



**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Annual Financial Report

June 30, 2025

(With Independent Auditors' Report Thereon)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Annual Financial Report

June 30, 2025

Table of Contents

	<u>Pages</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 12
Basic Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16 – 17
Statement of Fiduciary Net Position – Custodial Funds	18
Notes to Basic Financial Statements	19 – 29
Required Supplementary Information Other Than Management's Discussion and Analysis:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	30
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 – 32
Management Letter	33 – 34

## **Independent Auditors' Report**

The Board of Directors  
Indian River Charter High School, Inc.:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2025, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As discussed in Note 1(h) to the financial statements, in 2025, the School adopted the new accounting guidance of *GASB Statement No. 101, Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–12 and 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 School's internal control over financial reporting and compliance.

Jacoby and Handley, PLLC

September 11, 2025

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Management's Discussion and Analysis

This section of the Indian River Charter High School, Inc.'s (the School or IRCHS) annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the School's basic financial statements, which immediately follow this section.

**Highlights**

The composition of the School's financial condition improved as a result of the School's continuing growth, sound management and expansion.

The School's net position increased by \$471,373 or 5.1% from the prior year. In comparison, the prior year experienced a decrease of \$203,174. The change reflected in the past two years is primarily due to additional grant revenue the School was awarded, the steadily increasing local capital dollars which are beginning to be shared equitably by the District as a result of new legislation and increasing nonresident tuition being collected. Student enrollment for the 2024-2025 school year totaled six hundred seventy-four, a slight decrease from the six hundred seventy-eight enrolled during the 2023-2024 school year.

At year end, the School accumulated a surplus of unrestricted net position of \$4,135,918, which was a decrease of \$173,208 for this fiscal year.

IRCHS continues to excel academically, with student performance on standardized tests surpassing state averages. A key driver of this success is the Cambridge Advanced International Certificate of Education (AICE) program, which has shown remarkable results this year.

Our students achieve an impressive 70% overall pass rate on the rigorous AICE exams. We are especially proud of the 98% pass rate in the AICE General Paper course, a foundational class that develops the critical thinking and communication skills essential for college success.

The AICE program offers an international curriculum and examination system that allows students to earn college credits and advanced-level diplomas. IRCHS currently offers 16 Cambridge courses, with over 600 student enrollments, and plans to expand the program further. A significant benefit of the program is its direct pathway to a 100% Florida Bright Futures Scholarship for students who successfully earn the AICE diploma, providing a clear route to funding their college education. The AICE program is a testament to the School's commitment to academic excellence and preparing students for future success.

Indian River Charter High School's Visual and Performing Arts (VAPA) program had a remarkable year, marked by new initiatives, sold-out performances, and significant student achievements.

A key highlight was the launch of the VAPA Congress, a student-led organization with a mission "to foster creativity, collaboration, and artistic expression." Comprised of four student representatives from each arts discipline, the VAPA Congress builds connections between programs and collaborates with teachers to integrate the arts into traditional classroom subjects. The group also organizes VAPA Gives Back, a community service initiative that saw 20 students and 4 staff members travel to the Bahamas to share their artistic talents with Every Child Counts, a school for students with special needs.

The annual VAPA Show, “Steadfast,” was a tremendous success, selling out every performance. The show featured more than 200 performers and visual artists, with an additional 400 students contributing backstage, with campus displays, and with food service. The event also received support from over 20 community partners and sponsors.

This year also marked the debut of the IRCHS Fashion Program with “Fashion for Freedom,” a sold-out show that raised funds for a student from Ukraine to attend the school and study the arts.

Other notable achievements included a Florida Thespian Mainstage Award and a ballet collaboration with a professional dance studio in France. On campus, students staged over 30 productions in music, dance, and theatre, and celebrated Hispanic Heritage Month, Black History Month, and Veterans Day through the arts. The School also expanded its academic offerings with new Cambridge AICE art courses, and more than 60 graduates earned the prestigious Florida Seal of Fine Arts on the diplomas, a new state-level recognition for outstanding achievement in the arts.

IRCHS Theatre had an exceptional year, achieving top honors and expanding its reach both on and off campus. For the ninth time in ten years, the program was selected for a Florida State Thespian Mainstage production, the highest recognition in high school theater. This year, the production of *For Colored Girls Who Have Considered Suicide/When the Rainbow is Enuf* played to sold-out audiences at the 1,042 seat Ferguson Hall at the Straz Center for the Performing Arts.

Our students also excelled at the District Theatre Festival, earning over 160 Superior ratings. Their hard work was recognized with seven Critics’ Choice Awards and two Best in Show awards, an exceptional honor among the 22 schools in the district. Both the performance and technical pieces were selected to represent District 15 at the State Festival, a rare and impressive achievement. At the State Festival, students continued to shine in Individual Events, earning “High Superior” scores with several pieces receiving perfect scores and Judges’ Choice distinctions, placing their work among the very best in Florida.

The department’s talent was also recognized at the Applause Awards, an event celebrating outstanding high school musical theater across Central Florida. IRCHS students received nominations in categories for lead performers, singers, dancers, directors, and technical roles. Additionally, two students were awarded scholarships to support their university studies.

Expanding its influence beyond the stage, theater director Fednike Nozistene was chosen by Educatius for a cultural internship in Kartung, Gambia. She spent two weeks immersed in village life and created an original one-act play inspired by her experience. The play will be submitted to both the One Act Festival and the Florida Theatre Conference next year.

These remarkable achievements are a testament to the talent of the students, the dedication of the staff, and the support of the community. The theater department remains committed to excellence, creativity, and the power of storytelling.

IRCHS Orchestra had a standout year, marked by significant growth, new collaborations, and impressive student achievements.

At the start of the year, the orchestra took on the challenge of professionally-rated chamber music, which significantly raised the level of playing in a short time. This hard work paid off in competitions: a new student quintet and a freshman cellist earned “Superior” ratings at both regional and state solo and ensemble competitions.

