

School Board of Indian River County Vero Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT for fiscal year ended June 30, 2011



Frances J. Adams, Ed.D.
Superintendent

Karen Disney-Brombach
District 1

Matthew McCain
Chair-District 2

Carol Johnson
Vice Chair-District 3

Claudia Jiménez
District 4

Jeffrey Pegler
District 5

A Drug-Free Workplace
An Equal Opportunity Employer

Left to Right: VeroBeach Fighting Indians Football Team, Storm Grove Middle School International Day of Peace, Rosewood Magnet School's Walk to School Day.

The School Board of Indian River County, Florida

Vero Beach, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by:
Division of Business & Finance



The School Board of Indian River County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2011

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Transmittal Letter



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 16, 2011

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, 2011, 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, findings and questioned costs, and the independent auditor’s report on internal control and compliance with direct and material requirements, 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

• Matthew McCain
District 2

• Carol Johnson
District 3

• Claudia Jimenez
District 4

• Jeffrey Pegler
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, and the District's charter schools, which comprise the reporting entity. The Indian River County School Board Leasing Corporation was formed by the School Board 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 Indian River County School Board 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.

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 Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District as prescribed by the State Board of Education.

The geographical boundaries of the District are those of Indian River County. During the 2010-11 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 17,561 unweighted full-time equivalent students for all locations; and is projecting 17,597 unweighted full-time equivalent students for the 2011-12 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 Indian River County with 23 miles being the Atlantic beaches.

ECONOMIC CONDITIONS AND OUTLOOK

The economy of the County is based primarily on tourism, light industry, agriculture (citrus and cattle), and commercial fishing. Approximately 327,000 acres of the County are devoted to agriculture, with the largest percentage in pastures and ranges; followed by citrus groves, woodlands, row crops, and a variety of other uses. The County is at the center of the Indian River Citrus District. The Indian River Citrus District was fourth among the 5 districts in

Florida in total citrus production and first in grapefruit production. Part of the citrus fruit is sold to the fresh fruit market, and there are 21 major packing houses and one citrus juice processing plant located within the County. 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 for other uses.

The County maintains long-term economic expansion capabilities given its favorable location and moderately diversified base. The current unemployment level of 13.7 percent in August 2011 compared to the state's 10.9 percent and the nation's 9.1 percent is indicative of a still narrowly focused economy. Improvement in unemployment rates, from 13.2 percent in 1992 to 4.2 percent in 2006, has been set-back significantly, reflecting the weakened housing market and related declines in real estate that has affected the construction and service-related industries in the County. Some stability is provided with top employers being governmental entities such as the School District, the County, and the sheriff's department and health care such as the Indian River Memorial Hospital entities. The City of Vero Beach is the County seat and second largest municipality. The district's taxable assessed property values have declined 19.49 percent since its 2008 peak to \$15 billion as of 2011, reflecting the economic decline impact on housing. Socioeconomic indicators are above-average with per capita income and median family income at 126 percent and 102 percent of state, respectively

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 138,028 for 2011. While the population growth has been steadily increasing so has the median age of the resident population as persons aged 35-54 make up the largest percentage of residents in the County. Vero Beach, had a 2010 Census population of 17,305, compared to the 2000 Census population of 17,705. In 2010 the County ranked 35 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 County, Indian River Medical Center, Publix Supermarkets, Piper Aircraft 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.

The unassigned and assigned fund balance in the General Fund (9.6 percent of total general fund revenues) exceeds the District policy of 4 percent of revenues. During the initial planning for the budget, the District sets aside 4 percent of its revenues each year in order to ensure compliance with this policy.

MAJOR INITIATIVES

Continuous Student Improvement. The District is implementing a model of Continuous Improvement, which involves regular and careful analysis of student progress. This research and quality-based approach tracks student performance to help close the achievement gap between all racial and socioeconomic sub-groups, and is performance-driven. Applied at all instructional levels, this model treats students individually by assessing how much they are learning on a regular basis. Based on these assessments, students who have achieved mastery level receive enrichment to challenge them further. Students needing assistance receive remediation to bring their skills up to the accepted standards.

Learning Alliance Reading Partnership. The District has a unique partnership with a local non-profit organization, The Learning Alliance. Through this partnership we are able to implement research based structured language programs in our elementary schools. The Learning Alliance has provided two structured language programs; one intervention and one prevention. All elementary schools have teachers using the intervention program for struggling readers who need a structured language program, and eight elementary schools have the prevention program being implemented in kindergarten, first and second grades. Through the partnership with The Learning Alliance, teachers are able to implement these programs, receive on-going support during the implementation process and deepen their knowledge of reading instruction through training opportunities. The long term goal is to have master coaches at each school who have a deep knowledge of reading instruction to ensure sustainability beyond the partnership.

Reading Goal. The district has established a comprehensive reading goal to ensure that 90 percent of all students will be proficient in reading by the end of 3rd grade. Prevention and intervention programs for students in grades K-2 are implemented in partnership with the Learning Alliance and outlined above. In addition, the district's comprehensive K-12 Reading Plan focuses on strengthening reading instruction and improving performance at all grade levels, including the implementation of the Florida Assessment for Instruction in Reading (FAIR), district benchmark assessments; quality classroom instruction and

remediation; and fidelity to the reading block through the mentoring, modeling and ongoing staff development activities provided by the district reading specialist and the reading coaches. Schools are monitoring reading intervention data to determine if the reading deficiency gap is closing and Response to Intervention Teams continue to identify those strategies that are most effective with at-risk readers.

Secondary Career and Technical Education. The District offers 14 career and technical programs that provide students with hands-on experiences that reflect the job tasks in many career fields. Students have the opportunity to earn a state or national certification in 12 career and technical programs. For the 2010-11 school year, 1,172 industry certifications were earned by 9-12 grade high school students. Career programs offer school based enterprises that affords the student real world, hands-on activities such as screen printing tee shirts, Sharky's Café, Half-Hour Inn, storage sheds construction, and banking operations. Indian River County participates with Indian River State College to award students with articulated college credits for program completion at the high school level in career and technical education. Average articulated credit awarded is 12-15 credit hours, depending on the program.

Adult and Community Education School. Adult Education offers a wide variety of courses and programs to meet the educational needs of the community. Last year, the District served 2,857 individuals through ABE/GED and ELL classes, career programs, lifelong learning courses, and adult high school credit recovery. Students enrolled in Adult Basic Education (ABE) and General Education Development (GED) and English Language Learners (ELL) courses to gain literacy skills necessary to be a successful worker, citizen and family member. Adult Education offers short-term and inexpensive job training in nine different career programs and each program provides a state or national certified test. In fact, 315 career students were served last year and 94 percent passed a state or national certification. Lifelong learning classes are generally short-term, fluctuating between 4 to 30 hours, depending on the topic.

Technology: Apple iPod Touch 1:1 and SMART Initiatives. As the role of technology in the classroom increases, digital devices have become valuable tools for improving both teaching and learning. Schools are strengthening student content and digital literacy through challenging and engaging learning activities that focus on science, technology, engineering, and mathematics (STEM) in an effort to help motivate and inspire students during and beyond the school day. For a second year, the District has provided ten teachers in ten schools with a Mac Book and a class set of iPod Touch hand-held devices. The intent of the project is to create an environment that puts access to knowledge in the hands of individual students. In addition, the District is sponsoring a SMART Board initiative to promote student learning through innovative and interactive lessons that increase engagement, motivation and collaboration. With the use of SMART technology, teachers will ensure student development of critical thinking skills through the alignment of technology-supported instructional activities addressing the Next Generation Sunshine State Standards. The District will provide twelve classrooms with SMART Boards and SMART Notebook software. The focus of the SMART Initiative is to create an environment that provides interactive technology in the classroom.

Professional Development Opportunities. The Professional Development Department provides quality, unique training opportunities for staff throughout the school district. The department has partnered with multiple organizations to implement innovative, creative, and hands-on virtual and live training opportunities. These trainings include: PD360 Online Professional Development, Rosetta Stone, Dr. Harry Wong, online reading endorsement courses, and a variety of district and site-based trainings. The District facilitated two Educational Extravaganzas, in August and October of 2011, which included trainings on classroom management, reading and math strategies, differentiated instruction, STEM lesson design, grant writing, cooperative learning, rubrics, working with autistic and/or gifted students, classroom website design, and numerous other topics. Since the beginning of the school year, trainers from Learning Sciences International and District staff have been conducting training sessions for administrators and instructional staff on the new teacher evaluation system.

