
Total Instructional Staff Training Services	<u>1,125</u>	<u>1,276</u>	<u>931</u>	<u>345</u>

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue - Contracted Programs Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued):				
General Administration:				
Other Expenditures	648	587	409	178
Total General Administration	<u>648</u>	<u>587</u>	<u>409</u>	<u>178</u>
School Administration:				
Salaries	46	51	32	19
Employee Benefits	17	11	11	-
Total School Administration	<u>63</u>	<u>62</u>	<u>43</u>	<u>19</u>
Pupil Transportation Services:				
Salaries	4	4	3	1
Employee Benefits				-
Purchased Services				-
Other Expenditures	232	190	58	132
Total Pupil Transportation Services	<u>236</u>	<u>194</u>	<u>61</u>	<u>133</u>
Community Services:				
Salaries	232	223	196	27
Employee Benefits	39	41	34	7
Purchased Services	3	3	3	-
Materials and Supplies	15	15	12	3
Other Expenditures				-
Total Community Services	<u>289</u>	<u>282</u>	<u>245</u>	<u>37</u>
Capital Outlay:				
Other Capital Outlay	-	201	201	-
Total Capital Outlay	<u>-</u>	<u>201</u>	<u>201</u>	<u>-</u>
Total Expenditures	<u>12,510</u>	<u>12,625</u>	<u>10,042</u>	<u>2,583</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning			-	
Fund Balance, Ending			<u>\$ -</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service - SBE / COBI Bonds Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
State Sources:				
CO&DS Withheld for SBE/COBI Bond	\$ 599	\$ 592	\$ 592	\$ -
Total State Sources	<u>599</u>	<u>592</u>	<u>592</u>	<u>-</u>
Total Revenues	<u>599</u>	<u>592</u>	<u>592</u>	<u>-</u>
Expenditures:				
Principal	345	345	345	-
Interest and Fiscal Charges	<u>254</u>	<u>283</u>	<u>283</u>	<u>-</u>
Total Expenditures	<u>599</u>	<u>628</u>	<u>628</u>	<u>-</u>
Other Financing Sources:				
Issuance of Refunding Bonds	-	3,603	3,603	-
Premium on Refunding Bonds	<u>-</u>	<u>555</u>	<u>555</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>4,158</u>	<u>4,158</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 4,122</u>	<u>\$ 4,122</u>	<u>\$ -</u>
Fund Balance, Beginning			<u>133</u>	
Fund Balance, Ending			<u>\$ 4,255</u>	

F=Foot, CF = Crossfoot

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service - District Bonds Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Ad Valorem Taxes	\$ -	\$ 19	\$ 19	\$ -
Total Local Sources	-	19	19	-
Total Revenues	-	19	19	-
Expenditures:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	-	-	-
Other Financing Sources:				
Transfers Out	-	(380)	(380)	-
Total Other Financing Sources	-	(380)	(380)	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (361)</u>	\$ (361)	<u>\$ -</u>
Fund Balance, Beginning			397	
Fund Balance, Ending			<u>\$ 36</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - SBE / COBI Bonds Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital Outlay	22	22	17	5
Interest and Fiscal Charges	-	-	-	-
Total expenditures	<u>22</u>	<u>22</u>	<u>17</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22)</u>	<u>(22)</u>	<u>(17)</u>	<u>5</u>
Other Financing Sources				
Issuance of SBE/COBI Bonds	-	-	-	-
Premium on Issuance of SBE/COBI Bonds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (22)</u>	<u>\$ (22)</u>	<u>(17)</u>	<u>\$ 5</u>
Fund Balance, Beginning			<u>22</u>	
Fund Balance, Ending			<u>\$ 5</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Capital Outlay & Debt Service Fund
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State Sources:				
CO&DS Distribution	\$ 69	\$ 75	\$ 75	\$ -
Local Sources:				
Investment Income	-	-	-	-
Total Revenues	<u>69</u>	<u>75</u>	<u>75</u>	<u>-</u>
Expenditures:				
Capital Outlay	303	310	165	145
Total Expenditures	<u>303</u>	<u>310</u>	<u>165</u>	<u>145</u>
Net Change in Fund Balance	<u>\$ (234)</u>	<u>\$ (235)</u>	(90)	<u>\$ 145</u>
Fund Balance, Beginning			<u>235</u>	
Fund Balance, Ending			<u>\$ 145</u>	

The School Board of Indian River County, Florida
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency Funds
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash and Cash Equivalents	\$ 1,284	\$ 3,577	\$ 3,469	\$ 1,392
Accounts Receivable	3	7	3	7
Inventory	42	60	42	60
Total Assets	\$ 1,329	\$ 3,644	\$ 3,514	\$ 1,459
LIABILITIES				
Accounts Payable	\$ 13	\$ 55	\$ 13	\$ 55
Internal Accounts Payable	1,316	3,589	3,501	1,404
Total Liabilities	\$ 1,329	\$ 3,644	\$ 3,514	\$ 1,459

The School Board of Indian River County, Florida
Combining Statement of Net Position
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

	Charter High School, Inc.	Charter Junior High, Inc.	Academy, Inc.	Charter School, Inc.	at South Vero, LLC	Total Charter Schools
ASSETS						
Cash and Cash Equivalents	\$ 1,478	\$ 136	\$ 123	\$ 527	\$ 1,168	\$ 3,432
Receivables	114	-	-	-	47	161
Due from Other Agencies	-	-	13	9	41	63
Prepaid Items	80	-	-	-	77	157
Capital Assets (Net of Accumulated Depreciation):						
Land	-	181	-	599	-	780
Improvements Other than Buildings	298	-	3	57	-	358
Buildings and Fixed Equipment	4,697	3,053	1,360	4,383	21	13,514
Furniture, Fixtures and Equipment	295	162	22	102	127	708
Motor Vehicles	-	-	7	-	-	7
Property Under Capital Leases	-	5	-	-	-	5
Audio Visual Materials	-	-	-	-	14	14
Computer Software	7	-	-	-	-	7
Total Assets	<u>6,969</u>	<u>3,537</u>	<u>1,528</u>	<u>5,677</u>	<u>1,495</u>	<u>19,206</u>
LIABILITIES						
Accrued Salaries and Benefits Payable	184	-	-	-	322	506
Accounts Payable	26	41	13	-	56	136
Accrued Expenses	3	-	-	-	-	3
Unearned Revenue	339	-	-	-	24	363
Long-Term Liabilities:						
Portion Due Within One Year:						
Notes Payable	319	144	26	162	-	651
Obligations Under Capital Leases	-	6	-	-	-	6
Portion Due After One Year:						
Notes Payable	961	2,609	367	3,221	-	7,158
Obligations Under Capital Leases	-	15	-	-	-	15
Total Liabilities	<u>1,832</u>	<u>2,815</u>	<u>406</u>	<u>3,383</u>	<u>402</u>	<u>8,838</u>
NET POSITION						
Net Investment in Capital Assets	4,017	627	999	1,758	162	7,563
Restricted for:						
Food Service	-	-	14	-	96	110
Capital Projects	2	-	-	-	-	2
Unrestricted	<u>1,118</u>	<u>95</u>	<u>109</u>	<u>536</u>	<u>835</u>	<u>2,693</u>
Total Net Position	<u>\$ 5,137</u>	<u>\$ 722</u>	<u>\$ 1,122</u>	<u>\$ 2,294</u>	<u>\$ 1,093</u>	<u>\$ 10,368</u>

The School Board of Indian River County, Florida
Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2014
(amounts expressed in thousands)

Functions/Programs	Indian River Charter High School, Inc.	Sebastian Charter Junior High, Inc.	St. Peter's Academy, Inc.	North County Charter School, Inc.	Imagine Schools at South Vero, LLC	Total Charter Schools
Expenses:						
Instruction	\$ 2,794	\$ 905	\$ 725	\$ 832	\$ 3,074	\$ 8,330
Pupil Personnel Services	284					284
Health Services					26	26
Instructional Media Services	67					67
Instruction and Curriculum Development Services					47	47
Technology						-
Instructional Staff Training Services		4				4
School Board		2		2	24	28
General Administration			17			17
School Administration	574	324	197	233	1,171	2,499
Facilities Services - Non-Capitalized	92	2		3		97
Fiscal Services		42		12		54
Food Services		80	96	113	281	570
Central Services	49				10	59
Pupil Transportation Services	5	33	59	25		122
Operation of Plant	487	92	189	135	1,676	2,579
Maintenance of Plant	35	5		3	45	88
Administrative Technology	115					115
Community Services	-				67	67
Unallocated Interest on Long-Term Debt	55	92	19	106		272
Depreciation/Amortization - Unallocated	440	68		80		588
Total Expenses	4,997	1,649	1,302	1,544	6,421	15,913
Program Revenues:						
Charges for Services	101			52	526	679
Operating Grants and Contributions		80	173	89	544	886
Capital Grants and Contributions		104	19	106	-	229
Total Program Revenues	101	184	192	247	1,070	1,794
Net Program Expense	(4,896)	(1,465)	(1,110)	(1,297)	(5,351)	(14,119)
General Revenues:						
Grants and Contributions not Restricted to Specific Programs	4,178	1,239	970	1,715	5,842	13,944
Unrestricted Investment Earnings	5					5
Miscellaneous	403	81				484
Total General Revenues	4,586	1,320	970	1,715	5,842	14,433
Changes in Net Position	(310)	(145)	(140)	418	491	314
Net Position - Beginning	5,447	867	1,262	1,876	602	10,054
Net Position - Ending	\$ 5,137	\$ 722	\$ 1,122	\$ 2,294	\$ 1,093	\$ 10,368

STATISTICAL SECTION

This part of the School Board of Indian River County, Florida's 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 District's overall financial health.