A major milestone was the creation of the School’s first Symphony Orchestra during the Winter Classics concert. By including students from the wind, brass, and percussion sections, the ensemble created a richer, more powerful sound.

The orchestra's growth has been remarkable, reaching a record high of nearly 50 students. In addition to their school performances, multiple students have continued to perform with the Vero Beach Chamber Orchestra, gaining valuable experience in the wider community.

IRCHS Jazz had six jazz bands this year, ranging from beginners to the most advanced. The most advanced band, the Wolves, play many events throughout the community, including Kiwanis Club, the Scholarship Foundation, Riverwalk, Music Angels/Doug Flutie Fundraising event, Jazz on the Lawn, Special Olympics, and the Martin Luther King celebration in Gifford Park. In addition to these performances, IRCHS Jazz was invited to the Florida Charter School Conference (FCSC) as the featured band for the welcome reception. The Jazz band continues to produce two large-scale productions each year.

IRCHS Visual and Applied Arts had a number of achievements during the year, including:

- Yearbook – was finished on time and met the deadline with every single senior pictured, with only three students unphotographed in the entire school, which was a new record.
- Yearbook sales – sold out of yearbooks and made the most money in senior ads in school history.
- Creative Content – All designs for every major show were 100% student-led, showcasing incredible creativity and leadership.
- Merch Team – A student-led merch team was introduced this year, and they sold out of every single item produced.

IRCHS Digital Arts program tested a new curriculum to prepare students for the Adobe certification test. As a result, over 15 students passed and have now earned a professional certification. For 2025-26, the four additional certifications in Adobe Photoshop, Illustrator, Premiere Pro, and After Effects, as well as Autodesk Maya are being offered.

IRCHS Film Club, which is an extension of the digital arts program, was invited to participate in the Vero Beach Film Festival, which featured their short movie, *Night of the Living Dead: The Charter Way*.

IRCHS Fashion program was new this year, and showcased student creativity through a variety of original designs. Students created medieval inspired cloaks for the VAPA Show, which were also displayed at *Under the Oaks*, a renowned Vero Beach art festival that draws over 50,000 attendees each year. Students also styled and designed custom jackets and sneakers for the school Art Show, using the four seasons of personal color analysis they studied in class as an inspiration. In addition, they contributed to school traditions by designing custom ties for the graduation ceremony.

The program produced and hosted Fashion For Freedom, a student-led fashion show that raised funds to help an international student continue attending school in the United States. The show featured student designs and styles alongside collections from local Vero Beach boutiques on the runway, contributing to a sold-out show. The partnership with local businesses raised additional funds and built strong relationships with fashion leaders in Vero Beach.

To expand professional opportunities, the program collaborated with the UCF Fashion Society, creating a bridge between IRCHS students and the Orlando fashion community. This partnership provided exposure to fashion at the collegiate level, as well as networking opportunities, and insight into the broader fashion industry post high-school.

Students also applied classroom learning to real-world marketing by launching the official IRCHS Fashion Instagram. This platform has become a space for students to practice branding, content creation, and digital storytelling while promoting program events and student highlights. By the end of the year, the program had grown to over 50 students, reflecting both the enthusiasm of the student body and the strong impact of these early accomplishments.

## Overview of the Financial Statements

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are School-Wide financial statements that provide both short-term and long-term information about the School’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School, reporting the School’s operations in more detail than the School-Wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about activities that are operated like businesses. The School currently has no proprietary funds.
- Fiduciary funds statements provide information about the financial relationships in which the School acts solely as agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School’s budget for the year.

### School-Wide Statements

The School-Wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School-Wide statements report the School’s net position and how they have changed. Net position – the difference between the School’s assets and liabilities – is one way to measure the School’s financial health or position.

- Over time, increases or decreases in the School’s net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the overall health of the School, consideration needs to be given to additional nonfinancial factors such as the grade assessed under the State of Florida’s school grading system and the number of full-time equivalents of students attending the School.

In the School-Wide financial statements, the School’s activities are divided into two categories:

- Governmental activities – The School’s basic services are included here, such as regular and special education, transportation, and administration. Intergovernmental revenues from the Indian River County School Board (initially funded by property taxes) finance most of these activities.
- Business-type activities – These activities charge fees to help cover the costs of services provided. The School currently has no activities that would be classified as business-type.

## Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds, focusing on its most significant or "major" funds – not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.
- The School establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (like Federal grants).

There are three kinds of funds:

- Governmental funds – The School's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the School-Wide statements, we provide additional information with the governmental funds statements that explain the relationship or differences between them.
- Proprietary funds – Services for which a fee is charged are generally reported in proprietary funds. Proprietary funds are reported in the same way as the School-Wide financial statements. The School currently has no funds that would be considered proprietary funds.
- Fiduciary funds – The School is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds and scholarship funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

## **Financial Analysis of the School as a Whole**

Net position of the School's governmental position consisted of the following as of June 30, 2025 and 2024:

	Net Position – <u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 5,051,113	5,218,029
Capital assets, net	<u>12,639,875</u>	<u>12,441,757</u>
Total assets	<u>17,690,988</u>	<u>17,659,786</u>
Current liabilities	1,396,190	1,345,174
Long-term liabilities	<u>6,581,990</u>	<u>7,073,177</u>
Total liabilities	<u>7,978,180</u>	<u>8,418,351</u>
Net position:		
Invested in capital assets	5,566,946	4,897,448
Restricted	9,944	34,861
Unrestricted	<u>4,135,918</u>	<u>4,309,126</u>
Total net position	\$ <u>9,712,808</u>	<u>9,241,435</u>

The School's net position increased by \$471,373, or 5.1%, from the prior year, resulting primarily from increasing revenues outpacing increased expenses for the year, as discussed in the following section.