Capital Outlay Program. During the 2010-11 fiscal year, the School District Facilities Department completed three small projects and two large projects. The large projects were completion of Part 1 of the Freshman Learning Center, and the new cafeteria for Dodgertown Elementary. The small projects were renovation of Gifford Middle School bathrooms, a traffic improvement at Highlands Elementary and a sidewalk improvement at Oslo Middle School. In addition, the Facilities Department continued with audits of construction projects and processes. These included an operational audit performed by the Auditor General which is completed annually, an internal audit and a cost attestation for the Vero Beach High School Part II construction projected completed in 2009. The Support Services Council, formed two years ago to address issues related to Facilities, Purchasing, and Maintenance, continues to meet monthly. The communication advances generated with this group will be enhanced when the Support Services Complex project is completed in December 2011. All participants – as well as Food Service and the Print Shop – will now be housed at one location

The Education Foundation of Indian River County, Inc. The Education Foundation of Indian River County (EF-IRC), an independent and self-funded organization, exists to fulfill unmet funding gaps of the District through six core programs that link and engage community leaders in the process of supporting public education. During the 2010-11 school year the EF-IRC infused over \$306,000 in program services and awarded over \$735,000 in college scholarships and academic awards at the Indian River Regional Science & Engineering Fair. In addition, the EF-IRC and the District partnered to fund and build the Science & Exploration Pavilion at Storm Grove Middle School costing \$70,000. In summary, over one million dollars in program services and scholarships were awarded during the 2010-11 school year

OTHER INFORMATION

Student Performance. District students continue to perform very favorably as compared with other students in Florida based on the Florida Comprehensive Assessment Test (FCAT). The FCAT measures student progress toward mastery of benchmarks of the Sunshine State Standards for all Florida public school students in grades 3 through 10. In the District, 14 schools achieved an “A”, five schools received a letter grade of “B” and four schools received a letter grade of “C”. There were no schools in the District with either a “D” or an “F”. The District received a letter grade of “A” for the 2010-11 school year. This is the third year in a row that the District has earned an “A”.

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by independent certified public accountants. The Office of the Auditor General for the State of Florida conducted the audit for the fiscal year ended June 30, 2011. 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, 2010. 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, 2010. 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 the Association of School Business Officials International.

This was the fourth 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 the GFOA and ASBO, to determine its eligibility to receive these prestigious awards.

ACKNOWLEDGEMENT

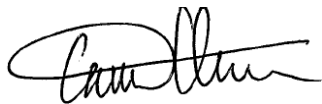
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Business and Finance, and of all the other departments, which provided valuable assistance and necessary support throughout the preparation of this report.

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,



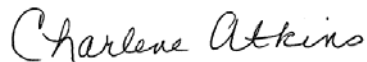
Frances J. Adams, Ed.D.
Superintendent of Schools



Carter Morrison
Assistant Superintendent for Finance / CFO



Eloise Simpson
Accounting Manager



Charlene Atkins
Accounting Manager

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - ELECTED



Mr. Matthew McCain, Chair

Member from District 2

Member since November 2008

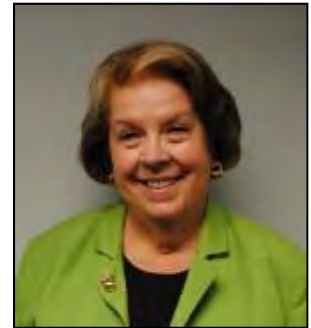
Current term expires November 2012

Mrs. Carol Johnson, Vice Chair

Member from District 3

Member since November 2006

Current term expires November 2014



Ms. Claudia Jiménez

Member from District 4

Member since November 2008

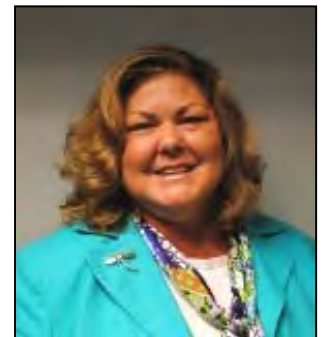
Current term expires November 2012

Mrs. Karen Disney – Brombach

Member from District 1

Member since November 2006

Current term expires November 2014



Mr. Jeffrey Pegler

Member from District 5

Member since November 2010

Current term expires November 2014

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

Frances J. Adams, Ed.D.	Superintendent
Terri D’Albora	Assistant Superintendent for Curriculum
Carter Morrison	Assistant Superintendent for Finance/CFO
Pamela Lannon	Assistant Superintendent for Human Resources/Risk Management
Denise Roberts	Executive Director Human Resources
Bruce Green	Executive Director Instructional and Information Technology
Jody Idlette Bennett	Executive Director Core Curriculum
Larry Harrah	Executive Director Exceptional Student Education
Cynthia Rountree	Director Instructional Support



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandson

President

Jeffrey R. Enos

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SCHOOL BOARD OF INDIAN RIVER COUNTY

For its Comprehensive Annual Financial Report (CAFR)

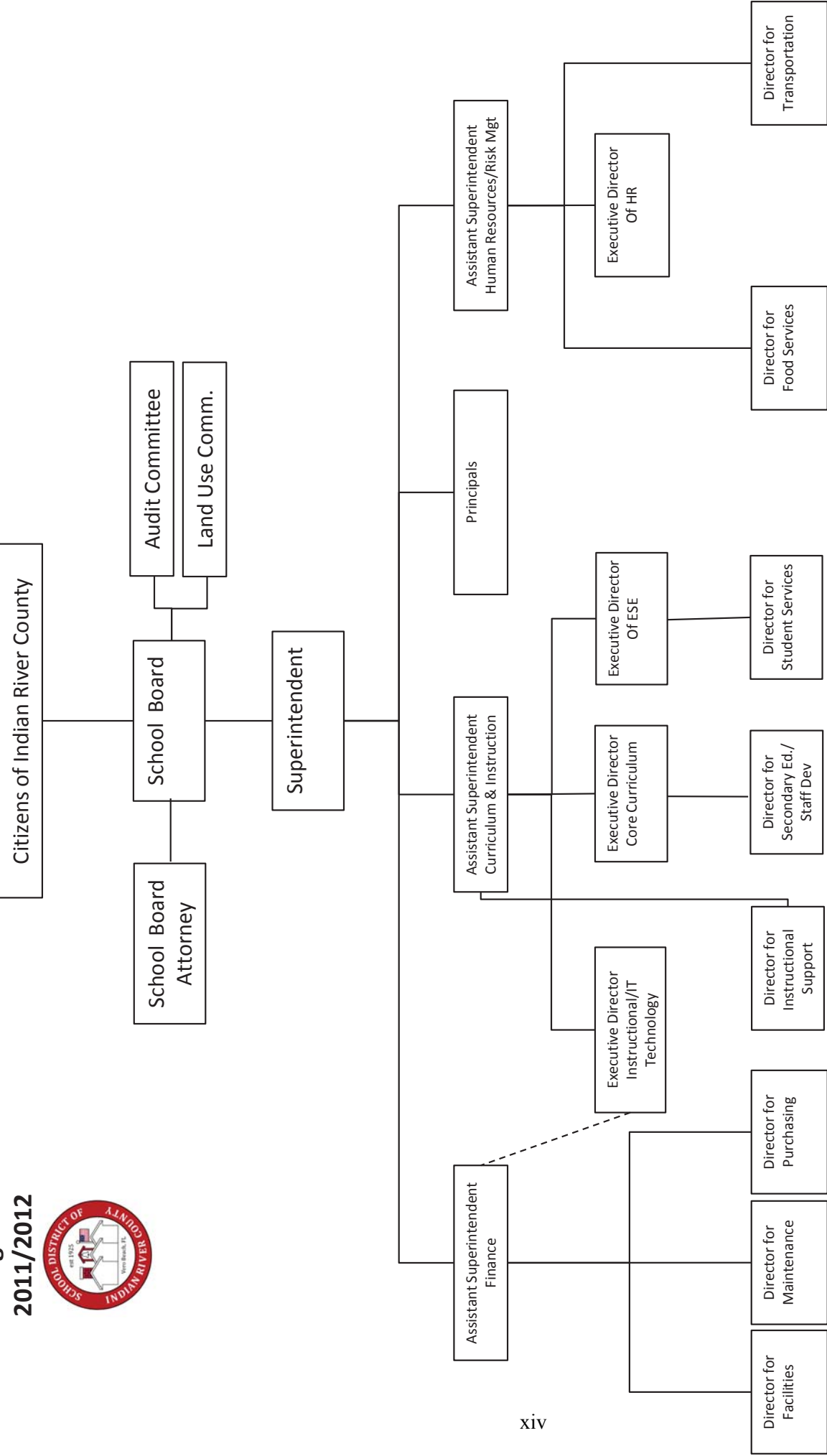
For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Administrative Organizational Chart
2011/2012



Independent Auditor's Report on Financial
Statements





DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-488-5534
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 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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. 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 7 percent of the assets and 19 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. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund and major special revenue fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Indian River County District School Board'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section, 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 *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules, and **SCHEDULE OF**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, have 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, 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 taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