Contents	Table
<u><i>Financial Trends Information</i></u>	1
These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<u><i>Revenue Capacity Information</i></u>	6
These tables contain information to help the reader assess the District's most significant local revenue sources, the property tax.	
<u><i>Debt Capacity Information</i></u>	10
These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<u><i>Demographic and Economic Information</i></u>	15
These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<u><i>Operating Information</i></u>	17
These tables contain service data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it perform	



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The School Board of Indian River County, Florida
 Net Position by Component - Government-Wide
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 119,712	\$ 153,266	\$ 168,013	\$ 178,107	\$ 192,693	\$ 194,967	\$ 204,036	\$ 212,594	\$ 209,060	\$ 208,351
Restricted	42,769	37,121	51,577	56,935	53,202	54,814	44,120	33,743	37,900	38,435
Unrestricted	8,274	10,717	8,125	2,731	(2,812)	(11,162)	(909)	(2,175)	(6,262)	(8,159)
Total Governmental Activities Net Position	\$ 170,755	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,083	\$ 238,619	\$ 247,247	\$ 244,162	\$ 240,698	\$ 238,627
Business-Type Activities:										
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 339	\$ 401	\$ 520	\$ 566	\$ 618
Primary Government:										
Net Investment in Capital Assets	\$ 119,712	\$ 153,266	\$ 168,013	\$ 178,107	\$ 192,693	\$ 194,967	\$ 204,036	\$ 212,594	\$ 209,060	\$ 208,351
Restricted	42,769	37,121	51,577	56,935	53,202	54,814	44,120	33,743	37,900	38,435
Unrestricted	8,274	10,717	8,125	2,731	(2,559)	(10,823)	(508)	(1,655)	(5,696)	(7,541)
Total Primary Government Net Position	\$ 170,755	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,336	\$ 238,958	\$ 247,648	\$ 244,682	\$ 241,264	\$ 239,245

(a) Net Position has increased significantly over the ten-year period due primarily to an increase in property tax in fiscal years 2006 through 2009 used to acquire and construct capital assets that depreciate in future years.

Source: District Records

The School Board of Indian River County, Florida
 Changes in Net Position - Government-Wide
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Expenses:										
Governmental Activities:										
Instruction	\$ 67,292	\$ 73,352	\$ 82,995	\$ 91,695	\$ 100,824	\$ 101,193	\$ 97,419	\$ 93,440	\$ 93,379	\$ 100,814
Student Personnel Services	3,922	4,255	5,146	5,344	5,858	5,604	4,784	4,714	4,604	5,012
Instructional Media Services	1,865	1,994	2,082	2,116	2,461	2,512	2,172	2,048	2,079	2,174
Instruction and Curriculum										
Development Services	5,939	6,155	6,342	6,854	6,712	5,632	4,862	4,569	5,351	5,580
Instructional Staff Training Services	718	1,086	1,217	1,186	1,000	2,452	2,235	2,226	1,970	2,530
Instruction Related Technology (a)	-	424	599	955	952	1,062	1,006	1,375	941	1,255
School Board	712	926	911	978	1,103	1,195	1,031	835	797	945
General Administration	754	801	848	705	870	804	843	922	1,030	901
School Administration	6,303	6,841	9,214	9,529	9,777	9,353	8,425	7,875	8,632	8,747
Facilities Services - Non-Capitalized	4,931	6,731	12,240	13,352	11,227	12,690	14,809	5,785	6,775	4,015
Fiscal Services	1,021	996	1,324	1,257	1,298	1,301	1,429	1,220	1,586	1,312
Food Services	6,936	7,622	7,890	8,315	8,848	8,754	8,102	9,257	8,725	8,608
Central Services	4,061	2,189	2,438	2,666	2,638	2,631	2,138	2,154	2,167	2,506
Student Transportation Services	3,655	4,083	5,162	6,689	6,599	6,354	6,106	6,361	6,425	6,683
Operation of Plant	10,772	12,156	14,087	14,906	13,883	12,341	11,634	13,080	13,418	13,430
Maintenance of Plant	4,896	3,676	3,864	3,638	3,804	97	412	3,218	3,455	3,427
Administrative Technology Services (a)	-	1,625	1,927	2,352	2,752	2,515	2,496	2,042	2,357	3,756
Community Services	2,017	961	1,010	1,030	48	281	281	255	250	251
Unallocated Interest on Long-Term Debt	1,860	3,745	5,062	6,575	7,081	6,852	7,339	7,344	6,840	6,281
Depreciation - Unallocated	7,969	8,892	10,088	9,688	-	-	-	-	-	-
Loss on Disposal of Capital Assets	1,123	-	327	-	-	-	-	2,367	2,091	-
Extraordinary Item:										
Claims Settlement	367	222	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	137,113	148,732	174,773	189,830	187,735	183,623	177,523	171,087	172,872	178,227
Business-Type Activities:										
Extended Day Program	-	-	-	-	827	717	709	650	663	663
Total Business-Type Activities Expenses	-	-	-	-	827	717	709	650	663	663
Total Primary Government Expenses	137,113	148,732	174,773	189,830	188,562	184,340	178,232	171,737	173,535	178,890

Source: District Records

(a) In fiscal year ending June 30, 2006, two new function / expense classifications were established to report technology expenses previously reported in central services.

The School Board of Indian River County, Florida
 Changes in Net Position - Government-Wide
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Program Revenues:										
Governmental Activities:										
Charges for Services										
Instruction	\$ 205	\$ 159	\$ 1,454	\$ 1,461	\$ 475	\$ 496	\$ 285	\$ 345	\$ 334	\$ 304
Food Services	2,279	2,670	2,951	3,138	3,025	2,953	2,842	2,491	2,087	1,722
Student Transportation	15	10	10	11	29	31	22	33	44	57
Community	1,032	1,174	-	-	-	-	183	182	170	173
Operating Grants and Contributions	7,734	8,280	8,012	8,442	9,320	5,834	5,765	6,331	6,354	6,493
Capital Grants and Contributions	3,595	3,058	11,940	4,342	7,984	1,246	2,523	2,212	2,853	3,068
Total Government Activities Program Revenues	14,860	15,351	24,367	17,394	20,833	10,560	11,620	11,594	11,842	11,817
Business Type Activities:										
Extended Day Program - Charges for Services	-	-	-	-	872	802	769	767	708	714
Total Primary Government Program Revenues	14,860	15,351	24,367	17,394	21,705	11,362	12,389	12,361	12,550	12,531
Net (Expenses) / Revenues										
Governmental Activities	(122,253)	(133,381)	(150,406)	(172,436)	(166,902)	(173,063)	(165,903)	(159,493)	(161,030)	(166,410)
Business-Type Activities	-	-	-	-	45	85	60	117	45	51
Total Primary Government Net (Expenses) / Revenues	(122,253)	(133,381)	(150,406)	(172,436)	(166,857)	(172,978)	(165,843)	(159,376)	(160,985)	(166,359)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	71,074	81,182	89,194	94,914	88,841	93,743	93,342	86,569	83,819	87,941
Levied for Debt Services	5,671	4,969	4,828	4,861	4,954	4,850	4,794	4,727	5,085	19
Levied for Capital Projects	23,587	27,590	34,531	36,012	31,012	24,275	21,816	20,509	19,583	19,887
Grants and Contributions										
Not Restricted to Specific Programs	24,893	30,315	37,796	37,938	37,706	42,236	51,432	41,342	46,746	53,933
Restricted Investment Earnings	-	1,518	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	1,240	2,808	7,537	5,158	(767)	1,877	1,309	931	1,063	294
Miscellaneous	22,180	15,348	3,034	3,611	10,672	1,618	1,838	2,330	2,432	2,265
Total Governmental Activities General Revenues	148,645	163,730	176,920	182,494	172,418	168,599	174,531	156,408	158,728	164,339
Business-Type Activities:										
Extended Day Care Program - Investment Earnings	-	-	-	-	2	1	2	2	1	1
Total Business-Type Activities Revenues	-	-	-	-	2	1	2	2	1	1
Total Primary Government General Revenues and Other Changes in Net Position	148,645	163,730	176,920	182,494	172,420	168,600	174,533	156,410	158,729	164,340
Changes in Net Position										
Governmental Activities	26,392	30,349	26,514	10,058	5,516	(4,464)	8,628	(3,085)	(2,302)	(2,071)
Business-Type Activities	-	-	-	-	47	86	62	119	46	52
Total Primary Government	\$ 26,392	\$ 30,349	\$ 26,514	\$ 10,058	\$ 5,563	\$ (4,378)	\$ 8,690	\$ (2,966)	\$ (2,256)	\$ (2,019)