The School had no business-type position as of June 30, 2025 and 2024. The following schedule compares revenues and expenses during the years ended June 30, 2025 and 2024:

	<u>Change in Net Position – Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Revenues:		
General revenues:		
Intergovernmental	\$ 7,616,286	6,793,520
Other	1,082,640	874,453
Operating grants and contributions	37,480	37,948
Contributions for capital expenditures	10,000	30,000
Total revenues	<u>8,746,406</u>	<u>7,735,921</u>
Expenses:		
Instruction related	4,179,045	3,936,895
School administration	980,825	968,349
Food service	2,544	4,468
Information and technology services	364,531	262,388
Transportation	413	876
Maintenance and operations of facilities and plant	1,206,440	1,322,280
Other	<u>1,541,235</u>	<u>1,443,839</u>
Total expenses	<u>8,275,033</u>	<u>7,939,095</u>
Change in net position	\$ <u>471,373</u>	<u>(203,174)</u>

Total revenues for the year increased by \$1,010,485, or 13.1%, primarily due to increased FTE funding allocations including an increased share of local capital dollars as required by new legislation, additional federal grant funding from the receipt of a \$500,000 Community Oriented Policing Services School Violence Prevention Program (COPS SVPP) grant and increasing nonresident tuition revenues.

Total expenses increased \$335,938 or 4.2%, due substantially to increased salaries as the School continued to allocate additional funding received that is specifically for salary increases, and increased maintenance, interest and depreciation expense related to recent asset additions, as well as increased technology costs.

### **Financial Analysis of the School's Funds**

The School's general fund position increased \$449,183 during the year to \$6,579,390, resulting in an increase in its due from capital fund by \$645,046, as the general fund advanced money to the capital fund to meet its funding shortfall during the year ended June 30, 2025. The net increase in reserves was primarily attributable to general fund revenues outpacing expenses as the School remains mindful of capital fund shortfalls as the School anticipates being able to repay the general fund for its advances to the capital fund in upcoming years as a result of §1013.62 being enacted into law and effective July 1, 2023. This statute changes the amount of capital outlay allocation received by the School. The new process is to divide the state appropriation for charter school capital outlay by the total FTE for all eligible charter schools to determine the base charter school per FTE allocation amount. The base charter school per FTE allocation amount is then multiplied by the FTE of each charter school to determine each charter school's capital outlay allocation. The school district's adjusted discretionary millage revenue is divided by the district's total capital outlay full-time equivalent membership and the total number of full-time equivalent students of each eligible charter school to determine a capital outlay allocation per full-time equivalent student. The capital outlay allocation per full-time equivalent student is multiplied by the total number of full-time equivalent students of each eligible charter school to determine the capital outlay allocation for each charter school. Then the discretionary millage by the state fund is reduced to determine calculated capital outlay.

The amount of capital outlay funds a school district must distribute to charter schools under the above paragraph shall be phased in as follows:

- For fiscal year 2024-2025, 40 percent of the amount calculated.
- For fiscal year 2025-2026, 60 percent of the amount calculated.
- For fiscal year 2026-2027, 80 percent of the amount calculated.
- For fiscal year 2027-2028, and each fiscal year thereafter, 100 percent of the amount calculated.

The School received its second allocation resulting from the legislation during fiscal year 2024-2025, which totaled \$415,430.

The School’s net decrease in the capital projects fund of \$658,374 reflects a \$711,747 increase in revenues, and a \$749,681 increase in expenditures. The increase in revenues relates to the receipt of the COPS SVPP grant discussed previously, as well as the School reaching the 40% funding level for local capital dollars being shared by the District. The increase in capital expenditures is primarily due to new security enhancements required to comply with new legislation (FL HB 1473 and Chapter 2024-155) related to school safety. The School spent nearly \$890,000 on these enhancements during the year ended June 30, 2025, and expects to spend another \$400,000 during the June 30, 2026 fiscal year.

### Current Budget

Annually, the School’s Board of Directors approves a general fund budget for the upcoming fiscal year prior to the beginning of that fiscal year. The following table presents the general fund budget, as approved, as compared to 2024-2025 actual results.

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal through state through local	\$ 67,800	67,800	166,793	98,993
State through local	–	93,814	105,814	12,000
Local	6,018,083	6,018,083	5,992,520	(25,563)
Other	<u>631,000</u>	<u>631,000</u>	<u>1,117,647</u>	<u>486,647</u>
Total revenues	<u>6,716,883</u>	<u>6,810,697</u>	<u>7,382,774</u>	<u>572,077</u>
<b>Expenditures:</b>				
<b>Current – education:</b>				
Instruction related	4,041,595	4,370,708	4,177,395	193,313
School administration	863,175	905,014	978,023	(73,009)
Food service	1,500	1,500	2,544	(1,044)
Information and technology services	354,985	366,581	364,531	2,050
Transportation	300	300	413	(113)
Maintenance and operations of facilities and plant	1,080,412	1,089,934	1,206,440	(116,506)
Proprietary and fiduciary expenses	–	–	<u>204,245</u>	<u>(204,245)</u>
Total expenditures	<u>6,341,967</u>	<u>6,734,037</u>	<u>6,933,591</u>	<u>(199,554)</u>
Net change in fund balance	\$ <u>374,916</u>	<u>76,660</u>	<u>449,183</u>	<u>372,523</u>

The School’s favorable increase in federal funding was due in part to additional funding from COVID related ESSER grants that were passed through the District. The School’s favorable increase in other revenues includes approximately \$210,000 of non-resident tuition generated in excess of budget as well as approximately \$270,000 of revenue from student activity funds and interest income.

**Capital Asset and Debt Administration**

Capital Position

As of June 30, 2025, the School had invested \$12,639,875 in a variety of capital assets, as reflected in the following schedule, which represents a net increase (additions less disposals and depreciation) of \$198,118 or 1.6% from the end of last year.