David W. Martin, CPA

December 16, 2011

Audit Report No. 2012-065



Management's Discussion and Analysis



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, 2011. 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, 2011, by \$247 million. Of this amount, \$204 million represents investments in capital assets (net of related debt), and \$43 million represents restricted and unrestricted net assets of \$44 million and negative \$1 million, respectively.
- ◆ The District's total net assets increased by \$8.7 million, or 3.6 percent.
- ◆ Program revenues account for \$12.4 million or 6.6 percent of total revenues, and general revenues account for \$174.5 million or 93.4 percent.
- ◆ The governmental funds report combined fund balances of \$88.2 million, an increase of \$17.9 million in comparison to the prior fiscal year.
- ◆ This is the first year the District reported fund balances under Governmental Accounting Standards Board's (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changes how fund balances are classified. Assigned plus Unassigned is analogous to the previous classification of unreserved fund balance in the General Fund, which is the operating fund of the District. At the end of the fiscal year, the assigned plus the unassigned fund balance for the General Fund is \$12.0 million, or 9.6 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 Assets 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 Assets 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. The Statement of Net Assets includes 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 assets, the statement of activities, and changes in net assets. The change in net assets 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 two 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 Assets 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 internal service funds to account for the self-insurance program activities, as well as the resources of the East Central Florida Management Training Institute, for which the District serves as fiscal agent. 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 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 as well as the internal service 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 Assets June 30, 2011 and 2010 (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 118,046	\$ 100,707	\$ 473	\$ 401	\$ 118,519	\$ 101,108
Capital assets, net	320,342	312,510	-	-	320,342	312,510
Total assets	438,388	413,217	473	401	438,861	413,618
Current and other liabilities	18,705	19,074	36	25	18,741	19,099
Long-term liabilities	172,436	155,524	36	37	172,472	155,561
Total liabilities	191,141	174,598	72	62	191,213	174,660
Net assets:						
Invested in capital assets, net of related debt	204,036	194,967	-	-	204,036	194,967
Restricted	44,120	54,814	-	-	44,120	54,814
Unrestricted (Deficit)	(909)	(11,162)	401	339	(508)	(10,823)
Total net assets	\$ 247,247	\$ 238,619	\$ 401	\$ 339	\$ 247,648	\$ 238,958

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$247 million at the end of the fiscal year. The largest portion of the District's net assets, \$204 million (82.6 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 assets, \$44 million, represents resources subject to external restrictions on how they may be used. The remaining balance of net assets (\$22.3 million after exclusion of \$8.8 million in compensated absences payable and \$14.5 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 assets have decreased \$10.7 million from June 30, 2010, to June 30, 2011.

The School Board of Indian River County, Florida Condensed Statement of Activities and Changes in Net Assets June 30, 2011, and 2010 (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 3,332	\$ 3,480	\$ 769	\$ 802	\$ 4,101	\$ 4,282
Operating grants and contributions	5,765	5,834	-	-	5,765	5,834
Capital grants and contributions	2,523	1,246	-	-	2,523	1,246
General revenues:						
Property taxes, levied for operational purposes	93,342	93,743	-	-	93,342	93,743
Property taxes, levied for debt service	4,794	4,850	-	-	4,794	4,850
Property taxes, levied for capital projects	21,816	24,275	-	-	21,816	24,275
Grants and contributions, non-restricted	51,432	42,236	-	-	51,432	42,236
Miscellaneous	1,838	1,618	-	-	1,838	1,618
Unrestricted investment earnings	1,309	1,877	2	1	1,311	1,878
Total revenue	186,151	179,159	771	803	186,922	179,962
Expenses:						
Instruction	97,419	101,193	-	-	97,419	101,193
Pupil personnel services	4,784	5,604	-	-	4,784	5,604
Instructional media services	2,172	2,512	-	-	2,172	2,512
Instruction and curriculum development services	4,862	5,632	-	-	4,862	5,632
Instructional staff training services	2,235	2,452	-	-	2,235	2,452
Instruction related technology	1,006	1,062	-	-	1,006	1,062
School board	1,031	1,195	-	-	1,031	1,195
General administration	843	804	-	-	843	804
School administration	8,425	9,353	-	-	8,425	9,353
Facility services - non-capitalized	14,809	12,690	-	-	14,809	12,690
Fiscal services	1,429	1,301	-	-	1,429	1,301
Food services	8,102	8,754	-	-	8,102	8,754
Central services	2,138	2,631	-	-	2,138	2,631
Pupil transportation services	6,106	6,354	-	-	6,106	6,354
Operation of plant	11,634	12,341	-	-	11,634	12,341
Maintenance of plant	412	97	-	-	412	97
Administrative technology services	2,496	2,515	-	-	2,496	2,515
Community services	281	281	-	-	281	281
Unallocated interest on long-term debt	7,339	6,852	-	-	7,339	6,852
Extended day program	-	-	709	717	709	717
Total expenses	177,523	183,623	709	717	178,232	184,340
Change in net assets	8,628	(4,464)	62	86	8,690	(4,378)
Net assets, beginning	238,619	243,083	339	253	238,958	243,336
Net assets, ending	\$ 247,247	\$ 238,619	\$ 401	\$ 339	\$ 247,648	\$ 238,958

Governmental Activities

Governmental activities increased the District's net assets by \$8.6 million for the fiscal year ended June 30, 2011. Key components of this change are as follows:

- ◆ Program revenues increased \$1.1 million primarily due to \$700 thousand in the Federal Subsidy for Qualified School Construction Bonds of \$26.3 million the District obtained in the 2010-11 fiscal year.
- ◆ Unrestricted grants and contributions increased by \$9.2 million primarily due to funding from the Federal economic stimulus funds of \$3.7 million in Education Jobs Fund, an increase in FEFP funding of \$4.4 million, plus other increases of \$800 thousand. The \$800 thousand was primarily composed of a \$598 thousand increase in the Class Size Reduction categorical and a \$198 thousand increase in state Charter School Capital Outlay funding.
- ◆ Property taxes levied for capital projects decreased by \$2.5 million, primarily as a result of a decrease in the taxable assessed value of taxable property.

Business-Type Activities

The Extended Day Program business-type activities increased the District's net assets by \$62 thousand for the fiscal year ended June 30, 2011. Charges for services and other income totaled \$771 thousand, while Extended Day Program expenses totaled \$709 thousand. The gross revenue decreased 4.0 percent due to the economic downturn, and the total expenses were down 1.1 percent as a result of cost curtailments. As a result, net income decreased \$24 thousand.

Financial Analysis of the District's Funds

The District's governmental funds reported a combined fund balance of \$88.2 million, which is an increase of \$17.9 million over last year's total of \$70.3 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, 2011, and 2010.

<i>Fund Balance (in thousands)</i>	2011	2010	Increase (Decrease)	Percentage Change
General Fund	\$ 14,572	\$ 2,537	\$ 12,035	474.4%
Debt Service Funds				
Other	21	17	4	23.5%
ARRA	7	-	7	100.0%
Capital Projects Funds:				
Local Capital Improvement	29,301	38,108	(8,807)	(23.1)%
Other	15,155	26,325	(11,170)	(42.4)%
ARRA	24,790	-	24,790	100.0%
Other Governmental Funds	4,342	3,278	1,064	32.5%
Total	<u>\$ 88,188</u>	<u>\$ 70,265</u>	<u>\$ 17,923</u>	<u>25.5%</u>

General Fund

The District's General Fund balance increased, in part, due to the increase in State funding. The tables that follow illustrate the financial activities and balance of the General Fund.

Revenues (in thousands)	2011	2010	Increase (Decrease)	Percentage Change
Taxes	\$ 93,342	\$ 93,743	\$ (401)	(0.4)%
Investment earnings	532	727	(195)	(26.8)%
State revenues	28,187	23,212	4,975	21.4%
Other revenues	3,034	2,943	91	3.1%
Total	<u>\$ 125,095</u>	<u>\$ 120,625</u>	<u>\$ 4,470</u>	<u>3.7%</u>