Source: District Records

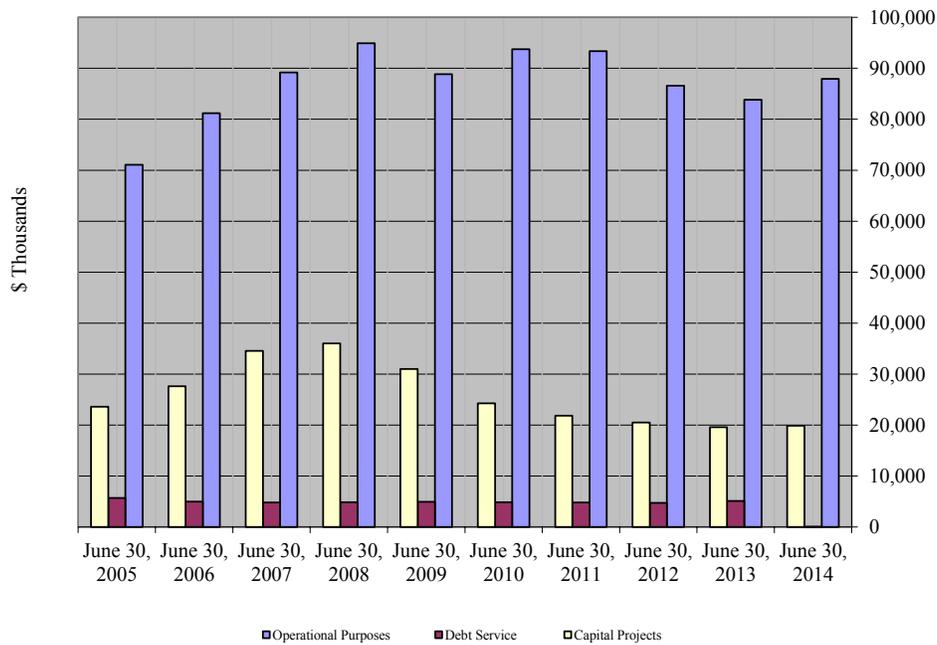
Table 3

The School Board of Indian River County, Florida
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

Fiscal Year Ending	Property Tax			Total
	Operational Purposes	Debt Service	Capital Projects	
June 30, 2014	\$ 87,941	\$ 19	\$ 19,887	\$ 107,847
June 30, 2013	83,819	5,085	19,583	108,487
June 30, 2012	86,569	4,727	20,509	111,805
June 30, 2011	93,342	4,794	21,816	119,952
June 30, 2010	93,743	4,850	24,275	122,868
June 30, 2009	88,841	4,954	31,012	124,807
June 30, 2008	94,914	4,861	36,012	135,787
June 30, 2007	89,194	4,828	34,531	128,553
June 30, 2006	81,182	4,969	27,590	113,741
June 30, 2005	71,074	5,671	23,587	100,332

Source: District Records

Governmental Activities Tax Revenues by Source



The School Board of Indian River County, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
(Unaudited)

	<u>Restated (1)</u> <u>June 30, 2005</u>	<u>Restated (1)</u> <u>June 30, 2006</u>	<u>Restated (1)</u> <u>June 30, 2007</u>	<u>Restated (1)</u> <u>June 30, 2008</u>	<u>Restated (1)</u> <u>June 30, 2009</u>
General Fund					
Nonspendable	\$ 332	\$ 433	\$ 397	\$ 474	\$ 429
Restricted	2,140	567	1,259	193	-
Assigned	984	642	511	551	355
Unassigned	9,966	11,109	9,207	8,663	4,061
Total General Fund	<u>\$ 13,422</u>	<u>\$ 12,751</u>	<u>\$ 11,374</u>	<u>\$ 9,881</u>	<u>\$ 4,845</u>
All Other Governmental Funds					
Nonspendable	\$ 315	\$ 295	\$ -	\$ -	\$ -
Restricted	41,112	92,442	95,394	113,922	78,490
Assigned	-	-	-	-	-
Unassigned: (2)	-	-	-	-	-
Special Revenue Fund	-	-	(336)	(849)	(501)
Total All Other Governmental Funds:	<u>\$ 41,427</u>	<u>\$ 92,737</u>	<u>\$ 95,058</u>	<u>\$ 113,073</u>	<u>\$ 77,989</u>

(1) The District implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

(2) The District reported a negative unassigned fund balance for the All Other Governmental Funds for fiscal years ending June 30, 2007, June 30, 2008, and June 30, 2009, due to negative ending fund balances in the Special Revenue Fund - Food Service.

Source: District Records

Table 4

Restated (1)				
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 335	\$ 330	\$ 916	\$ 685	\$ 417
582	2,208	2,754	4,303	6,520
258	6,539	3,489	2,783	6,070
1,362	5,495	9,129	9,191	7,517
\$ 2,537	\$ 14,572	\$ 16,288	\$ 16,962	\$ 20,524
\$ 150	\$ 208	\$ 1,802	\$ 1,028	\$ 318
67,578	73,408	45,153	39,827	31,653
-	-	-	-	-
-	-	-	-	-
\$ 67,728	\$ 73,616	\$ 46,955	\$ 40,855	\$ 31,971

Table 5

The School Board of Indian River County, Florida
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Revenues:										
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 100	\$ 105	\$ 92	\$ 116	\$ 121	\$ 133	\$ 101	\$ 167	\$ 146	\$ 152
Other Federal Direct Sources	322	366	128	291	62	-	694	1,523	1,457	1,451
Total Federal Direct	422	471	220	407	183	133	795	1,690	1,603	1,603
Federal Through State Sources:										
Food Service	4,273	3,879	3,734	4,343	5,202	5,694	5,645	6,215	6,243	6,384
Donated Foods	300	292	145	-	-	-	-	-	-	-
Other Federal Through State Grants	7,086	7,638	7,993	7,866	7,987	18,178	22,254	9,607	9,766	10,805
Total Federal Through State Sources:	11,659	11,809	11,872	12,209	13,189	23,872	27,899	15,822	16,009	17,189
Federal Through Local Sources:										
Other Federal Through Local Grants	45	14	48	-	-	-	-	-	-	-
Total Federal Through Local Sources:	45	14	48	-	-	-	-	-	-	-
State Sources:										
Florida Education Finance Program (FEFP)	11,745	6,581	8,326	4,575	5,732	1,726	6,164	8,141	13,252	20,125
Categorical Programs - Class Size Reduction	11,983	16,866	19,652	23,096	25,476	18,851	19,449	19,742	19,806	19,323
District Discretionary Lottery Funds	1,658	797	672	831	425	49	66	58	-	175
CO&DS Distribution	565	100	100	193	96	83	72	69	79	75
CO&DS Withheld for SBE/COBI Bonds	79	500	565	489	592	590	601	603	603	602
Public Education Capital Outlay	-	2,386	3,082	3,660	1,829	295	825	-	-	-
Food Service	178	159	171	126	113	140	122	119	115	109
Other State Sources	6,005	1,970	12,144	4,239	7,084	3,279	3,397	3,228	3,771	3,350
Total State Sources	32,213	29,359	44,712	37,209	41,347	25,013	30,696	31,960	37,626	43,759
Local Sources:										
Ad Valorem Taxes	94,597	113,741	128,553	135,787	124,807	122,868	119,952	111,805	108,487	107,847
Impact Fees	-	5,409	1,055	1,186	291	279	332	409	713	940
Food Service	2,279	2,953	2,466	2,775	3,025	2,953	2,842	2,491	2,087	1,722
Investment Income	3,571	4,689	6,995	4,776	(739)	1,741	1,228	729	875	283
Other Local Sources	6,336	3,593	3,932	4,442	2,801	2,610	2,632	3,259	3,607	3,065
Total Local Sources	106,783	130,385	143,001	148,966	130,185	130,451	126,986	118,693	115,769	113,857
Total Revenues	\$ 151,122	\$ 172,038	\$ 199,853	\$ 198,791	\$ 184,904	\$ 179,469	\$ 186,376	\$ 168,165	\$ 171,007	\$ 176,408

Source: District Records

Table 5

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Expenditures:										
Current:										
Instruction	\$ 67,784	\$ 73,938	\$ 82,218	\$ 89,240	\$ 90,317	\$ 90,005	\$ 89,556	\$ 84,976	\$ 84,134	\$ 90,852
Student Personnel Services	3,917	4,298	5,089	5,179	5,124	4,971	4,447	4,238	4,149	4,469
Instructional Media Services	1,875	2,012	2,065	2,060	2,173	2,238	1,991	1,841	1,851	1,951
Instruction and Curriculum										
Development Services	5,916	6,203	6,202	6,664	5,852	5,186	4,627	4,183	4,716	5,022
Instructional Staff Training Services	724	1,086	1,197	1,161	955	2,115	2,040	1,958	1,821	2,274
Instruction Related Technology (a)	-	429	591	934	832	949	921	1,246	830	1,176
School Board	1,081	1,371	1,060	1,040	1,013	1,078	954	763	724	866
General Administration	739	806	826	686	816	729	795	717	944	806
School Administration	6,261	6,918	8,851	9,275	9,060	8,270	7,868	7,185	7,835	7,809
Facilities Services-Non-Capitalized	5,345	6,831	12,222	13,372	10,530	11,732	13,677	5,360	6,207	3,712
Fiscal Services	1,017	1,061	1,307	1,218	1,141	1,147	1,318	1,097	1,427	1,181
Food Service	6,933	7,700	7,896	8,158	8,056	7,859	7,446	8,440	7,915	7,796
Central Services	4,068	2,445	2,571	2,519	2,080	2,085	2,024	1,942	2,005	2,253
Student Transportation Services	3,652	4,137	5,175	6,060	5,468	5,208	4,958	5,048	5,011	5,202
Operation of Plant	10,759	12,225	14,030	14,726	12,721	11,175	10,766	11,953	12,217	12,217
Maintenance of Plant	4,908	3,702	3,827	3,428	3,323	-	299	2,800	3,006	2,932
Administrative Technology Services (a)	-	1,639	1,908	2,318	2,473	2,237	2,506	1,845	2,137	3,359
Community Services	2,025	962	1,012	1,006	46	278	277	248	233	245
Capital Outlay:										
Facilities Acquisition and Construction	20,687	48,896	25,642	42,802	43,701	14,720	20,710	28,062	10,570	17,988
Other Capital Outlay	2,855	3,617	3,750	2,990	5,400	4,106	1,034	2,166	2,170	3,035
Debt Service:										
Principal	4,469	13,912	6,947	8,089	8,475	9,128	9,429	9,898	10,338	5,712
Interest and Fiscal Charges	1,689	5,028	5,085	7,273	7,100	6,882	7,376	7,387	6,976	6,344
Total Expenditures	156,704	209,216	199,471	230,198	226,656	192,098	195,019	193,353	177,216	187,201
Excess of Revenues over (under)										
Expenditures	(5,582)	(37,178)	382	(31,407)	(41,752)	(12,629)	(8,643)	(25,188)	(6,209)	(10,793)
Other Financing Sources (Uses)										
Transfers In	2,967	13,451	9,403	14,692	16,303	13,375	10,846	15,649	12,795	16,490
Transfers Out	(2,967)	(13,451)	(9,403)	(14,692)	(16,303)	(13,375)	(10,846)	(15,649)	(12,795)	(16,490)
Sale of Capital Assets	18	44	24	13	99	57	88	68	291	1,063
Loss Recoveries	12,123	6,814	538	1,134	16	3	43	175	492	250
Bonds Payable	16,405	-	-	1,210	-	-	160	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	3,603
Certificates of Participation	-	80,050	-	45,020	-	-	26,261	-	-	-
Premiums on Issuance of Long-Term Debt	240	912	-	552	-	-	14	-	-	555
Payment to Refunding Bonds Escrow Agent	-	-	-	-	-	-	-	-	-	-
Capital Lease Inception	-	-	-	-	1,766	-	-	-	-	-
Total Other Financing Sources (Uses)	28,786	87,820	562	47,929	1,881	60	26,566	243	783	5,471
Net Change in Fund Balances	\$ 23,204	\$ 50,642	\$ 944	\$ 16,522	\$ (39,871)	\$ (12,569)	\$ 17,923	\$ (24,945)	\$ (5,426)	\$ (5,322)
Debt Service as a percentage of non-capital expenditures	4.62%	12.09%	7.07%	8.33%	8.77%	9.24%	9.70%	10.60%	10.53%	7.25%