	<u>2025</u>	<u>2024</u>
Improvements other than buildings	\$ 888,552	890,366
Buildings and improvements	8,300,358	8,948,959
Construction in progress	62,500	21,571
Furniture, fixtures, and equipment	2,157,052	1,269,896
Audio/visual equipment	16,650	29,628
Computer software	—	1,452
Right-of-use asset	<u>1,214,763</u>	<u>1,279,885</u>
Governmental capital assets, net	\$ <u>12,639,875</u>	<u>12,441,757</u>

Long-Term Debt

Since 2020, the School has maintained a mortgage note providing for total borrowings of \$7,500,000 to fund new School building construction. The mortgage note agreement provides for monthly payments, which began in June 2021, of \$51,369 including interest at 2.84% through May 29, 2036. The outstanding balance at June 30, 2025 is \$5,764,694.

Leases

The School leases land and certain buildings under a lease agreement with Indian River State College, which runs through October 31, 2039. The lease provides for monthly payments which are currently \$5,500. The lease has an option to be renewed for ten additional years.

**Factors Bearing on the School’s Future**

At the time these financial statements were prepared and audited, the School faces several key factors that could significantly impact its future financial health. These include ongoing capital needs for campus expansion and security; a growing and successful international student programs, and a state law that will increase its capital funding:

- Strategic Capital Initiatives and Security Upgrades – To comply with recent Florida legislation (HB 1473 and Chapter 2024-155), the School has made extensive security enhancements. In August 2025, the School completed a multi-phase project to implement a new Genetec door access control system. This project was made possible by the award of a \$500,000 Department of Justice Community Oriented Policing Services (COPS) grant. The grant stipulated a 25% matching investment from the School to ensure strong stakeholder commitment. These upgrades represent a significant investment in student safety and are necessary to meet state-mandated security standards.

Additionally, due to the surge in enrollment in its visual and performing arts (VAPA) programs, the School has started planning a retrofit of the 800 building on campus. The goal is to establish a premier performing arts center that serves as a vibrant hub for student creativity, community engagement, and artistic excellence, fostering the next generation of performers, technicians, and arts enthusiasts. The School has contracted with MKC Architects from Columbus, Ohio for the design and Summit Construction from Vero Beach, Florida, for the pre-construction consulting.

- International Program Growth and Financial Stability – The School’s international exchange program is significant and a growing revenue source. It has a strong reputation that attracts students from all over the world. The School currently collaborates with 11 international exchange companies and has already enrolled 54 students for the 2025-2026 school year. This program is expected to continue providing a stable revenue stream, and the School plans to conduct annual recruiting trips to ensure its ongoing success.
- AICE FTE Revenue – The expansion of the Cambridge AICE program will significantly enhance our school’s financial position for the 2025-2026 school year. This is primarily due to the way charter school funding is calculated using the full-time equivalent (FTE) model.

The AICE program directly increases the School’s funding through two key FTE multipliers:

- A 0.16 multiplier for every passed AICE exam.
- A 0.3 multiplier for every student who successfully earns the AICE Diploma

By transitioning from a program with only 200 Advanced Placement (AP) class seats to the AICE program with 600 seats, the School has tripled the number of opportunities for students to earn these funding multipliers. This increased enrollment in rigorous, advanced coursework directly translates into a substantial boost in state funding for the School.

- Increased Capital Outlay Funding – A state law, §1013.62, which became effective on July 1, 2023, will be a major factor in the School’s future finances. This legislation mandates that school districts proportionally share discretionary millage revenues for capital outlay with charter schools. The School received its second allocation under this law, totaling \$415,430 in the 2024-25 fiscal year. This funding will increase incrementally, with the School receiving 60% of its calculated share in FY 2025-26, 80% in FY 2026-27, and 100% in FY 2027-28 and beyond. This law will provide a crucial and growing source of funding to support the School’s long-term capital needs and goals.

### **Contacting the School’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School’s finances and to demonstrate the School’s accountability for the money it receives. If you have any questions about this report or need additional information, contact the Indian River Charter High School, Inc., 6055 College Lane, Vero Beach, FL 32966.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Net Position

June 30, 2025

		<u>Total Governmental Activities</u>
<b>Assets:</b>		
Cash	\$	4,751,121
Due from primary government (note 2)		201,471
Other receivables		79,747
Prepaid expenses		18,774
Capital assets, net of accumulated depreciation of \$8,450,261 (note 3)		11,425,112
Right-of-use asset, net of accumulated amortization of \$289,370 (notes 3 and 4)		<u>1,214,763</u>
Total assets		<u>17,690,988</u>
<b>Liabilities:</b>		
Accounts payable		19,277
Construction contracts payable		45,000
Accrued expenses		297,472
Deferred revenue		539,900
Liability for compensated absences (note 4)		48,603
Long-term debt (note 4):		
Due within one year		456,331
Due after one year		<u>5,308,363</u>
		<u>5,764,694</u>
Long-term lease liability (note 4):		
Due within one year		38,210
Due after one year		<u>1,225,024</u>
		<u>1,263,234</u>
Total liabilities		<u>7,978,180</u>
<b>Net Position:</b>		
Invested in capital assets, net of related debt		5,566,946
Restricted for scholarships		9,944
Restricted for capital assets		-
Unrestricted		<u>4,135,918</u>
Total net position	\$	<u>9,712,808</u>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Activities