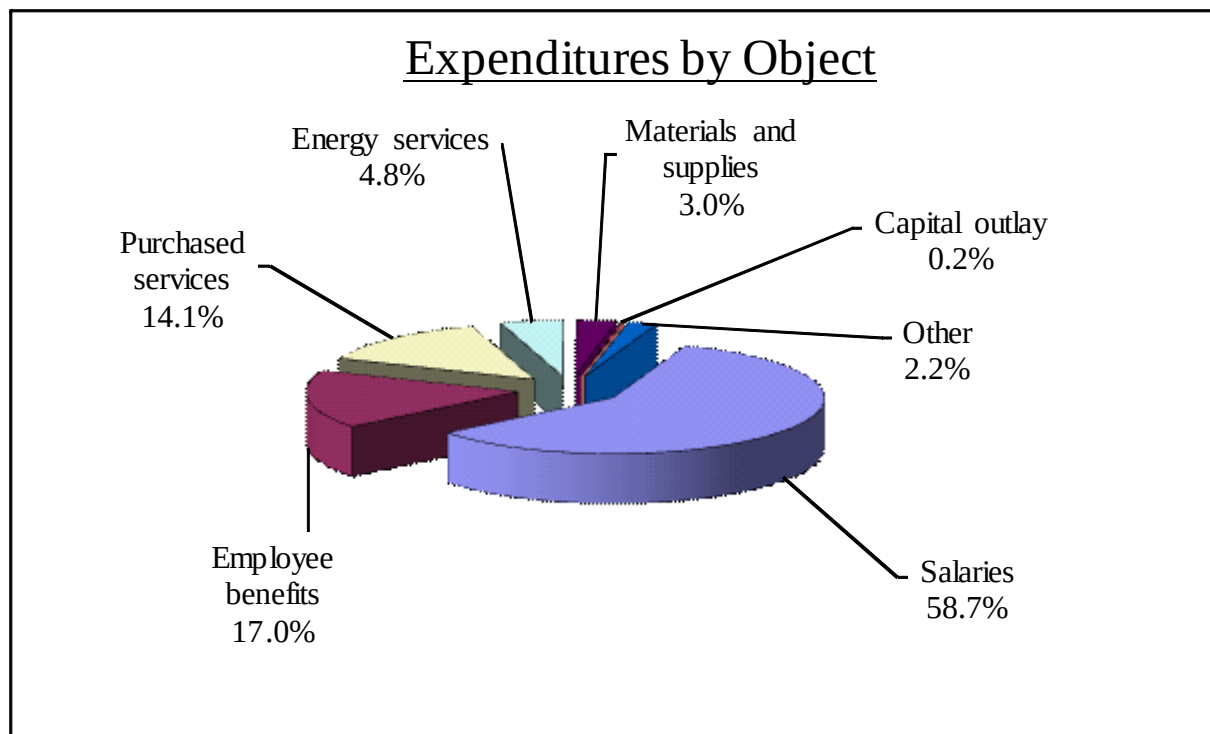
Property tax revenue decreased by \$401 thousand primarily due to the increase in the required local effort millage rates of approximately 7.4 percent as set by the Legislature, relative to the decline in taxable assessed valuations of 10.23 percent. To offset the declining assessed value and pending funding shortfall, the Board via supermajority vote, levied an additional .25 mills for critical operating needs.

Investment earnings decreased from the prior year. The District experienced declining interest rates.

State revenue increased by \$5.0 million for the fiscal year ended June 30, 2011. This is primarily due to the increase in FEFP funding compared to the fiscal year ended June 30, 2010.

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.

Expenditures by Object (in thousands)	2011	2010	Increase (Decrease)	Percentage Change
Salaries	\$ 66,919	\$ 73,830	\$ (6,911)	(9.4)%
Employee benefits	19,378	21,413	(2,035)	(9.5)%
Purchased services	16,037	14,532	1,505	10.4%
Energy services	5,501	6,001	(500)	(8.3)%
Materials & supplies	3,473	2,590	883	34.1%
Capital outlay	231	122	109	89.3%
Other	2,523	2,515	8	0.3%
Total	<u>\$ 114,062</u>	<u>\$ 121,003</u>	<u>\$ (6,941)</u>	<u>(5.7)%</u>



Expenditures decreased \$6.9 million, or 5.7 percent from the prior fiscal year. Salaries and Benefits decreased from the prior year primarily due to the elimination of 114 positions and the reclassification of 73 positions out of the General Fund to State Fiscal Stabilization and other Federal programs.

Purchased Services expenditures increased \$1.5 million or 10.4 percent, primarily due to an increase in enrollment at charter schools resulting in additional funds distributed to them.

Expenditures for materials and supplies increased over the prior year by \$883 thousand or 34.1 percent. This increase was due to expenditures related to textbook purchases for a District-wide math adoption.

Energy Services expenditures decreased over the prior fiscal year by \$500 thousand or 8.3 percent, primarily due to introduction of energy saving best practices instituted by the District, including energy controls at specific sites and monitoring of energy usage.

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 incurred. Revenues and expenditures increased by \$3.5 million each from the previous fiscal year. This increase was due to new funds becoming available from the Federal Government for the Education Jobs Act in an effort to stimulate the economy and to keep teachers employed.

Debt Service - Other Fund

The Debt Service – Other Fund maintains a small fund balance, which is restricted for payment of debt service expenditures.

Debt Service – ARRA Fund

The Debt Service - ARRA Fund has a total fund balance of \$7 thousand, 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 is a new fund and did not have a fund balance in the prior fiscal year.

Capital Projects – Local Capital Improvement Fund

The fund balance of the Capital Projects – Local Capital Improvement Fund decreased by \$8.8 million, or 23.1 percent during the fiscal year. The major reason was a SCERMP payment for the District's share of deductibles for the 2004 hurricanes in the amount of \$3.4 million and payments to four of the District's charter schools from Section 1011.71(2), Florida Statutes, funds in the amount of \$1.6 million.

Capital Projects - Other Fund

The fund balance of the Capital Projects - Other Fund decreased by \$11.2 million, or 42.4 percent during the fiscal year. The Support Service Complex spent \$7.2 million of Certificates of Participation (COP) Series 2007 funds. Projects funded by Classrooms for Kids fiscal year 2007-08 spent \$3.1 million of these funds. Projects funded with COP Series 2005 funds spent \$912 thousand.

Capital Projects – ARRA Fund

The fund balance of the Capital Projects – ARRA Fund is \$24.8 million, which is restricted for specific capital projects funded from the Certificates of Participation, Series 2010 Qualified School Construction Bonds (QSCBs) issued on December 17, 2010. This is a new fund and did not have a fund balance in the prior fiscal year.

Other Governmental Funds

The fund balance of the Other Governmental Funds increased by \$1.1 million, or 32.5 percent during the fiscal year. This was primarily due to a \$1.2 million increase in the fund balance of the Special Revenue - Food Service Fund. The Food Service program has benefited from the Fresh Fruit and Vegetable grant, better consortium buying of food, and reduction in personnel costs.

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.

The District amended its revenue estimates to reflect the reduction in anticipated revenues from State sources due to the District's not meeting its student enrollment targets. State revenue was originally budgeted at \$28.6 million, and the actual was \$28.2 million. The original appropriations budget was reduced primarily by the transfer of expenditures of \$3.7 million to the Education Jobs Fund, \$2.0 million transfer of expenditures to the Local Capital Improvement Fund for property casualty insurance premiums and facilities services expenditures.

Capital Assets

The District investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$320.3 million (net of accumulated depreciation). This investment in capital assets includes:

land; construction in process; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio visual materials and computer software; and property under capital lease.

The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was approximately 2.5 percent. The majority of the acquisitions were for remodeling and renovations at various sites and buses, furniture, and computer equipment replacement throughout the District. Detailed information regarding capital asset activity is included in the Notes 6 and 18 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 \$172.5 million. Of this amount, \$15.7 million represents bonds issued on behalf of the District, \$131.4 million in certificates of participation, compensated absences payable in the amount of \$8.8 million, other postemployment benefits payable in the amount of \$14.5 million, \$1.1 million in obligations under capital lease, and \$1.0 million in unamortized premiums. During the fiscal year, the District made principal payments of \$4.6 million on general obligation bonds, \$4.5 million on certificates of participation, and \$359 thousand on capital leases. The District reduced compensated absences by \$634 thousand, other postemployment benefits by \$628 thousand, and unamortized premiums by \$71 thousand. The District issued certificates of participation in the amount of \$26.3 million and State Board of Education Bonds in the amount of \$160 thousand.

Detailed information regarding long-term debt activity is included in the notes to the basic financial statements, specifically Note 8, Obligations Under Capital Lease; Note 9, Certificates of Participation; Note 10, Bonds Payable, and Note 11, 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 2011-12 fiscal year is projected to be 5.396 mills (a decrease of .026 mills); the discretionary millage is projected to be .748 mills; critical operating needs is projected to be .250 mills; and capital outlay millage is projected to be 1.50 mills. General Fund revenues and other financing sources are projected to be \$120.6 million, and expenditures are expected to be \$126.8 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



The School Board of Indian River County, Florida
Statement of Net Assets
June 30, 2011
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Charter Schools
ASSETS				
Cash and Cash Equivalents	\$ 68,743	\$ 473	\$ 69,216	\$ 3,036
Investments	39,983	-	39,983	-
Receivables	181	-	181	527
Due From Other Agencies	2,913	-	2,913	155
Notes Receivable	4,442	-	4,442	-
Due From Primary Government	-	-	-	432
Inventories	535	-	535	-
Prepaid Items	3	-	3	145
Deferred Charges	1,246	-	1,246	45
Capital Assets:				
Non-Depreciable	37,734	-	37,734	1,978
Depreciable (Net)	282,608	-	282,608	9,597
Total Assets	438,388	473	438,861	15,915
LIABILITIES				
Accrued Salaries and Benefits	2,503	18	2,521	219
Accounts Payable	940	16	956	206
Accrued Expenses	-	-	-	172
Construction Contracts Payable	1,720	-	1,720	-
Retainage Payable on Contracts	766	-	766	-
Due to Other Agencies	909	2	911	-
Matured Debt Payable	4,520	-	4,520	-
Matured Interest Payable	2,506	-	2,506	-
Unearned Revenue	1,380	-	1,380	708
Accrued Interest Payable	126	-	126	-
Estimated Insurance Claims Payable	3,335	-	3,335	-
Noncurrent Liabilities:				
Portion Due Within One Year	12,635	11	12,646	462
Portion Due In More Than One Year	159,801	25	159,826	4,958
Total Liabilities	191,141	72	191,213	6,725
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	204,036	-	204,036	6,275
Restricted for:				
Special Revenue - Food Service	1,677	-	1,677	-
Capital Projects	39,407	-	39,407	493
Debt Service	829	-	829	-
Charter School State Capital Outlay,				
Adult Workforce, State Required Carryover Programs	2,207	-	2,207	-
Unrestricted	(909)	401	(508)	2,422
Total Net Assets	\$ 247,247	\$ 401	\$ 247,648	\$ 9,190