(a) In fiscal year ending June 30, 2006, two new function / expense classifications were established to report technology expenses previously reported in central services.

Source: District Records

Table 6

The School Board of Indian River County, Florida
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (amounts expressed in thousands)
 (Unaudited)

Fiscal Year	Real Property Just Value	Personal Property Just Value	Total Just Value (1)	Total Taxable Value	Percent of Total Taxable Value To Total Just Value	Total Direct Rate
2013-14	\$ 16,819,746	\$ 697,295	\$ 17,530,475	\$ 13,688,603	78.1%	8.116
2012-13	16,551,936	635,119	17,199,280	13,492,590	78.4%	8.313
2011-12	17,279,268	644,206	17,937,953	14,009,273	78.1%	8.244
2010-11	17,312,036	652,541	17,979,056	14,990,362	83.4%	8.250
2009-10	21,257,277	761,011	22,033,451	16,698,857	75.8%	7.596
2008-09	24,122,081	739,468	24,881,556	18,328,612	73.7%	7.040
2007-08	25,141,885	782,529	25,938,182	18,620,780	71.8%	7.538
2006-07	25,447,211	755,187	26,214,228	17,885,105	68.2%	7.443
2005-06	19,253,495	712,012	19,977,046	14,279,413	71.5%	8.240
2004-05	15,705,282	699,716	16,416,179	12,222,586	74.5%	8.499

(1) Includes Centrally Assessed Property

Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book, 2005-2014

Table 7

The School Board of Indian River County, Florida
 Property Tax Rates
 Direct and Overlapping Governments
 Last Ten Fiscal Years
 (per \$1,000 Assessed Valuation)
 (Unaudited)

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
District School Board:				
Local Required Effort	5.4360	5.2440	4.5510	4.6570
Discretionary Local	0.5100	0.5100	0.5100	0.5100
Supplemental Discretionary	0.0730	0.1260	0.1020	0.1010
Critical Operating Needs	0.0000	0.0000	0.0000	0.0000
Debt Service	0.4800	0.3600	0.2800	0.2700
Capital Improvement	2.0000	2.0000	2.0000	2.0000
Total District School Board	8.4990	8.2400	7.4430	7.5380
Other County-Wide:				
Board of County Commissioners	5.1563	4.9173	4.3250	4.1037
St. John River Water Management	0.4620	0.4620	0.4620	0.4158
Total County-Wide	14.1173	13.6193	12.2300	12.0575
Municipalities:				
Fellsmere	5.7500	5.7500	5.7500	4.4301
Indian River Shores	1.4730	1.4730	1.4730	1.3923
Sebastian	4.5904	3.9325	3.0519	2.9917
Orchid	0.7508	0.6900	0.4525	0.4494
Vero Beach	2.1425	2.2925	2.1425	1.9367

Source: Indian River County Tax Collector

Table 7

Fiscal Year					
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
4.4100	5.0480	5.4220	5.3960	5.4250	5.2680
0.4980	0.7480	0.7480	0.7480	0.7480	0.7480
0.1020	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.2500	0.2500	0.2500	0.6000
0.2800	0.3000	0.3300	0.3500	0.3900	0.0000
1.7500	1.5000	1.5000	1.5000	1.5000	1.5000
7.0400	7.5960	8.2500	8.2440	8.3130	8.1160
4.1493	4.1666	4.1625	4.1625	4.1625	5.2419
0.4158	0.4158	0.4158	0.3313	0.3313	0.3164
11.6051	12.1784	12.8283	12.7378	12.8068	13.6743
4.4300	4.4300	4.4300	5.2455	5.4999	5.6190
1.3923	1.3923	1.4105	1.4731	1.4731	1.4731
3.3456	3.3456	3.3041	3.3041	3.7166	3.7166
0.4550	0.4550	0.4550	0.4550	0.5000	0.4864
1.9367	1.9367	1.9367	2.0336	2.0336	2.0336

Table 8

The School Board of Indian River County, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Type of Business	Rank	Fiscal Year	
			2013-2014	
			Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	Electrical Utility	1	\$ 104,169,885	0.76%
Disney Vacation Dev., Inc.	Resort	2	70,980,390	0.52%
Windsor Properties	Land Development	3	37,435,960	0.27%
Bellsouth Telecommunications, Inc.	Telephone Utility	4	36,274,996	0.27%
Adult Community Services, Inc.	Retirement Community	5	32,546,340	0.24%
Beachlen II LLC	Land Development	6	31,610,580	0.23%
John's Island Club, Inc.	Land Development	7	30,565,160	0.22%
IR Mall Associates, LTD	Retail	8	28,501,910	0.21%
Fellsmere Joint Venture	Land Development	9	26,024,499	0.19%
Health Care REIT, Inc.	Healthcare	10	24,434,920	0.18%
Total			\$ 422,544,640	3.09%
Total County Taxable Valuation			\$ 13,688,603,000	
Taxpayer	Type of Business	Rank	Fiscal Year	
			2004-2005	
			Taxable Assessed Value	Percentage of Total Assessed Value
Disney Vacation Dev., Inc.	Resort	1	\$ 86,931,558	0.71%
Florida Power & Light	Electric Utility	2	83,146,300	0.68%
Bellsouth Telecommunications, Inc.	Telephone Utility	3	60,663,012	0.50%
IR Mall Associates LTD	Retail	4	56,938,710	0.47%
John's Island Club, Inc.	Club & Golf Course	5	40,002,227	0.33%
Windsor Properties	Land Development	6	39,820,277	0.33%
Adult Community Total Services	Retirement Community	7	32,836,850	0.27%
New Piper Aircraft, Inc.	Aircraft Manufacturer	8	30,705,574	0.25%
Wal-Mart Stores, Inc.	Retail	9	28,541,120	0.23%
Fellsmere Joint Venture	Land Development	10	25,388,284	0.21%
Total			\$ 484,973,912	3.97%
Total County Taxable Valuation			\$ 12,222,586,000	

Source: Indian River County Property Appraiser

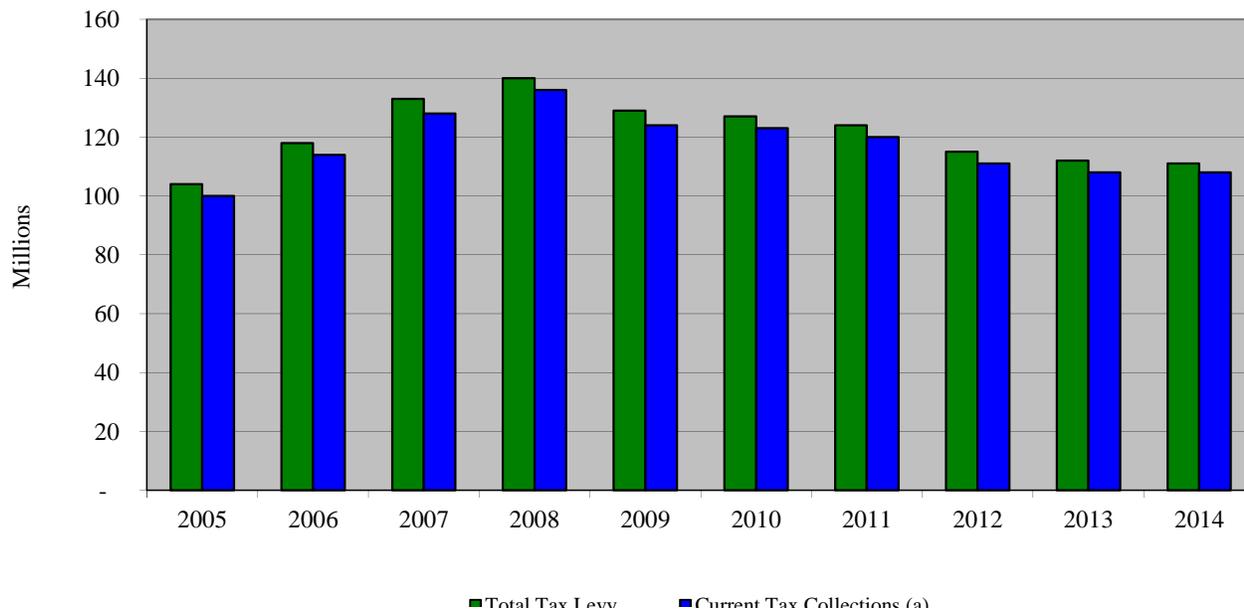
The School Board of Indian River County, Florida
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections (a)	Percent of Levy		Amount	Percent of Levy
2013-14	\$111,086,921	\$107,716,313	96.97%	\$ -	\$107,716,313	96.97%
2012-13	112,162,883	108,355,535	96.61%	130,937	108,486,472	96.72%
2011-12	115,490,776	111,658,599	96.68%	129,465	111,788,064	96.79%
2010-11	123,732,637	119,596,795	96.66%	147,355	119,744,150	96.78%
2009-10	126,867,058	122,523,901	96.58%	354,944	122,878,845	96.86%
2008-09	129,610,986	124,807,833	96.29%	344,273	125,152,106	96.56%
2007-08	140,360,409	135,787,419	96.74%	123,000	135,910,419	96.83%
2006-07	133,125,836	127,641,674	95.88%	12,803	127,654,477	95.89%
2005-06	117,644,386	113,740,009	96.68%	11,332	113,751,341	96.69%
2004-05	103,890,424	100,330,948	96.57%	115	100,331,063	96.57%