Year Ended June 30, 2025

	<u>Expenses</u>	<u>Program Revenues – Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position – Governmental Activities</u>
Governmental activities:			
Instruction	\$ 3,802,749	125,447	(3,677,302)
Student and instructional support services	376,296	–	(376,296)
School administration	980,825	–	(980,825)
Facilities acquisition and construction	92,418	–	(92,418)
Food service	2,544	–	(2,544)
Information services	156,404	–	(156,404)
Student transportation services	413	–	(413)
Operation of plant	1,095,152	–	(1,095,152)
Maintenance of plant	18,870	–	(18,870)
Administrative technology services	208,127	–	(208,127)
Proprietary and fiduciary expenses	204,245	–	(204,245)
Interest on long-term debt	208,991	–	(208,991)
Unallocated depreciation and amortization expense	<u>1,127,999</u>	<u>–</u>	<u>(1,127,999)</u>
Total governmental activities	\$ <u>8,275,033</u>	<u>125,447</u>	<u>(8,149,586)</u>
General revenues:			
Intergovernmental:			
Local for operational purposes			5,992,520
Local for capital projects			415,430
State through local for operational purposes			105,814
State through local for capital projects			435,729
Federal direct for capital purposes			500,000
Federal through state through local for operational purposes			166,793
Investment earnings			109,829
Miscellaneous			<u>894,844</u>
Total general revenues			<u>8,620,959</u>
Change in net position			471,373
Net position, beginning of year, as previously reported			9,285,586
Adjustment for implementation of GASB 101 (note 1(h))			<u>(44,151)</u>
Net position, beginning of year, as restated			<u>9,241,435</u>
Net position, end of year			\$ <u>9,712,808</u>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Balance Sheet  
Governmental Funds

June 30, 2025

<u>Assets</u>	General Fund	Capital Projects Fund	Total Governmental Funds
Cash	\$ 4,645,601	105,520	4,751,121
Due from primary government (note 2)	168,159	33,312	201,471
Other receivables	79,747	—	79,747
Due from other fund (note 2)	2,523,758	—	2,523,758
Prepaid expenses	<u>18,774</u>	<u>—</u>	<u>18,774</u>
	<b>\$ 7,436,039</b>	<b><u>138,832</u></b>	<b><u>7,574,871</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities:			
Accounts payable	19,277	—	19,277
Construction contracts payable	—	45,000	45,000
Accrued expenses	297,471	—	297,471
Due to other fund (note 2)	—	2,523,758	2,523,758
Deferred revenue	<u>539,900</u>	<u>—</u>	<u>539,900</u>
Total liabilities	<u>856,648</u>	<u>2,568,758</u>	<u>3,425,406</u>
Fund Balances (note 1j):			
Nonspendable	118,774	—	118,774
Restricted	9,944	—	9,944
Committed	584,690	—	584,690
Assigned	21,856	—	21,856
Unassigned	<u>5,844,127</u>	<u>(2,429,926)</u>	<u>3,414,201</u>
Total fund balances	<u>6,579,391</u>	<u>(2,429,926)</u>	<u>4,149,465</u>
	<b>\$ 7,436,039</b>	<b><u>138,832</u></b>	

Reconciliation of governmental fund balances to entity-wide government activities net position – amounts are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$19,875,373 and the accumulated depreciation is \$8,450,261.	11,425,112
Right-of-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$1,504,133 and the accumulated amortization is \$289,370.	1,214,763
Long-term debt and 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 include long term debt and lease liabilities and compensated absences payable.	<u>(7,076,532)</u>
Total net position – governmental activities	<b>\$ <u>9,712,808</u></b>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Federal direct	\$ —	500,000	500,000
Federal through state through local	166,793	—	166,793
State through local	105,814	435,729	541,543
Local (note 6)	5,992,520	415,430	6,407,950
Contributions	37,480	10,000	47,480
Non-resident tuition	638,845	—	638,845
Student fees	125,447	—	125,447
Other	315,875	2,473	318,348
Total revenues	<u>7,382,774</u>	<u>1,363,632</u>	<u>8,746,406</u>
Expenditures:			
Current – education:			
Instruction	3,801,099	—	3,801,099
Student and instructional support services	376,296	—	376,296
School administration	978,023	—	978,023
Facilities acquisition and construction	92,418	—	92,418
Food service	2,544	—	2,544
Information services	156,404	—	156,404
Student transportation services	413	—	413
Operation of plant	1,095,152	—	1,095,152
Maintenance of plant	18,870	—	18,870
Administrative technology services	208,127	—	208,127
Proprietary and fiduciary expenses	204,245	—	204,245
Debt service:			
Principal	—	486,898	486,898
Interest	—	208,991	208,991
Capital outlay:			
Facilities acquisition and construction	—	1,326,117	1,326,117
Total expenditures	<u>6,933,591</u>	<u>2,022,006</u>	<u>8,955,597</u>
Net change in fund balances	449,183	(658,374)	(209,191)
Fund balances, beginning of year	<u>6,130,207</u>	<u>(1,771,552)</u>	<u>4,358,655</u>
Fund balances, end of year	\$ <u>6,579,390</u>	<u>(2,429,926)</u>	<u>4,149,464</u>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds (Continued)

Year Ended June 30, 2025

	<u>Total Governmental Funds</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities:	
Net change in fund balances – total governmental funds	\$ (209,191)
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 expense. This is the amount by which capital outlays of \$1,326,117 exceeds depreciation and amortization expense of \$1,127,999.	198,118
Governmental funds recognize compensated absences expenditures based on the amounts actually paid for compensated absences. However, in the statement of activities, the cost of compensated absences is measured at the employee’s rate of pay plus expected employment related costs at the date of the financial statements. This is the amount by which the liability at June 30, 2025 of \$48,603 exceeds the liability at June 30, 2024 of \$44,151.	(4,452)
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities.	<u>486,898</u>
Change in net position of governmental activities	\$ <u>471,373</u>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Fiduciary Net Position  
Custodial Funds

June 30, 2025

		<u>Total Custodial Funds</u>
Assets:		
Cash	\$	<u>9,518</u>
Total assets		<u>9,518</u>
Liabilities		<u>—</u>
Total net position	\$	<u>9,518</u>

Statement of Changes in Fiduciary Net Position  
Custodial Funds

Year Ended June 30, 2025

		<u>Total Custodial Funds</u>
Additions:		
Student activity revenues	\$	3,139
Deductions:		
Student activity services expenses		<u>2,070</u>
Net increase in fiduciary net position		1,069
Net position:		
Beginning of year		<u>8,449</u>
Ending of year	\$	<u>9,518</u>

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

June 30, 2025

**(1) Organization and Summary of Significant Accounting Policies**

Indian River Charter High School, Inc. (the School) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 228.056, Florida Statutes. The School was incorporated on March 27, 1998 and is governed by a Board of Directors.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The School operates under a charter of the sponsoring school district, the Indian River County District School Board (the District). The current charter was renewed on May 22, 2018 and is effective until June 30, 2033. The charter may be renewed by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The accounting policies of the School conform to accounting principles generally accepted in the United States of America applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The following is a summary of the more significant policies.