The 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, 2011
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating		Primary Government		Component Units
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
Instruction	\$ 97,419	\$ 285	\$ -	\$ -	\$ (97,134)	\$ -	(97,134)
Pupil Personnel Services	4,784	-	-	-	(4,784)	-	(4,784)
Instructional Media Services	2,172	-	-	-	(2,172)	-	(2,172)
Instruction and Curriculum Development Services	4,862	-	-	-	(4,862)	-	(4,862)
Instructional Staff Training Services	2,235	-	-	-	(2,235)	-	(2,235)
Instruction Related Technology	1,006	-	-	-	(1,006)	-	(1,006)
School Board	1,031	-	-	-	(1,031)	-	(1,031)
General Administration	843	-	-	-	(843)	-	(843)
School Administration	8,425	-	-	-	(8,425)	-	(8,425)
Facilities Services - Non-Capitalized	14,809	-	-	1,239	(13,570)	-	(13,570)
Fiscal Services	1,429	-	-	-	(1,429)	-	(1,429)
Food Services	8,102	2,842	5,765	-	505	-	505
Central Services	2,138	-	-	-	(2,138)	-	(2,138)
Pupil Transportation Services	6,106	22	-	-	(6,084)	-	(6,084)
Operation of Plant	11,634	-	-	-	(11,634)	-	(11,634)
Maintenance of Plant	412	-	-	-	(412)	-	(412)
Administrative Technology Services	2,496	-	-	-	(2,496)	-	(2,496)
Community Services	281	183	-	-	(98)	-	(98)
Unallocated Interest on Long-Term Debt	7,339	-	-	1,284	(6,055)	-	(6,055)
Total Governmental Activities	\$ 177,523	\$ 3,332	\$ 5,765	\$ 2,523	\$ (165,903)	\$ -	\$ (165,903)
Business-Type Activities:							
Extended Day Program	709	769	-	-	-	60	60
Total Primary Government	\$ 178,232	\$ 4,101	\$ 5,765	\$ 2,523	\$ (165,903)	\$ 60	\$ (165,843)
Component Units:							
Charter Schools	\$ 13,542	\$ 527	\$ 2,014	\$ 773			(10,228)
General Revenues:							
Taxes:							
Property Taxes, Levied for Operational Purposes					93,342	-	93,342
Property Taxes, Levied for Debt Service					4,794	-	4,794
Property Taxes, Levied for Capital Projects					21,816	-	21,816
Grants and Contributions not Restricted to Specific Programs					51,432	-	51,432
Unrestricted Investment Earnings					1,309	2	1,311
Miscellaneous					1,838	-	1,838
Special Item - Loss on Disposal of Capital Assets					-	-	(2)
Total General Revenues					174,531	2	174,533
Changes in Net Assets					8,628	62	8,690
Net Assets - Beginning					238,619	339	238,958
Net Assets - Ending					\$ 247,247	\$ 401	\$ 247,648

The 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, 2011
(amounts expressed in thousands)

		<u>Special Revenue -</u>		<u>Debt Service -</u>
	<u>General</u>	<u>Federal Economic</u>		<u>American</u>
	<u>Fund</u>	<u>Stimulus</u>		<u>Recovery and</u>
		<u>Fund</u>	<u>Other Fund</u>	<u>Reinvestment Act</u>
				<u>(ARRA) Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 15,656	\$ 310	\$ 21	\$ 7
Investments	688	-	7,026	-
Receivables	6	-	-	-
Due from Other Agencies	1,071	6	-	-
Notes Receivable	4,442	-	-	-
Inventories	327	-	-	-
Prepaid Items	3	-	-	-
	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 22,193</u>	<u>\$ 316</u>	<u>\$ 7,047</u>	<u>\$ 7</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Salaries and Benefits	\$ 1,995	\$ 208	\$ -	\$ -
Accounts Payable	470	42	-	-
Construction Contracts Payable	-	-	-	-
Retainage Payable on Contracts	-	-	-	-
Due to Other Agencies	706	66	-	-
Deferred Revenue	4,450	-	-	-
Matured Bonds Payable	-	-	4,520	-
Matured Interest Payable	-	-	2,506	-
	<u>-</u>	<u>-</u>	<u>2,506</u>	<u>-</u>
Total Liabilities	<u>7,621</u>	<u>316</u>	<u>7,026</u>	<u>-</u>
Fund Balances:				
Nonspendable	330	-	-	-
Restricted	2,208	-	21	7
Assigned	6,539	-	-	-
Unassigned	5,495	-	-	-
	<u>14,572</u>	<u>-</u>	<u>21</u>	<u>7</u>
Total Fund Balances	<u>14,572</u>	<u>-</u>	<u>21</u>	<u>7</u>
Total Liabilities and Fund Balances	<u>\$ 22,193</u>	<u>\$ 316</u>	<u>\$ 7,047</u>	<u>\$ 7</u>

The 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
\$ 29,562	\$ 10,040	\$ -	\$ 3,716	\$ 59,312
317	5,984	25,592	164	39,771
-	-	-	95	101
-	524	-	736	2,337
-	-	-	-	4,442
-	-	-	208	535
-	-	-	-	3
<u>\$ 29,879</u>	<u>\$ 16,548</u>	<u>\$ 25,592</u>	<u>\$ 4,919</u>	<u>\$ 106,501</u>
\$ -	\$ -	\$ -	\$ 300	\$ 2,503
266	21	-	140	939
129	838	753	-	1,720
183	534	49	-	766
-	-	-	137	909
-	-	-	-	4,450
-	-	-	-	4,520
-	-	-	-	2,506
<u>578</u>	<u>1,393</u>	<u>802</u>	<u>577</u>	<u>18,313</u>
-	-	-	208	538
29,301	15,155	24,790	4,134	75,616
-	-	-	-	6,539
-	-	-	-	5,495
<u>29,301</u>	<u>15,155</u>	<u>24,790</u>	<u>4,342</u>	<u>88,188</u>
<u>\$ 29,879</u>	<u>\$ 16,548</u>	<u>\$ 25,592</u>	<u>\$ 4,919</u>	<u>\$ 106,501</u>



The School Board of Indian River County, Florida
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$	88,188
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Amounts reported for governmental activities in the statement of net assets 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.		320,342
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Debt issuance costs are not expensed in the government-wide statements, but are reported as deferred charges and amortized over the life of the related debt.		1,246
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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 assets.		5,591
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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.		4,442
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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.		(126)
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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:		
Estimated Long-Term Claims Payable	\$	2
Obligations Under Capital Lease		1,063
Bonds Payable		15,675
Certificates of Participation Payable		132,391
Compensated Absences Payable		8,824
Other Postemployment Benefits Payable		14,481
Total long-term liabilities		(172,436)

Total Net Assets - Governmental Activities	\$	247,247
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The 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, 2011
(amounts expressed in thousands)

			Debt Service -	
	General Fund	Special Revenue - Federal Economic Stimulus Fund	Other Fund	American Recovery and Reinvestment Act (ARRA) Fund
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 101	\$ -	\$ -	\$ -
Miscellaneous Federal Direct	-	-	-	694
Total Federal Direct	101	-	-	694
Federal Through State Sources:				
Food Service	-	-	-	-
Other Federal Through State Sources	313	12,906	-	-
Total Federal through State	313	12,906	-	-
State Sources:				
Florida Education Finance Program	6,164	-	-	-
Categorical - Class Size Reduction	19,449	-	-	-
District Discretionary Lottery Funds	66	-	-	-
Food Service	-	-	-	-
CO&DS Withheld for SBE/COBI Bond	10	-	-	-
CO&DS Distribution	-	-	-	-
Public Education Capital Outlay	-	-	-	-
Other State Sources	2,498	-	-	-
Total State Sources	28,187	-	-	-
Local Sources:				
Ad Valorem Taxes	93,342	-	-	-
Impact Fees	-	-	-	-
Food Service	-	-	-	-
Investment Income	532	-	1	-
Other Local Sources	2,620	-	-	-
Total Local Sources	96,494	-	1	-
Total Revenues	\$ 125,095	\$ 12,906	\$ 1	\$ 694

The 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
\$ -	\$ -	\$ -	\$ -	\$ 101
-	-	-	-	694
-	-	-	-	795
-	-	-	5,645	5,645
-	-	-	9,035	22,254
-	-	-	14,680	27,899
-	-	-	-	6,164
-	-	-	-	19,449
-	-	-	-	66
-	-	-	122	122
-	-	-	591	601
-	-	-	72	72
-	-	-	825	825
-	899	-	-	3,397
-	899	-	1,610	30,696
21,816	-	-	4,794	119,952
-	332	-	-	332
-	-	-	2,842	2,842
203	458	22	12	1,228
-	-	-	12	2,632
22,019	790	22	7,660	126,986
\$ 22,019	\$ 1,689	\$ 22	\$ 23,950	\$ 186,376

Continued on next page.