(a) Net of allowable discounts

Source: Indian River County Tax Collector and District Records

Property Tax Levies and Collections



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

Fiscal Year	Governmental Activities ⁽¹⁾					Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	State Board of Education Bonds	Certificates Of Participation ⁽²⁾	Capital Leases	Total Primary Government		
2013-14	\$ -	\$ 9,573,011	\$ 117,552,599	\$ -	\$ 127,125,610	1.694%	895
2012-13	-	5,760,000	122,688,585	301,547	128,750,132	1.807%	921
2011-12	4,750,000	6,090,000	127,629,571	689,849	139,159,420	1.791%	1,008
2010-11	9,270,000	6,405,000	132,390,557	1,062,988	149,128,545	3.273%	1,080
2009-10	13,520,000	6,545,000	110,720,543	1,421,555	132,207,098	1.914%	978
2008-09	17,580,000	6,825,000	115,151,530	1,849,599	141,406,129	1.858%	1,000
2007-08	21,505,000	7,090,000	119,427,516	163,043	148,185,559	1.932%	1,046
2006-07	25,310,000	6,090,000	77,970,996	237,974	109,608,970	1.403%	784
2005-06	28,985,000	6,370,000	80,916,607	329,818	116,601,425	1.665%	862
2004-05	32,520,000	6,555,000	-	522,253	39,597,253	0.673%	304

Note: The primary government does not have any outstanding debt for business-type activities.

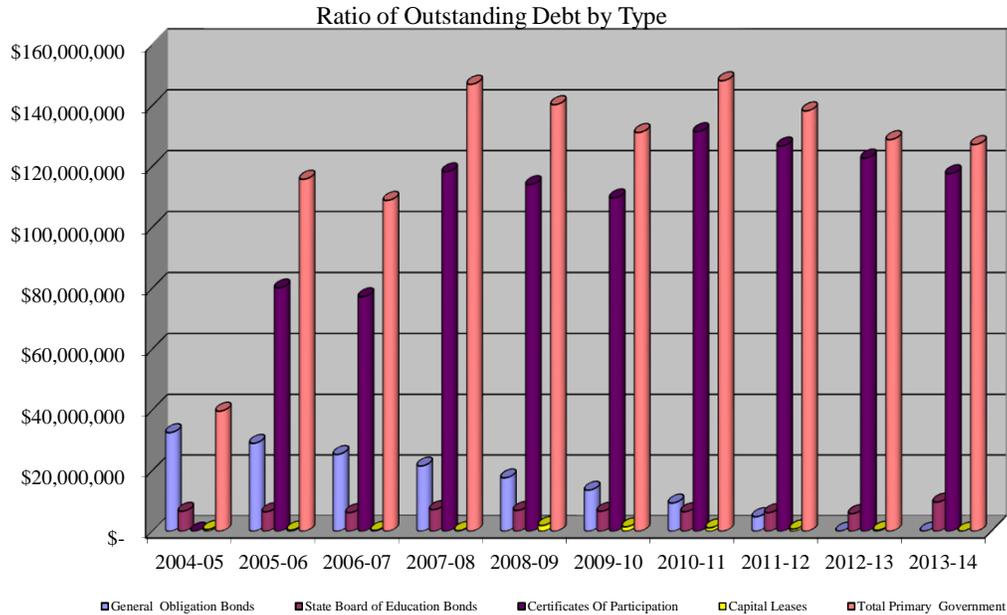
⁽¹⁾ Source: District Records

(a) "Total Primary Government Debt" divided by "Personal Income" from Table 15.

(b) "Total Primary Government Debt" divided by "Population" from Table 15.

⁽²⁾ Source: District Records

Restatement of Certificate of Participation balances to include premiums and discounts



The School Board of Indian River County, Florida
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population (a)	Net Taxable Assessed Value (b)	Gross Bonded Debt (c)	Less Debt Service Funds (d)	Net Bonded Debt	Percentage of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013-14	141,994	\$ 16,819,746	\$ -	\$ -	\$ -	0.000%	\$ -
2012-13	139,760	16,551,936	-	-	-	0.000%	-
2011-12	138,028	17,279,268	4,750,000	419,786	4,330,214	0.025%	31
2010-11	138,028	17,312,036	9,270,000	776,002	8,493,998	0.049%	62
2009-10	135,167	21,257,277	13,520,000	964,606	12,555,394	0.059%	93
2008-09	141,475	24,122,081	17,580,000	1,081,591	16,498,409	0.068%	117
2007-08	141,667	25,141,885	21,505,000	1,093,205	20,411,795	0.081%	144
2006-07	139,757	25,447,211	25,310,000	1,159,579	24,150,421	0.095%	173
2005-06	135,262	19,253,495	28,985,000	1,190,421	27,794,579	0.144%	205
2004-05	130,043	15,705,282	32,520,000	1,096,356	31,423,644	0.200%	242

(a) Source: Population was obtained from the United States Department of Commerce, Bureau of Economic Analysis, the University of Florida, Bureau of Economic and Business Research, Indian River Chamber of Commerce & the US Census Bureau

(b) Net Taxable Assessed Values are expressed in thousands.

(c) Includes General Obligation Bonds only.

(d) Restricted for Debt Service - General Obligation Bonds only.

The School Board of Indian River County, Florida
Direct and Overlapping Governmental Activities Debt
June 30, 2014
(Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt ⁽³⁾⁽⁴⁾	
			Percentage Applicable to This Governmental Unit	Amount Applicable to This Governmental Unit	Percentage Applicable to Indian River County	Amount Applicable to Indian River County
Indian River County Board of County Commissioners ⁽¹⁾						
Series 2001-Revenue Bonds	\$ 8,145,000	\$ -	0%	\$ -	100%	\$ 8,145,000
Series 2006-Limited GO Bonds	29,987,489	-	0%	-	100%	29,987,489
Subtotal, Overlapping Debt	<u>\$ 38,132,489</u>					<u>\$ 38,132,489</u>
School Board of Indian River County ⁽²⁾						
Series 2005A State School Bonds	-	\$ 4,305,000	100%	\$ 4,305,000	100%	\$ 4,305,000
Series 2008A State School Bonds	-	970,000	100%	970,000	100%	970,000
Series 2010A State School Bonds	-	140,000	100%	140,000	100%	140,000
Series 2014A State School Bonds	-	4,158,011	100%	4,158,011	100%	4,158,011
2005 Certificates of Participation	(a) -	54,236,720	100%	54,236,720	100%	54,236,720
2007 Certificates of Participation	(a) -	37,054,879	100%	37,054,879	100%	37,054,879
2010 Certificates of Participation	(a)/(b) -	26,261,000	100%	26,261,000	100%	26,261,000
Indian River School Board Direct Debt	-	127,125,610		127,125,610		127,125,610
Total Direct and Overlapping Debt	<u>\$ 38,132,489</u>	<u>\$ 127,125,610</u>		<u>\$ 127,125,610</u>		<u>\$ 165,258,099</u>
Total Direct Debt of the School Board				<u>\$ 127,125,610</u>		
Total Direct and Overlapping Debt						<u>\$ 165,258,099</u>

(1) Source: Indian River County, Florida Comprehensive Annual Financial Report dated September 30, 2013.

(2) Source: District Records

(a) Payments appropriated annually by millage allowed under Florida Statutes, Section 1011.71, for facilities.

(b) Qualified School Construction Bond- \$4,376,833 available in sinking fund for repayment of outstanding debt.

(3) Overlapping debt is borne by all property owners within the County boundaries.

(4) Because the County and the School District coincide, the percentage of the overlap is 100%.