**(a) Reporting Entity**

The reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to the organization; or (c) is obligated in some manner for the debt of the organization. There are no component units of the School.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(b) *Basic Financial Statements***

The basic financial statements include both School-Wide (based on the School as a whole) and fund financial statements. Both the School-Wide and fund financial statements categorize primary activities as either governmental or business type. In the School-Wide statement of net position, governmental and business-type activities are presented separately and are reflected on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt. As of and for the year ended June 30, 2025, the School had no activities that would be considered business-type.

The School-Wide statement of activities reflects both the gross and net costs per functional category (instruction, administration, maintenance, etc.), which are otherwise being supported by general government revenues, such as property taxes and intergovernmental revenues. The statement of activities reduces gross expenses, including depreciation, by related program revenues such as discretionary grants that can be used for either operating or capital purposes. The net cost by function is normally covered by general revenues.

This School-Wide focus is more on the sustainability of the School as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The governmental funds in the fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and the source and use of liquid resources. Revenues are recognized when they become measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Generally, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the School-Wide statements, reconciliations are presented on each of the fund financial statements, which briefly explain the adjustments necessary to transform the fund based financial statements into the total governmental column of the School-Wide presentation.

The School's fiduciary funds are presented in the fund financial statements and since, by definition, these assets are being held for the benefit of others and cannot be used to address activities or obligations of the School, these funds are not incorporated into the School-Wide financial statements.

**(c) *Basis of Presentation***

The financial transactions of the School are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that records cash and other financial resources, liabilities, reserves, fund equity, revenues, and expenditures.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**Governmental Funds**

The School defines governmental funds in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The School has determined all of its funds to be major funds, as described below.

General Fund

The General Fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

Capital projects funds are used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for educational capital outlay needs, including new construction or renovation and remodeling projects and other capital assets. During the year ended June 30, 2025, the School used the capital projects fund to account for capital outlays funded by capital outlay revenues and long-term debt.

**Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. As of and for the year ended June 30, 2025, the School had no activities which would be accounted for in a proprietary fund.

**Fiduciary Funds – Custodial Funds**

The School accounts for the scholarship funds and the student activities funds in the custodial fiduciary fund.

**(d) Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The School-Wide financial statements are presented on an accrual basis of accounting, while the governmental funds in the fund financial statements are presented on a modified accrual basis.

Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized when they are susceptible to accrual; when they become measurable and available to finance the School's operations. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recorded when the liabilities are incurred.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the School may recognize receivables and revenue when the applicable eligibility requirements including time requirements have been met. Revenues for certain grants are recognized when the expenditures are made when grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources. Resources provided before eligibility requirements are met are reported as deferred revenues.

**(e) *Budgets and Budgetary Accounting***

The School annually adopts a budget for all governmental funds. Budgets are presented on the modified accrual basis of accounting. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget, which has been adjusted for authorized revisions during the year.

**(f) *Deposits in Financial Institutions***

The School's cash is held in demand deposit accounts with financial institutions, which are insured by Federal depository insurance. As of June 30, 2025, the School's demand deposit accounts exceeded the Federal deposit insurance limits by approximately \$210,000, and accordingly were uninsured.

**(g) *Capital Assets***

Property and equipment purchased are reported at historical cost, net of accumulated depreciation, in the School-Wide financial statements but are not reported in the governmental fund financial statements. Contributed property and equipment are recorded at the fair market value at the time received. Expenditures for capital assets are reported in the governmental fund that financed the acquisition or construction. The School's capitalization level is \$1,000. Other costs incurred for repair and maintenance are expensed as incurred.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Depreciation and amortization on all assets is recorded in the School-Wide financial statements only and is provided on a straight-line basis over the following estimated useful lives:

	Years
Improvements other than buildings	10 – 20
Buildings and improvements	10 – 25
Furniture, fixtures, and equipment	5 – 10
Audio/visual equipment	7
Computer software	5
Leased assets	Shorter of lease term or useful life
Subscription assets	Subscription term

**(h) *Compensated Absences***

During the year ended June 30, 2025, the School implemented the accounting and financial reporting provisions of *GASB Statement No. 101, Compensated Absences*. The implementation, applied retroactively for prior periods resulted in a \$44,151 decrease in the School’s government-wide net position. School policies provide for compensated absences for vacation, sick, and other personal leave for all regular, full-time employees. An employee may accrue leave based on School policy which differs between full time instructional staff and full time year-round administrative staff. Upon voluntary separation of employment, full time instructional staff is entitled to payment of a maximum of 96 hours of personal leave at the daily rate of a substitute teacher and full time administrative staff is entitled to payment of a maximum of 144 hours of vacation pay at their standard pay rate. These balances are recognized as a liability at June 30, 2025. Other types of leave would be recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**(i) *Long-Term Liabilities***

Long-term debt and lease liabilities that will be financed by resources to be received in the future are reported in the School-Wide financial statements, but not in the governmental fund financial statements.

**(j) *Fund Balance Reporting***

The School classifies fund balances in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which established fund balance classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of resources in governmental funds, as summarized below (in order of spending).

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Nonspendable

Nonspendable fund balance represents resources that are not in spendable form or are legally required to be maintained intact. The School's nonspendable fund balance consists of prepaid expenses and assets permanently restricted for scholarships as of June 30, 2025.

Restricted

Restricted fund balance represents resources that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The School's restricted fund balances generally consist of resources held for capital projects and scholarships.