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, 2011
(amounts expressed in thousands)

			Debt Service -	
	General	Special Revenue -		American
	Fund	Federal Economic	Other Fund	Recovery and
		Stimulus		Reinvestment Act
		Fund		(ARRA) Fund
EXPENDITURES				
Current:				
Instruction	\$ 75,626	\$ 8,448	\$ -	\$ -
Pupil Personnel Services	3,550	91	-	-
Instructional Media Services	1,179	674	-	-
Instruction and Curriculum Development Services	1,535	1,836	-	-
Instructional Staff Training Services	173	1,275	-	-
Instruction Related Technology	726	195	-	-
School Board	954	-	-	-
General Administration	470	40	-	-
School Administration	7,827	41	-	-
Facilities Services - Non-Capitalized	9	-	-	-
Fiscal Services	1,249	69	-	-
Food Services	29	54	-	-
Central Services	1,963	61	-	-
Pupil Transportation Services	4,802	-	-	-
Operation of Plant	10,766	-	-	-
Maintenance of Plant	299	-	-	-
Administrative Technology Services	2,408	98	-	-
Community Services	-	-	-	-
Capital Outlay:				
Facilities Acquisition & Construction	14	-	-	-
Other Capital Outlay	45	24	-	-
Debt Service:				
Principal	-	-	4,879	-
Interest and Fiscal Charges	438	-	5,068	712
Total Expenditures	114,062	12,906	9,947	712
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	11,033	-	(9,946)	(18)
OTHER FINANCING SOURCES (USES)				
Transfers In	871	-	9,950	25
Transfers Out	-	-	-	-
Issuance of Long-Term Debt	-	-	-	-
Premiums on Issuance of Long-Term Debt	-	-	-	-
Sale of Capital Assets	88	-	-	-
Loss Recoveries	43	-	-	-
Total Other Financing Sources (Uses)	1,002	-	9,950	25
Net Change in Fund Balances	12,035	-	4	7
Fund Balances, Beginning	2,537	-	17	-
Fund Balances, Ending	\$ 14,572	\$ -	\$ 21	\$ 7

The 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
\$ -	\$ -	\$ -	\$ 5,482	\$ 89,556
-	-	-	806	4,447
-	-	-	138	1,991
-	-	-	1,256	4,627
-	-	-	592	2,040
-	-	-	-	921
-	-	-	-	954
-	-	-	285	795
-	-	-	-	7,868
12,982	93	-	593	13,677
-	-	-	-	1,318
-	-	-	7,363	7,446
-	-	-	-	2,024
-	-	-	156	4,958
-	-	-	-	10,766
-	-	-	-	299
-	-	-	-	2,506
-	-	-	277	277
7,274	11,672	1,371	379	20,710
595	223	-	147	1,034
-	-	-	4,550	9,429
-	-	122	1,036	7,376
20,851	11,988	1,493	23,060	195,019
1,168	(10,299)	(1,471)	890	(8,643)
-	-	-	-	10,846
(9,975)	(871)	-	-	(10,846)
-	-	26,261	160	26,421
-	-	-	14	14
-	-	-	-	88
-	-	-	-	43
(9,975)	(871)	26,261	174	26,566
(8,807)	(11,170)	24,790	1,064	17,923
38,108	26,325	-	3,278	70,265
\$ 29,301	\$ 15,155	\$ 24,790	\$ 4,342	\$ 88,188



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, 2011
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds \$ 17,923

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 loss on sale of capital assets in the current period.

Capital Outlay - Facilities and Construction - Governmental Funds	20,710	
Capital Outlay - Other Capital Outlay - Governmental Funds	1,034	
Donated Items	83	
Undepreciated Cost of Assets Sold	(289)	
Less: Depreciation/Amortization Expense	(13,707)	
	7,831	

Debt issuance costs are reported in the year the debt is issued as an expenditure in governmental funds; these costs are reported in the government-wide statement of activities as an asset and are amortized over the life of the associated debt. This is the amount of deferred charges at year-end (\$1,246), less the amount accrued in the prior year (\$1,331). (85)

Premiums are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. 71

Debt financing provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments in the current period.

Capital Lease Repayments	359	
Certificates of Participation Repayments	4,520	
Bond Repayments	4,550	
Issuance of Certificates of Participation	(26,261)	
Issuance of Bonds	(160)	
	(16,992)	

The decrease in estimated long-term claims payable for retiree life insurance is reported in the statement of activities, but not in the governmental funds statement. 3

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 year-end (\$126), less the amount accrued in the prior year (\$163). 37

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. (627)

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 paid (\$2,665) in excess of the amount earned (\$2,031) in the current period. 634

Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered deferred 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 year in the government-wide statements. (606)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net gain of internal service funds is reported with governmental activities. 439

Change in Net Assets - Governmental Activities \$ 8,628

The 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 50	\$ 75	\$ 101	\$ 26
Total Federal Direct	50	75	101	26
Federal Through State Sources:				
Other Federal Through State Sources	70	250	313	63
Total Federal through State	70	250	313	63
State Sources:				
Florida Education Finance Program	6,731	6,164	6,164	-
Categorical - Class Size Reduction	19,493	19,449	19,449	-
District Discretionary Lottery Funds	49	66	66	-
CO&DS Withheld for SBE/COBI Bond	-	-	10	10
Other State Sources	2,323	2,479	2,498	19
Total State Sources	28,596	28,158	28,187	29
Local Sources:				
Ad Valorem Taxes	92,447	92,502	93,342	840
Investment Income	150	329	532	203
Other Local Sources	1,848	2,527	2,620	93
Total Local Sources	94,445	95,358	96,494	1,136
Total Revenues	123,161	123,841	125,095	1,254
EXPENDITURES				
Current:				
Instruction:				
Salaries	50,325	45,791	45,581	210
Employees Benefits	13,373	12,641	12,632	9
Purchased Services	11,647	13,754	13,068	686
Energy Services	1	1	1	-
Materials and Supplies	4,452	3,442	2,653	789
Capital Outlay	113	218	92	126
Other Expenditures	36	1,602	1,599	3
Total Instruction	79,947	77,449	75,626	1,823
Pupil Personnel Services:				
Salaries	2,491	2,694	2,694	-
Employees Benefits	751	785	784	1
Purchased Services	24	26	19	7
Energy Services	4	4	4	-
Materials and Supplies	21	25	23	2
Capital Outlay	-	-	-	-
Other Expenditures	1	26	26	-
Total Pupil Personnel Services	3,292	3,560	3,550	10
Instructional Media Services:				
Salaries	788	832	832	-
Employees Benefits	257	252	252	-
Purchased Services	4	4	4	-
Materials and Supplies	6	13	10	3
Capital Outlay	25	77	73	4
Other Expenditures	1	8	8	-
Total Instructional Media Services	\$ 1,081	\$ 1,186	\$ 1,179	\$ 7

The 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
EXPENDITURES				
Current (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 1,098	\$ 1,175	\$ 1,174	\$ 1
Employees Benefits	273	317	317	-
Purchased Services	40	35	21	14
Materials and Supplies	4	4	2	2
Other Expenditures	5	26	21	5
Total Instruction and Curriculum Development Services	1,420	1,557	1,535	22
Instructional Staff Training Services:				
Salaries	80	94	94	-
Employees Benefits	12	24	23	1
Purchased Services	60	65	32	33
Materials and Supplies	6	13	9	4
Capital Outlay	1	1	-	1
Other Expenditures	2	20	15	5
Total Instructional Staff Training Services	161	217	173	44
Instruction Related Technology:				
Salaries	395	423	423	-
Employees Benefits	128	131	131	-
Purchased Services	273	204	168	36
Energy Services	-	4	4	-
Total Instruction Related Technology	796	762	726	36
School Board:				
Salaries	192	192	192	-
Employees Benefits	557	359	359	-
Purchased Services	410	431	347	84
Materials and Supplies	3	3	1	2
Other Expenditures	58	58	55	3
Total School Board	1,220	1,043	954	89
General Administration:				
Salaries	310	357	356	1
Employees Benefits	82	73	69	4
Purchased Services	25	34	27	7
Materials and Supplies	3	5	3	2
Capital Outlay	1	-	-	-
Other Expenditures	12	15	15	-
Total General Administration	433	484	470	14
School Administration:				
Salaries	5,644	5,988	5,987	1
Employees Benefits	1,685	1,720	1,720	-
Purchased Services	28	60	51	9
Energy Services	-	1	1	-
Materials and Supplies	14	45	42	3
Capital Outlay	1	8	1	7
Other Expenditures	-	25	25	-
Total School Administration	\$ 7,372	\$ 7,847	\$ 7,827	\$ 20