Table 13

The School Board of Indian River County, Florida
Ratios of Annual Debt Service Expenditures
For General Obligation Bonded Debt
To Total Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service (c)	Total General Governmental Non-Capital Expenditures (a) (b)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2013-14	\$ -	\$ -	\$ -	\$ -	0.000
2012-13	4,750,000	261,250	5,011,250	164,476	0.030
2011-12	4,520,000	487,250	5,007,250	163,125	0.031
2010-11	4,250,000	643,948	4,893,948	173,275	0.028
2009-10	4,060,000	821,223	4,881,223	173,272	0.028
2008-09	3,925,000	952,898	4,877,898	177,555	0.027
2007-08	3,805,000	1,072,560	4,877,560	184,406	0.026
2006-07	3,675,000	1,187,810	4,862,810	157,857	0.031
2005-06	3,535,000	1,328,560	4,863,560	149,872	0.032
2004-05	4,295,000	1,465,185	5,760,185	127,817	0.045

(a) Includes general, special revenue, debt service, and capital projects funds of the primary government, excluding capital expenditures.

(b) Amounts expressed in thousands.

(c) General obligation bonds were paid off during the 2012-13 fiscal year.

Source: District Records

The School Board of Indian River County, Florida
 Anticipated Capital Outlay Millage Levy
 Required to Cover Certificates of Participation Payments
 Last Nine Fiscal Years
 (Unaudited)

Fiscal Year	Tax Year	Taxable Assessed Valuation (5)	Principal Payments (2)(3)	Interest Payments (4)	Total Annual Lease 2013-2014	Millage Levy to Provide 1.00x Coverage (1)
2013-14	2013	\$ 13,688,603,000	\$ 6,523,944	\$ 4,602,166	\$ 11,126,110	.847 mills
2012-13	2012	13,492,590,000	6,328,944	4,755,046	11,083,990	.856 mills
2011-12	2011	14,009,273,000	6,148,944	4,869,490	11,018,434	.819 mills
2010-11	2010	14,990,362,000	4,520,000	5,024,572	9,544,572	.663 mills
2009-10	2009	16,698,857,000	4,360,000	5,169,738	9,529,738	.601 mills
2008-09	2008	18,328,612,000	4,205,000	5,322,413	9,527,413	.547 mills
2007-08	2007	18,620,780,000	4,000,000	5,167,744	9,167,744	.518 mills
2006-07	2006	17,885,105,000	2,900,000	3,494,286	6,394,286	.376 mills
2005-06	2005	14,279,413,000	-	2,135,397	2,135,397	.157 mills

(1) Millage rate calculated using 95% of the taxable assessed valuation; 96% beginning in fiscal year 2010-11.

(2) The District first issued COPs in November 2005, with the first payment due during the 2006-07 fiscal year.

(3) Includes \$1,458,944 payment to the Qualified School Construction Bond sinking fund for repayment of outstanding debt.

(4) Interest amounts are net of Qualified School Construction Bond Federal interest subsidy.

(5) See Assessed and Estimated Actual Value of Taxable Property Table 6.

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records

Table 15

The School Board of Indian River County, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)(5)	Personal Income (1)(2)(4)	Per Capita Personal Income (1)(2)(5)	Median Age (1)(5)	Unemployment Rate (3)(5)
2013-14	141,994	7,505,093 *	52,855	49.1	7.1%
2012-13	139,760	7,124,545 *	50,977	48.6	9.7%
2011-12	138,028	7,771,390 *	56,303	49.1	12.5%
2010-11	138,028	4,556,856 *	33,014	49.4	13.7%
2009-10	135,167	6,908,274	49,963	n/a	14.4%
2008-09	141,475	7,610,327	56,303	48.9	13.0%
2007-08	141,667	7,669,062	57,107	48.4	8.0%
2006-07	139,757	7,810,408	59,419	n/a	5.8%
2005-06	135,262	7,002,160	51,767	48.1	4.3%
2004-05	130,043	5,886,319	45,264	47.6	4.9%

Sources:

(1) University of Florida, Bureau of Economic and Business Research, Indian River Chamber of Commerce, US Census Bureau

(2) US Department of Commerce, Bureau of Economic Analysis, University of Florida

(3) Florida Agency for Workforce Innovation

(4) Amounts Expressed in Thousands

(5) Indian River County Chamber of Commerce

(6) District Records

'n/a' = not available.

* District calculated total income from available per capita income and population

Table 15

Education Level (5)			School Enrollment (6)	Government-Wide Governmental Activities Expenses (4)	Cost per Student
High School	Bachelors	Graduate			
80.1%	26.5%	9.6%	17,614	178,227	10,118
86.3%	26.7%	9.8%	17,790	172,872	9,717
n/a	n/a	n/a	17,722	171,087	9,654
n/a	n/a	n/a	17,561	177,523	10,109
87.6%	26.5%	9.6%	17,516	183,623	10,483
86.4%	26.5%	9.6%	17,398	187,735	10,791
86.7%	26.7%	9.6%	17,481	189,830	10,859
n/a	n/a	n/a	17,365	174,773	10,065
82.1%	23.1%	7.9%	16,942	148,732	8,779
81.6%	23.1%	7.9%	16,712	137,113	8,204

Table 16

The School Board of Indian River County, Florida
Principal Employers
Vero Beach - Sebastian - Fellsmere Metropolitan Statistical Area (MSA)
Current Year and Nine Years Ago
(Unaudited)

Employer	Fiscal Year		
	2013-2014		
	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	2,100	1	3.32%
Indian River Medical Center	1,608	2	2.54%
Indian River County	1,354	3	2.14%
Publix Supermarkets	1,092	4	1.73%
The New Piper Aircraft ^(b)	800	5	1.27%
Wal-Mart	701	6	1.11%
Sebastian River Medical Center	576	7	0.91%
John's Island	550	8	0.87%
City of Vero Beach	460	9	0.73%
Visiting Nurse Association	401	10	0.63%
	9,642		11.93%
Total MSA Workforce	63,239		
Employer	Fiscal Year		
	2004-2005		
	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	2,149	1	3.86%
Indian River County	1,445	2	2.59%
Indian River Memorial Hospital (a)	1,373	3	2.46%
Publix Supermarkets	931	4	1.67%
The New Piper Aircraft ^(b)	688	5	1.23%
Hale Indian River Groves	650	6	1.17%
City of Vero Beach	600	7	1.08%
Sebastian River Medical Center	525	8	0.94%
Wal-Mart	505	9	0.91%
John's Island	500	10	0.90%
	9,366		16.80%
Total MSA Workforce	55,734		

Source: Indian River County Chamber of Commerce, Florida Research and Economic Database

^(a) Corporation doing business as Indian River Medical Center since 2006

^(b) Corporation underwent a name change in 2007 and was renamed Piper Aircraft, Inc.

The School Board of Indian River County, Florida
 School Building Information & Full-Time Equivalent Enrollment Data
 Last Ten Fiscal Years
 (Unaudited)

	Placed in Service (1)	Square Footage (2)	Portables	Capacity	Full-Time Equivalent Enrollment Data		
					2004-05	2005-06	2006-07
Elementary Schools							
Beachland Elementary	1957	94,544	4	635	521	522	540
Citrus Elementary	1967	74,775	12	757	589	585	560
Dodgertown Elementary	1967	117,305	11	793	636	705	654
Fellsmere Elementary	1982	105,345	14	744	530	631	568
Glendale Elementary	1987	71,769	5	743	579	662	652
Highlands Elementary	1987	65,867	-	668	492	462	535
Liberty Magnet Elementary	2002 ^(a)	105,793	-	678	532	537	542
Osceola Magnet Elementary ^(c)	1958	-	-	619	538	543	546
Pelican Island Elementary	1981	69,628	5	681	693	696	453
Rosewood Magnet Elementary	1957	84,042	-	561	561	551	548
Sebastian Elementary	1984	85,825	-	695	659	687	639
J.A. Thompson Elementary/Osceola ^(b)	1982	82,617	-	557	388	413	422
Treasure Coast Elementary	2006 ^(a)	107,652	13	801	-	-	673
Vero Beach Elementary	1971	110,460	-	667	542	584	556
Total Elementary				9,599	7,260	7,578	7,888
Middle Schools							
Gifford Middle	1951	135,033	-	1,471	1,278	1,263	1,298
Oslo Middle	1994	152,045	-	1,269	1,237	1,147	1,140
Sebastian River Middle	1977	164,320	7	1,723	1,267	1,318	1,367
Storm Grove	2009	167,794	-	1,281	-	-	-
Total Middle Schools				5,744	3,782	3,728	3,805

Source: District Records

^(a) Liberty Magnet Elementary School was constructed and placed in service on August 8, 2002. Subsequently a new school was constructed and placed in service on August 16, 2006 and the former school was renamed to Treasure Coast Elementary School and placed in service on August 16, 2006.

^(b) Thompson Elementary was closed as of June 30, 2010. The building was repurposed and renamed Thompson Lifelong Learning Center, effective July 1, 2010. The Thompson building was repurposed to Osceola Magnet, effective July 2013.

^(c) Osceola Magnet Elementary relocated to the Thompson Elementary site effective July 2013, and the old Osceola Magnet was demolished.

^(d) The Department of Education instituted "Recalibrated FTE" in the 2013-14 fiscal year for all school districts.