Committed

Committed fund balance represents resources that can be spent only for the specific purposes established by the School's Board of Directors (the School's highest level of decision-making authority). The School's committed fund balances consist of resources set aside by the board for payment of insurance deductibles in the case of a catastrophic storm.

Assigned

Assigned fund balance represents resources that are intended to be spent for specific purposes, but do not meet the definition of restricted or committed fund balances. The School's Board of Directors, committees of the Board of Directors and School management have the ability to assign fund balances.

Unassigned

Unassigned fund balance represents resources that do not have any constraints upon spending.

Fund Deficits

The School has accumulated a fund balance deficit in the capital projects fund of \$2,429,926. Management plans to restore this deficit through expected increased capital outlay funding as a result of the enactment of FL HB 1259, which resets the calculation of how the District shares capital funding with the School and removes the state funding threshold. The District will now be required to share equally with the School, based on unweighted FTE students, the discretionary capital outlay millage revenue, also known as \$1.5 millage revenue. The bill provides a 5-year glide path resulting in the School receiving 100% of its calculated share of the \$1.5 millage revenue. Management anticipates being able to repay the general fund for the funds advanced for capital projects and therefore have not transferred funds during the year ended June 30, 2025.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(k) Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056(13), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under provisions of Section 236.081, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE, and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

**(l) Income Taxes**

The School is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, the School is not considered a private foundation.

The School's income tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2022-2025.

**(m) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(2) Receivables**

As of June 30, 2025, the School maintained amounts due from the District of \$201,471 for capital projects and operating funds.

As of June 30, 2025, the School's general fund was due \$2,523,758 from the capital projects fund for capital expenditures funded by the general fund.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

(3) *General Capital Assets*

The following is a summary of the changes in the School's governmental capital assets for the year ended June 30, 2025:

	Balance <u>2024</u>	<u>Additions</u>	Retirements and <u>Transfers</u>	Balance <u>2025</u>
Improvements other than buildings	\$ 1,371,455	31,075	4,071	1,406,601
Buildings and improvements	14,508,566	10,870	(60,051)	14,459,385
Construction in progress	21,571	45,000	(4,071)	62,500
Furniture, fixtures, and equipment	2,639,439	1,217,844	(5,858)	3,851,425
Audio/visual equipment	74,604	—	—	74,604
Computer software	20,859	—	—	20,859
Leased land	1,365,222	—	—	1,365,222
Leased equipment	37,163	—	—	37,163
Subscription assets	<u>80,419</u>	<u>21,328</u>	<u>—</u>	<u>101,747</u>
<b>Total capital assets</b>	<u>20,119,298</u>	<u>1,326,117</u>	<u>(65,909)</u>	<u>21,379,506</u>
Less accumulated depreciation for:				
Improvements other than buildings	481,089	36,960		518,049
Buildings and improvements	5,559,607	659,470	(60,051)	6,159,026
Furniture, fixtures, and equipment	1,369,543	330,687	(5,858)	1,694,372
Audio/visual equipment	44,976	12,979	—	57,955
Computer software	19,407	1,452	—	20,859
Less accumulated amortization for:				
Leased assets	162,102	60,572	—	222,674
Subscription assets	<u>40,817</u>	<u>25,879</u>	<u>—</u>	<u>66,696</u>
<b>Total accumulated depreciation and amortization</b>	<u>7,677,541</u>	<u>1,127,999</u>	<u>(65,909)</u>	<u>8,739,631</u>
<b>Governmental capital assets, net</b>	<u>\$ 12,441,757</u>	<u>198,118</u>	<u>—</u>	<u>12,639,875</u>

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

(4) ***Long-Term Obligations***

Long-Term Debt from Direct Borrowings

Long-term debt associated with direct borrowings as of June 30, 2025 is as follows:

	Balance <u>2024</u>	<u>Additions</u>	<u>Repayments</u>	Balance <u>2025</u>
Mortgage note payable of \$7,500,000, with monthly payments of \$51,369, including interest at 2.84%, through May 29, 2036.	\$ <u>6,209,185</u>	<u>—</u>	<u>(444,491)</u>	<u>5,764,694</u>

The School's mortgage note payable is collateralized by a mortgage on underlying School property and contains provisions that in the event of default, the interest rate is increased by 4% and all amounts become immediately due.

The future maturities of long-term debt, as of June 30, 2025 are as follows:

	Principal	Interest	Total
2026	\$ 456,331	160,102	616,433
2027	469,645	146,787	616,432
2028	482,985	133,447	616,432
2029	497,441	118,992	616,433
2030	511,955	104,478	616,433
2031 – 2035	2,792,529	289,632	3,082,161
2036	<u>553,808</u>	<u>8,077</u>	<u>561,885</u>
Outstanding at June 30, 2025	\$ <u>5,764,694</u>	<u>961,515</u>	<u>6,726,209</u>

During the year ended June 30, 2025, interest expense on long-term debt totaled \$172,460.

Leases and Subscription-Based Information Technology Arrangements

Long-term liabilities associated with leases and subscription-based information technology arrangements as of June 30, 2025 are as follows:

	Balance <u>2024</u>	<u>Additions</u>	<u>Repayments</u>	Balance <u>2025</u>
Land lease	\$ 1,285,633	—	(29,875)	1,255,758
Copier lease	<u>20,008</u>	<u>—</u>	<u>(12,532)</u>	<u>7,476</u>
	\$ <u>1,305,641</u>	<u>—</u>	<u>(42,407)</u>	<u>1,263,234</u>

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

The School leases land and certain buildings under a lease agreement with Indian River State College, which runs through October 31, 2039.

The lease provides for payments of \$5,250 per month for each of the five years ending March 31, 2023; \$5,500 per month for each of the five years ending March 31, 2028; \$5,750 per month for each of the five years ending March 31, 2033; \$6,000 per month for each of the five years ending March 31, 2038; and \$6,250 per month through October 31, 2039. The lease has an option to be renewed for ten additional years.