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
EXPENDITURES				
Current (continued)				
Facilities Services Non-Capitalized:				
Salaries	\$ 414	\$ -	\$ -	\$ -
Employees Benefits	119	-	-	-
Purchased Services	1	5	5	-
Energy Services	2	2	2	-
Materials and Supplies	-	2	2	-
Capital Outlay	18	14	-	14
Total Facilities Services Non-Capitalized	554	23	9	14
Fiscal Services:				
Salaries	841	855	855	-
Employees Benefits	248	240	239	1
Purchased Services	227	147	145	2
Materials and Supplies	4	5	5	-
Other Expenditures	355	6	5	1
Total Fiscal Services	1,675	1,253	1,249	4
Food Services:				
Salaries	-	27	27	-
Employees Benefits	-	2	2	-
Total Food Services	-	29	29	-
Central Services:				
Salaries	1,291	1,349	1,349	-
Employees Benefits	370	371	371	-
Purchased Services	155	199	160	39
Energy Services	8	11	11	-
Materials and Supplies	79	67	44	23
Capital Outlay	12	12	4	8
Other Expenditures	22	53	24	29
Total Central Services	1,937	2,062	1,963	99
Pupil Transportation Services:				
Salaries	2,755	2,880	2,547	333
Employees Benefits	1,020	998	997	1
Purchased Services	130	273	271	2
Energy Services	431	712	705	7
Materials and Supplies	112	119	115	4
Capital Outlay	4	-	-	-
Other Expenditures	3	168	167	1
Total Pupil Transportation Services	4,455	5,150	4,802	348
Operation of Plant:				
Salaries	2,765	3,362	3,361	1
Employees Benefits	1,003	1,143	1,143	-
Purchased Services	2,523	2,032	1,071	961
Energy Services	5,596	5,575	4,704	871
Materials and Supplies	261	415	382	33
Capital Outlay	1	1	-	1
Other Expenditures	5	108	105	3
Total Operation of Plant	\$ 12,154	\$ 12,636	\$ 10,766	\$ 1,870

The 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
EXPENDITURES				
Current (continued)				
Maintenance of Plant:				
Salaries	\$ 96	\$ -	\$ -	\$ -
Employees Benefits	29	-	-	-
Purchased Services	160	57	47	10
Energy Services	38	70	69	1
Materials and Supplies	-	211	163	48
Capital Outlay	11	2	-	2
Other Expenses	2	20	20	-
Total Maintenance of Plant	336	360	299	61
Administrative Technology Services:				
Salaries	1,230	1,447	1,447	-
Employees Benefits	347	339	339	-
Purchased Services	609	618	601	17
Materials and Supplies	2	19	19	-
Capital Outlay	3	34	2	32
Total Administrative Technology Services	2,191	2,457	2,408	49
Capital Outlay:				
Facilities Acquisition and Construction	-	14	14	-
Other Capital Outlay	-	45	45	-
Total Capital Outlay:	-	59	59	-
Debt Service:				
Interest and Fiscal Charges	500	438	438	-
Total Debt Service	500	438	438	-
Total Expenditures	119,524	118,572	114,062	4,510
Excess (Deficiency) of Revenues Over Expenditures	3,637	5,269	11,033	5,764
OTHER FINANCING SOURCES (USES)				
Transfers In	673	871	871	-
Sale of Capital Assets	20	71	88	17
Loss Recoveries	-	41	43	2
Total Other Financing Sources (Uses)	693	983	1,002	19
Net Change in Fund Balance	4,330	6,252	12,035	5,783
Fund Balance, Beginning	2,537	2,537	2,537	-
Fund Balance, Ending	\$ 6,867	\$ 8,789	\$ 14,572	\$ 5,783



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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
REVENUES				
Federal Through State Sources:				
Other Federal Through State Sources	\$ 9,127	\$ 13,446	\$ 12,906	\$ (540)
Total Federal through State	9,127	13,446	12,906	(540)
Total Revenues	9,127	13,446	12,906	(540)
EXPENDITURES				
Current:				
Instruction:				
Salaries	2,466	5,849	5,773	76
Employees Benefits	826	1,651	1,651	-
Purchased Services	578	887	887	-
Materials and Supplies	2,125	90	85	5
Capital Outlay	9	6	6	-
Other Expenditures	10	46	46	-
Total Instruction	6,014	8,529	8,448	81
Pupil Personnel Services:				
Salaries	49	60	60	-
Employees Benefits	15	15	15	-
Purchased Services	6	1	1	-
Materials and Supplies	15	16	15	1
Total Pupil Personnel Services	85	92	91	1
Instructional Media Services:				
Salaries	435	519	519	-
Employees Benefits	131	152	152	-
Other Expenditures	-	3	3	-
Total Instructional Media Services	566	674	674	-
Instruction and Curriculum Development Services:				
Salaries	474	1,420	1,420	-
Employees Benefits	140	385	385	-
Purchased Services	12	31	31	-
Total Instruction and Curriculum Development Services	626	1,836	1,836	-
Instructional Staff Training Services:				
Salaries	971	896	896	-
Employees Benefits	274	242	242	-
Purchased Services	59	153	106	47
Materials and Supplies	11	9	-	9
Capital Outlay	-	3	1	2
Other Expenditures	50	30	30	-
Total Instructional Staff Training Services	1,365	1,333	1,275	58
Instructional Related Technology:				
Salaries	67	73	73	-
Employees Benefits	16	22	22	-
Purchased Services	55	59	59	-
Capital Outlay	23	430	41	389
Total Instruction Related Technology	\$ 161	\$ 584	\$ 195	\$ 389

The 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
EXPENDITURES				
Current (continued)				
General Administration:				
Other Expenditures	\$ 19	\$ 47	\$ 40	\$ 7
Total General Administration	19	47	40	7
School Administration:				
Purchased Services	-	41	41	-
Total School Administration	-	41	41	-
Fiscal Services:				
Salaries	58	56	56	-
Employees Benefits	17	13	13	-
Total Fiscal Services	75	69	69	-
Food Services:				
Salaries	20	27	27	-
Employees Benefits	4	5	5	-
Capital Outlay	6	-	-	-
Other Expenditures	32	22	22	-
Total Food Services	62	54	54	-
Central Services:				
Purchased Services	-	65	61	4
Total Central Services	-	65	61	4
Administrative Technology Services:				
Salaries	63	63	63	-
Employees Benefits	18	17	17	-
Purchased Services	73	18	18	-
Total Administrative Technology Services	154	98	98	-
Capital Outlay:				
Other Capital Outlay	-	24	24	-
Total Capital Outlay	-	24	24	-
Total Expenditures	9,127	13,446	12,906	540
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

The School Board of Indian River County, Florida
Statement of Net Assets
Proprietary Funds
June 30, 2011
(amounts expressed in thousands)

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Program	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 473	\$ 9,431
Investments	-	212
Accounts Receivable	-	80
Due from Other Agencies	-	576
Total Current Assets	473	10,299
Total Assets	473	10,299
LIABILITIES		
Current Liabilities:		
Accrued Salaries and Benefits	18	-
Accounts Payable	16	1
Due to Other Agencies	2	-
Unearned Revenue	-	1,372
Estimated Insurance Claims Payable	-	3,335
Compensated Absences Payable	11	-
Total Current Liabilities	47	4,708
Long-Term Liabilities:		
Compensated Absences Payable	7	-
Other Postemployment Benefits Payable	18	-
Total Long-Term Liabilities	25	-
Total Liabilities	72	4,708
NET ASSETS		
Unrestricted	401	5,591
Total Net Assets	<u>\$ 401</u>	<u>\$ 5,591</u>

The 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 Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Business-Type Activities <u>Nonmajor Enterprise Fund Extended Day Program</u>	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 769	\$ 86
Premium Revenues	-	16,514
Other Operating Revenues	-	562
	<u>769</u>	<u>17,162</u>
OPERATING EXPENSES		
Insurance Claims	-	12,518
Insurance Premiums	-	2,620
Service Agent Fees	-	1,521
Professional and Technical Services	51	68
Salaries and Benefits	600	77
Materials and Supplies	52	-
Other Expenses	6	-
	<u>709</u>	<u>16,804</u>
Operating Income	<u>60</u>	<u>358</u>
NONOPERATING REVENUES		
Investment Earnings	<u>2</u>	<u>81</u>
Total Nonoperating Revenues	<u>2</u>	<u>81</u>
Change in Net Assets	62	439
Total Net Assets, Beginning	<u>339</u>	<u>5,152</u>
Total Net Assets, Ending	<u><u>\$ 401</u></u>	<u><u>\$ 5,591</u></u>