Table 17

	Full-Time Equivalent Enrollment Data						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14^(d)
Elementary Schools							
Beachland Elementary	561	564	584	575	598	612	588
Citrus Elementary	633	602	577	659	691	675	673
Dodgertown Elementary	584	495	490	488	431	441	433
Fellsmere Elementary	525	563	599	621	667	668	679
Glendale Elementary	600	466	487	562	502	513	491
Highlands Elementary	562	457	429	444	467	465	465
Liberty Magnet Elementary	538	541	534	542	549	549	545
Osceola Magnet Elementary	537	526	535	535	563	-	-
Pelican Island Elementary	491	467	452	428	514	503	482
Rosewood Magnet Elementary	539	526	538	556	553	547	547
Sebastian Elementary	545	554	562	509	516	505	534
J.A. Thompson Elementary/Osceo	436	355	322	35	40	530	533
Treasure Coast Elementary	783	706	622	645	637	636	648
Vero Beach Elementary	506	517	547	576	598	662	693
Total Elementary	<u>7,840</u>	<u>7,339</u>	<u>7,278</u>	<u>7,175</u>	<u>7,326</u>	<u>7,306</u>	<u>7,311</u>
Middle Schools							
Gifford Middle	1,268	1,326	970	1,033	951	884	862
Oslo Middle	1,142	1,076	961	921	899	915	909
Sebastian River Middle	1,393	1,415	969	992	963	919	847
Storm Grove Middle	-	-	883	819	815	876	918
Total Middle Schools	<u>3,803</u>	<u>3,817</u>	<u>3,783</u>	<u>3,765</u>	<u>3,628</u>	<u>3,594</u>	<u>3,536</u>

Source: District Records

(Continued)

Table 17

The School Board of Indian River County, Florida
 School Building Information & Full-Time Equivalent Enrollment Data
 Last Ten Fiscal Years
 (Unaudited)

	Place in Service (1)	Square Footage (2)	Portables	Capacity	Full-Time Equivalent Enrollment Data		
					2004-05	2005-06	2006-07
High Schools							
Sebastian River High School	1993	344,334	3	2,275	1,826	1,848	1,925
Vero Beach Senior High School	1964	497,710	-	3,032	2,741	2,644	2,637
Total High Schools				5,307	4,567	4,492	4,562
Specialty Schools							
Adult Education	1951	9,074	-	-	-	-	-
Alternative Education	2005	44,430	1	328	110	119	116
Exceptional Student Education	n/a	n/a	-	-	-	22	-
Teen Parent	n/a	n/a	-	-	23	18	17
Wabasso	1925	36,875	-	55	63	62	62
Florida Virtual				-	-	-	-
Total Specialty Schools				383	196	221	195
Charter Schools							
Imagine School at South Vero, LLC	n/a	n/a	n/a	-	-	-	-
Indian River Academy	n/a	n/a	n/a	-	49	11	-
Indian River Charter High School, Inc.	n/a	n/a	n/a	-	544	585	576
North County Charter High School, Inc.	n/a	n/a	n/a	-	103	103	102
Sebastian Charter Junior High, Inc.	n/a	n/a	n/a	-	109	127	131
St. Peters Academy, Inc.	n/a	n/a	n/a	-	102	97	106
Total Charter Schools				-	907	923	915
Departments							
Administrative Building	1989	26,755	-	-	-	-	-
Support Service Complex	2012	68,478	-	-	-	-	-
Transportation	1951	22,304	-	-	-	-	-
Total Other Sites				-	-	-	-
Total District				21,033	16,712	16,942	17,365

(1) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.

(2) Square footage is current, but does not include portables.

(3) The Department of Education instituted "Recalibrated FTE" in the 2013-14 fiscal year for all school districts.

Source: District Records

Table 17

	Full-Time Equivalent Enrollment Data						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (3)
High Schools							
Sebastian River High School	2,014	1,939	1,933	1,882	1,850	1,863	1,809
Vero Beach Senior High School	2,652	2,632	2,646	2,678	2,753	2,767	2,653
Total High Schools	<u>4,666</u>	<u>4,571</u>	<u>4,579</u>	<u>4,560</u>	<u>4,603</u>	<u>4,630</u>	<u>4,462</u>
Specialty Schools							
Adult Education							
Alternative Education	150	155	127	96	64	52	49
Exceptional Student Education	-	24	48	49	58	60	61
Teen Parent	17	42	19	25	25	13	14
Wabasso	55	56	55	48	45	46	46
Florida Virtual	-	-	15	14	20	40	44
Total Specialty Schools	<u>222</u>	<u>277</u>	<u>264</u>	<u>232</u>	<u>212</u>	<u>211</u>	<u>214</u>
Charter Schools							
Imagine School at South Vero, LLC	-	434	577	742	813	854	895
Indian River Academy	-	-	-	-	-	-	-
Indian River Charter High School	620	621	635	634	624	653	617
North County Charter School	100	94	135	149	201	225	256
Sebastian Charter Junior High	131	132	141	156	176	185	202
St Peter's Academy	99	113	124	148	139	132	121
Total Charter Schools	<u>950</u>	<u>1,394</u>	<u>1,612</u>	<u>1,829</u>	<u>1,953</u>	<u>2,049</u>	<u>2,091</u>
Departments							
Administrative Building	-	-	-	-	-	-	-
Support Service Complex	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total Other Sites	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District	<u>17,481</u>	<u>17,398</u>	<u>17,516</u>	<u>17,561</u>	<u>17,722</u>	<u>17,790</u>	<u>17,614</u>

Source: District Records

Table 18

The School Board of Indian River County, Florida
 Number of Personnel
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	(a) Instructional	(b) Administrative	(c) Support Services	(d) Total	(e) Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
2013-14	1,106	73	921	2,100	15.93	15.15
2012-13	1,098	71	874	2,043	16.20	15.46
2011-12	1,074	66	845	1,985	16.50	16.27
2010-11	1,092	65	838	1,995	16.08	16.80
2009-10	1,094	77	871	2,042	16.01	14.21
2008-09	1,086	82	897	2,065	16.02	13.24
2007-08	1,112	86	976	2,174	15.72	12.93
2006-07	1,072	98	958	2,128	16.20	10.94
2005-06	1,027	74	894	1,995	16.50	13.88
2004-05	1,154	65	930	2,149	14.48	17.75

(a) Includes all positions on an Instructional Salary Schedule.

(b) Includes all positions on an Administrative Salary Schedule.

(c) Includes all positions on a Professional Support Staff, Confidential / Managerial, and Professional / Technical Salary Schedule.

(d) Includes all full and part-time positions

(e) Student enrollment information is located on Table 15.

Source: District Records

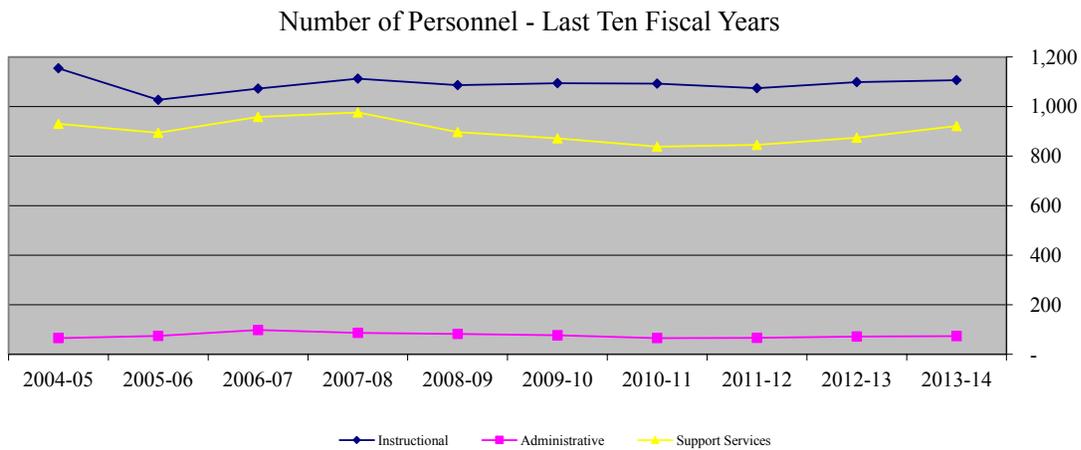


Table 19

The School Board of Indian River County, Florida
 Teacher Base Salaries
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	Indian River Average Salary ⁽²⁾	Statewide Average Salary ⁽²⁾
2013-14	\$ 38,000	\$ 65,074	N/A	N/A
2012-13	35,500	61,974	44,824	46,583
2011-12	35,500	61,974	45,653	46,479
2010-11	35,500	61,974	45,449	45,110
2009-10	35,500	61,009	46,356	46,696
2008-09	35,500	61,009	45,030	46,938
2007-08	35,500	61,009	43,427	46,922
2006-07	34,240	59,258	43,162	45,296
2005-06	32,000	56,109	40,756	42,702
2004-05	31,150	54,107	39,518	41,578

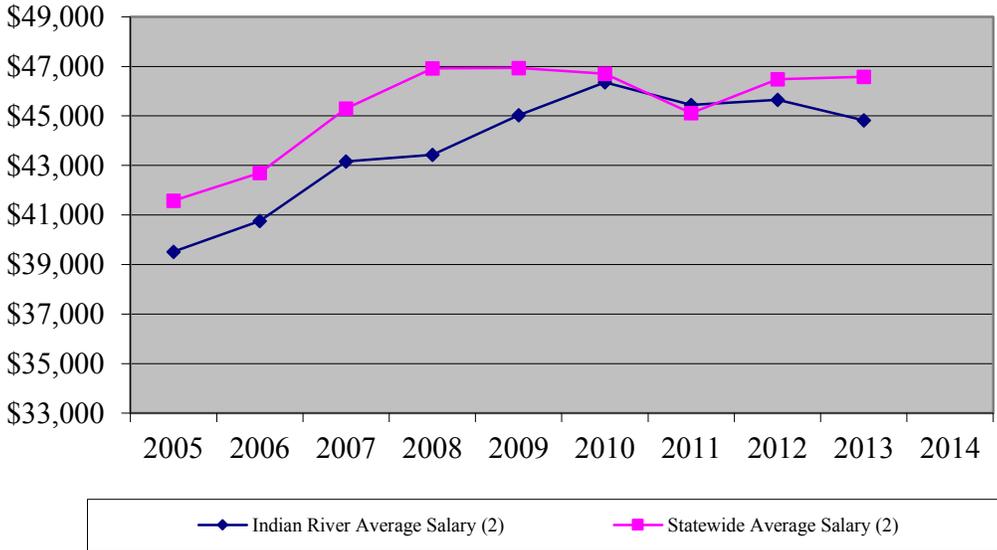
10 Month Teachers

Sources:

⁽¹⁾ District Records

⁽²⁾ Florida Department of Education Bureau of Education Information & Accountability Services. The 2013-14 fiscal year information is not yet available
 N/A = not available

Average Teacher Salary



The School Board of Indian River County, Florida
 Food Service Operating Data
 Last Ten Fiscal Years
 (Unaudited)

	Fiscal Year Ending			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Days Meals were Served	175	180	180	180
	(a)			
Average Number of Free and Reduced Meals Served Daily	11,870	11,409	8,623	9,326
Number of Free and Reduced Meals Served	2,077,311	2,053,627	1,552,215	1,678,680
Average Daily Subsidy Received	\$ 26,134	\$ 25,890	\$ 21,549	\$ 24,126
Total Subsidy Received	\$ 4,573,494	\$ 4,660,210	\$ 3,878,876	\$ 4,342,612
Average Number of Meals Served Daily	16,967	16,947	13,648	13,952
Meals Served Daily				
Number of Meals Served	2,969,156	3,050,457	2,456,569	2,511,415
Percentage of Free and Reduced Meals Served to Total Meals Served	70%	67%	63%	67%
Average Daily Revenues	\$ 40,239	\$ 41,747	\$ 38,914	\$ 42,261
Total Revenues	\$ 7,041,750	\$ 7,514,491	\$ 7,004,535	\$ 7,606,961
Average Daily Costs	\$ 41,485	\$ 42,675	\$ 43,720	\$ 45,112
Total Costs	\$ 7,259,916	\$ 7,681,532	\$ 7,869,558	\$ 8,120,103

Source: District Records

(a) The school year was shortened by five days due to the impact of Hurricane Frances (September 4, 2004) and Hurricane Jeanne (September 26, 2004)

(b) Serving days reduced due to impact of Tropical Storm Fay

Table 20

Fiscal Year Ending					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
179 (b)	180	180	180	180	180
10,005	11,109	11,357	11,579	11,207	11,350
1,790,833	1,999,609	2,044,233	2,084,236	2,017,348	2,042,955
\$ 29,063	\$ 31,635	\$ 32,035	\$ 35,186	\$ 35,319	\$ 35,468
\$ 5,202,288	\$ 5,694,339	\$ 5,766,294	\$ 6,333,543	\$ 6,357,397	\$ 6,384,216
13,630	14,183	14,113	14,463	13,018	13,105
2,439,791	2,552,938	2,540,300	2,603,325	2,343,159	2,358,973
73%	78%	80%	80%	86%	87%
\$ 46,636	\$ 48,997	\$ 47,905	\$ 49,084	\$ 46,987	\$ 45,700
\$ 8,347,783	\$ 8,819,402	\$ 8,622,822	\$ 8,835,068	\$ 8,457,652	\$ 8,226,006
\$ 44,689	\$ 43,476	\$ 41,329	\$ 47,743	\$ 43,769	\$ 43,909
\$ 7,999,364	\$ 7,825,667	\$ 7,439,183	\$ 8,593,734	\$ 7,878,425	\$ 7,903,586



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Federal Reports and Schedules

- Independent Auditor's 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 each Major Federal Program and Report on Internal Control Over Compliance
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings – Federal Awards



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**INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	13002	\$ 1,237,600.06	\$
National School Lunch Program	10.555 (2)	13001, 13003	4,652,778.09	
Summer Food Service Program for Children	10.559	13006	220,149.83	
Total Child Nutrition Cluster			<u>6,110,527.98</u>	<u>-</u>
Florida Department of Education:				
Child and Adult Care Food Program	10.558	302	200,894.40	
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	13004	57,055.96	
Total United States Department of Agriculture			<u>6,368,478.34</u>	<u>-</u>
United States Department of Education:				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027 (3)	262, 263	3,601,569.33	18,120.04
Special Education - Preschool Grants	84.173	267	103,300.53	
St. Lucie County District School Board:				
Special Education - Grants to States	84.027 (3)	None	69,339.00	
University of South Florida:				
Special Education - Grants to States	84.027 (3)	None	1,674.95	
Total Special Education Cluster			<u>3,775,883.81</u>	<u>18,120.04</u>
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	248,689.21	
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	4,611,132.44	66,116.85
Migrant Education-State Grant Program	84.011	217	62,975.07	
Career and Technical Education - Basic Grants to States	84.048	151, 161	177,699.75	
Twenty-First Century Community Learning Centers	84.287	244	278,214.27	
English Language Acquisition State Grants	84.365	102	143,236.18	
Improving Teacher Quality State Grants	84.367	224	743,943.76	
ARRA - State Fiscal Stabilization Fund (SFSF)				
Race-to-the Top Incentive Grants, Recovery Act	84.395	RL 111	363,375.61	
Total United States Department of Education			<u>10,405,150.10</u>	<u>84,236.89</u>
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	152,348.59	
Total Expenditures of Federal Awards			<u>\$ 16,925,977.03</u>	<u>\$ 84,236.89</u>

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance: National School Lunch Program - Includes \$413,447.52 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) Special Education - Grants to States. Expenditures total \$3,672,583.28 for CFDA No.84.027.



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S 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*

Report on the Financial Statements

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Indian River County District School Board, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2014, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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*.

We noted certain matters that we reported to District management in our operational audit report No. 2015-076.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S 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*** 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 District'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 District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
December 12, 2014
Audit Report No. 2015-077



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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111 West Madison Street
Tallahassee, Florida 32399-1450



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FAX: 850-488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Report on Compliance for the Major Federal Program

We have audited the Indian River County District School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2014. The District's major Federal program is identified in the **SUMMARY OF AUDITOR'S 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major Federal program 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 occurred. An audit includes examining, on a test basis, evidence about the District'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 the major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

District management 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on the District's major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 District'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 will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 12, 2014

Audit Report No. 2015-077

**INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
Identification of major program:	
CFDA Numbers: 10.553, 10.555, 10.559	Name of Federal Program or Cluster: Child Nutrition Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$507,779
Auditee qualified as low-risk auditee?	Yes

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no audit findings on Federal programs required to be reported under OMB Circular A-133, Section 510.

*INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014*

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
2007-144 (1)	Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) - Allowable Costs/Cost Principles	The District did not provide expense support for small projects and, as a result, \$509,681 is considered questioned costs. In addition, \$3,112,457 of large projects were obligated by FEMA; however, the District had not requested reimbursement for these costs.	Uncorrected.	The District submitted the large projects to FEMA for reimbursement. The District is in the process of closing out the small projects with the State prior to submission to FEMA. The District expects to receive reimbursement upon FEMA review and approval.



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NONDISCRIMINATION NOTICE

It is the policy of the School Board of Indian River County to offer the opportunity to all **students** to participate in appropriate programs and activities without regard to race, color, gender, religion, national origin, disability, marital status, or age, except as otherwise provided by Federal law or Florida state law

A **student** having a grievance concerning discrimination may contact:

Dr. Frances J. Adams
Superintendent
Indian River County Public
Schools

Mr. Andrew Rynberg
Assistant Superintendent
Curriculum and Instruction

Ms. Jody Bennett
Executive Director Core
Curriculum

Dr. Michael Ferrentino
Executive Director
Exceptional Student
Education/Student Services

School District of Indian River County

1990 25th Street Vero Beach, Florida

32960-3395

(772) 564-3000

It is the policy of the School Board of Indian River County not to discriminate against **employees** or **applicants** for employment on the basis of race, color, religion, sex, national origin, participation and membership in professional or political organizations, marital status, age or disability. Sexual harassment is a form of employee misconduct which undermines the integrity of the employment relationship, and is prohibited. This policy shall apply to recruitment, employment, transfers, compensation, and other terms and conditions of employment.

An **employee** or **applicant** having a grievance concerning employment may contact:

Mrs. Denise Roberts

Executive Director

Division of Human Resources

School District of Indian River County

1990 25th Street

Vero Beach, Florida 32960-3395

(772) 564-3000

This Publication or portions of this publication can be made available to persons with disabilities in a variety of formats, including large print, or audiotape. Telephone or written request should include your name, address, and telephone number. Requests should be made to Mrs. Peggy Poyzell, Executive Assistant to the Superintendent, (772) 564-3150 at least two (2) weeks prior to the time you need the publication.



Beachland Elementary



Citrus Elementary



Dodgertown Elementary



Fellsmere Elementary



Glendale Elementary



Indian River Academy



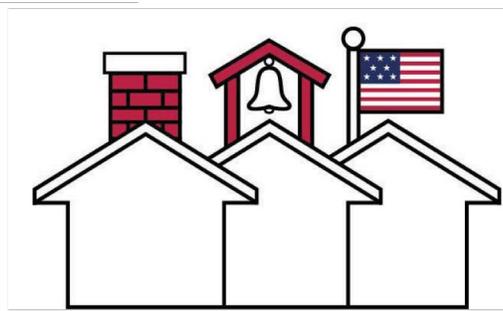
Osceola Magnet



Pelican Island Elementary



Rosewood Elementary



School Board of Indian River County



Sebastian Elementary



Treasure Coast Elementary



Vero Beach Elementary



Gifford Middle School



Oslo Middle School



Sebastian River Middle School



Sebastian River High School



INDIAN RIVER CHARTER HIGH SCHOOL



NORTH COUNTY CHARTER ELEMENTARY SCHOOL



Sebastian CHARTER JUNIOR HIGH



St. Peter's Academy