The School leases their copying equipment under an agreement that provides for monthly payments of \$1,078 through January 2026, continuing on a month-to-month basis thereafter.

The School has entered into several subscription-based information technology arrangements for periods between 3 and 5 years. Currently all subscription-based information technology arrangements are fully prepaid, and as such, there are no related liabilities.

The future maturities of long-term leases, as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 38,210	35,336	73,546
2027	31,619	34,381	66,000
2028	33,280	33,470	66,750
2029	36,526	32,474	69,000
2030	37,576	31,424	69,000
2031 – 2035	211,697	140,053	351,750
2036 – 2040	260,053	106,697	366,750
2041 – 2045	308,816	66,184	375,000
2046 – 2049	<u>305,457</u>	<u>19,543</u>	<u>325,000</u>
Outstanding at June 30, 2025	\$ <u>1,263,234</u>	<u>499,562</u>	<u>1,762,796</u>

During the year ended June 30, 2025, interest expense on leases totaled \$36,531.

Liability for Compensated Absences

Long-term liabilities associated with compensated absences as of June 30, 2025 are as follows:

	<u>Balance</u> <u>2024</u>	<u>Net Change</u>	<u>Balance</u> <u>2025</u>
Liability for compensated absences	\$ <u>44,151</u>	<u>4,452</u>	<u>48,603</u>

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(5) *Schedule of Local Revenue Sources***

The following is a schedule of local revenue sources received from the District:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 4,881,064
Class size	601,786
Teacher salary increase	246,075
Capital improvements tax	415,430
Education enrichment share	146,157
Safe schools	72,080
Mental health assistance	<u>45,358</u>
Total	\$ <u>6,407,950</u>

The School's revenues are based on FTE funding, as described in note 1(k), which are subject to the terms and conditions of applicable state regulations and the School's charter agreement with the District, and subject to audit. Any disallowance resulting from an audit may become a liability of the School.

The School's charter contract provides for a discretionary District administrative fee of up to 5% of the revenues received on a per-student basis. During the 2024-2025 school year, and in consideration of the School's classification as a "high performing charter school," the state of Florida provided for the administrative fee to be assessed on the first 250 students at a rate of 2%. In accordance with this provision, the District withheld \$39,410 from the School's revenues for the year ended June 30, 2025, which was included in school administration expenses in the accompanying statement of activities and statement of revenues, expenditures, and changes in fund balances.

**(6) *Risk Management***

The School maintains general liability, professional liability, automobile liability, and workers' compensation coverages through purchased commercial insurance with minimal or no deductibles for each line of coverage. The School also maintains property coverage with a deductible of \$5,000 for all perils except wind or hail. For these perils, the deductible is 5%, with a minimum of \$50,000. During each of the three years ended June 30, 2025, 2024, and 2023, the school experienced no settlements in excess of insurance coverage.

**(7) *Pension Plan***

The School's employees participate in a salary deferral plan under Internal Revenue Code 403(b). The School contributes on a discretionary basis 15% of all full-time employees' salaries and matches the first \$500 in employee contributions on a dollar-for-dollar basis. The employees vest in all employer contributions evenly over a three-year period of service. Employees hired after September 1, 2008 vest in all employer contributions evenly over a five-year period of service. During the year ended June 30, 2025, the School provided for contributions approximating \$564,386.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and  
Changes in Fund Balances – Budget and Actual  
General Fund

Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Variance with <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Federal through state through local	\$ 67,800	67,800	166,793	98,993
State through local	–	93,814	105,814	12,000
Local	6,018,083	6,018,083	5,992,520	(25,563)
Non-resident tuition	425,400	425,400	638,845	213,445
Other	<u>205,600</u>	<u>205,600</u>	<u>478,802</u>	<u>273,202</u>
Total revenues	<u>6,716,883</u>	<u>6,810,697</u>	<u>7,382,774</u>	<u>572,077</u>
<b>Expenditures:</b>				
Current – education:				
Instruction	3,688,315	3,959,992	3,801,099	158,893
Student and instructional support services	353,280	410,716	376,296	34,420
School administration	863,175	905,014	978,023	(73,009)
Facilities acquisition and construction	79,593	79,593	92,418	(12,825)
Food service	1,500	1,500	2,544	(1,044)
Information services	155,518	163,940	156,404	7,536
Student transportation services	300	300	413	(113)
Operation of plant	981,319	990,841	1,095,152	(104,311)
Maintenance of plant	19,500	19,500	18,870	630
Administrative technology services	199,467	202,641	208,127	(5,486)
Proprietary and fiduciary expenses	<u>–</u>	<u>–</u>	<u>204,245</u>	<u>(204,245)</u>
Total expenditures	<u>6,341,967</u>	<u>6,734,037</u>	<u>6,933,591</u>	<u>(199,554)</u>
Net change in fund balance	374,916	76,660	449,183	372,523
Fund balance, beginning of year	<u>6,130,207</u>	<u>6,130,207</u>	<u>6,130,207</u>	<u>–</u>
Fund balance, end of year	\$ <u>6,505,123</u>	<u>6,206,867</u>	<u>6,579,390</u>	<u>372,523</u>

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Directors  
Indian River Charter High School, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 11, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the 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.

**Report on Compliance and Other Matters**

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



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Jacoby and Handley, PLLC*

September 11, 2025

## Management Letter

The Board of Directors  
Indian River Charter High School, Inc.:

### Report on the Financial Statements

We have audited the financial statements of Indian River Charter High School, Inc., (the School) as of and for the year ended June 30, 2025, and have issued our report thereon dated September 11, 2025.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in these reports, which are dated September 11, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our preceding annual financial audit, we did not have any such recommendations.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title for the charter school and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the School is Indian River Charter High School, Inc. and the school code assigned by the Florida Department of Education is 315001.



### **Financial Condition and Management**

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Transparency**

Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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

*Jacoby and Handberg, PLLC*

September 11, 2025