The 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, 2011
(amounts expressed in thousands)

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Program	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Premiums	\$ -	\$ 16,724
Cash Received for Other Operating Revenues	769	648
Cash Payments for Insurance Premiums	-	(2,620)
Cash Payments to Employees for Services	(599)	(77)
Cash Payments for Other Fees	-	(1,521)
Cash Payments for Insurance Claims	-	(13,650)
Cash Payments for Other	(100)	(299)
	<u>70</u>	<u>(795)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	-	71
Interest on Investments	2	27
	<u>2</u>	<u>98</u>
Net Cash Provided by Investing Activities		
Net Change in Cash and Cash Equivalents	72	(697)
Cash and Cash Equivalents, Beginning	401	10,128
Cash and Cash Equivalents, Ending	<u>\$ 473</u>	<u>\$ 9,431</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 60	\$ 358
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	-	(80)
Increase in Due From Other Agencies	-	(151)
Increase in Accrued Salaries and Benefits	1	-
Increase in Account Payable	10	-
Increase in Unearned Revenue	-	210
Decrease in Estimated Insurance Claims payable	-	(1,132)
Decrease in Compensated Absences Payable	(2)	-
Increase in Other Postemployment Benefits Payable	1	-
	<u>10</u>	<u>(1,153)</u>
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	<u>\$ 70</u>	<u>\$ (795)</u>
Noncash Investing Activity		
Increase in Fair Value of Investments		<u>\$ 54</u>

The 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 Assets
Fiduciary Funds
June 30, 2011
(amounts expressed in thousands)

	Private-Purpose Trust Fund Waldo Schraubstader Scholarship Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 27	\$ 1,172
Investments	46	-
Accounts Receivable	-	30
Inventory	-	40
Total Assets	73	1,242
LIABILITIES		
Accounts Payable	-	63
Internal Accounts Payable	-	1,179
Total Liabilities	-	\$ 1,242
NET ASSETS		
Assets Held in Trust for Scholarships and Other Purposes	\$ 73	

The 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 Assets
Fiduciary Funds
Private-Purpose Trust Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Fiduciary Fund Private-Purpose Trust Fund Waldo Schraubstader Scholarship Fund
ADDITIONS	
Investments Earnings:	
Interest on Investments	\$ 1
Net Increase in Fair Value of Investments	-
Total Investment Earnings	1
DEDUCTIONS	
Other Expenses	3
Change in Net Assets	(2)
Total Net Assets, Beginning	75
Total Net Assets, Ending	\$ 73

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



THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **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. 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 entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

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

- 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 Note 9. Due to the substantive economic relationship between the Board 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. 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

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.

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 SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2011. Audits of the charter schools for the fiscal year ended June 30, 2011, were conducted by independent accounting firms and are on file at the District Administrative Office.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the School District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. 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 business 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 for the District has been allocated based upon a percentage of functional expenditures to total expenditures with direct allocation for some expenses in pupil transportation services, food service, and maintenance of plant functions.

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. 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.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used, and the net residual amounts between governmental and business-type activities.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental 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 provided for operations and other programs as set out in the American Recovery and Reinvestment Act and other stimulus programs.
- 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, payments on operating leases, motor vehicle purchases, equipment purchases, costs of environmental compliance, and payment of property and casualty insurance premiums.
- Capital Projects – Other Fund – to account for other financial resources generated by the Series 2005 and Series 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 Qualified School Construction Bond (QSCB) issue to be used for certain capital construction and improvement projects.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's individual self-insurance programs and to account for the resources of the East Central Florida Management Training Institute (MTI) consortium, for which the School Board of Indian River County acted as fiscal agent for the 2010-11 fiscal year.
- Enterprise Fund - Extended Day Program – to account for the financial resources of the District's Extended Day Program. This program provides before and after school care to students.
- Private-Purpose Trust Fund – to account for resources of the Estate of Waldo Schraubstader Scholarship Fund.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. 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.

Governmental fund financial statements are prepared using 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

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

interest on long-term debt, claims and judgments, postemployment healthcare benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Proprietary funds are accounted for under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from non-operating 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 funds and enterprise fund are charges for employee health insurance premiums, services related to the Management Training Institute, and fees for child care services. Operating expenses include insurance premiums, claims, administrative expense, salaries and benefits, training expense and other related expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When assigned or unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use assigned resources first, followed by unassigned resources as they are needed.

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

➤ **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and certain short-term, highly liquid investments with maturities of three months or less. Investments classified as cash equivalents consist of unrestricted investments placed with the State Board of Administration (SBA) 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

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

The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2011, 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 0.78965331 at June 30, 2011. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by 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 of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within Florida PRIME.

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

➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost based on the last invoice, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus 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 Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Prepaid items**

Prepaid items are reported in the governmental funds under the purchases method.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

➤ **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 assets 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 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 years

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

➤ **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 assets. Premiums and discounts on debt issuance, as well as issuance costs, are deferred and amortized using a straight-line method over the life of the related debt. Bonds and other long-term debts payable 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation and sick leave) are accrued as liabilities to the extent that the benefits are attributed to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or other means. Vacation benefits are accrued as earned and sick leave benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive payments and for those employees for whom it is probable they will become eligible. The liability includes applicable related payments for social security, medicare and retirement contributions. 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.

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

➤ **State Revenue Sources**

Revenues from State sources are primarily from the Class-Size Reduction – operating categorical program. In addition, State revenues 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

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

➤ **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 2010 tax levy on September 9, 2010. 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 an enforceable lien on 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.

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.

➤ **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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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➤ **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.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- 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.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each 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.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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3. INVESTMENTS

As of June 30, 2011, the District has the following investments and maturities:

Investments	Maturities	Fair Value
State Board of Administration (SBA):		
Florida PRIME (1) (2)	31 Day Average	\$ 65,197,198
Fund B Surplus Funds Trust Fund (Fund B) (3)	7.16 Years Average	2,748,798
Debt Service Accounts	6 Months	150,851
Mutual Funds:		
Morgan Stanley U.S. Government Securities Trust (4)	3.03 Years Average	45,918
First American Money Market Fund (5) (6)	35 Day Average	7,628,933
Total Investments, Primary Government		<u>\$ 75,771,698</u>
Notes:		
(1) Includes \$35,742,697 considered cash equivalents for financial statement reporting purposes.		
(2) Includes \$29,454,501 held under a trust agreement for Certificates of Participation financing arrangements.		
(3) Includes \$1,518,854 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.		

Interest Rate Risk

- The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.
- Florida PRIME had a weighted average days to maturity (WAM) of 31 days at June 30, 2011. 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 40 indicating specific identification, 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, 2011, is estimated at 7.16 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Credit Risk

- Section 218.415, Florida Statutes, limits investments to State Board of Administration (SBA) Local Government Surplus Funds Trust Fund Investment Pool, known as Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statute; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.03, Florida Statutes; and direct obligations of the United States Treasury. The District does not have a formal investment policy that limits its investment choices.
- The District's investments held in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued at the state level for the benefit of the District. The District relies on policies developed by the State Board of Administration for managing interest rate risk and credit risk for this account.
- As of June 30, 2011, the District's investment in Florida PRIME is Rated AAAm by Standard & Poor's. Fund B is unrated.
- As of June 30, 2011, 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.
- As of June 30, 2011, the District's investment in the Morgan Stanley U.S. Government Securities Trust mutual fund is unrated. However, the rated securities held by the fund are rated AAA by Standard & Poor's.

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4. 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.

The note receivable at June 30, 2011 is \$4,442,203 as shown in the schedule below:

Fiscal Year Ending June 30	Total	Principal	Interest
2012	\$ 897,039	\$ 640,443	\$ 256,596
2013	897,039	677,437	219,602
2014	897,039	716,568	180,471
2015	897,039	757,960	139,079
2016	897,039	801,742	95,297
2017	897,039	848,053	48,986
Total	<u>\$ 5,382,234</u>	<u>\$ 4,442,203</u>	<u>\$ 940,031</u>

5. DUE FROM AND TO COMPONENT UNITS—CHARTER SCHOOLS

Pursuant to Section 1013.62 Florida Statutes, the State provides charter school capital outlay funds to the District. The District then reimburses the charter schools for capital outlay purchases. One charter school component unit recorded a due from primary government for this funding, which totals \$432,062. The District does not deem this amount a payable until the charter schools claim the funding as a reimbursement of expense incurred. Therefore, a corresponding payable was not recorded in its financial statements. In the fund balance of the General Fund, the District restricted capital outlay money provided by the State for the benefit of the charter schools. Detailed information regarding fund balance restrictions is included in Note 13, Fund Balance Reporting.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 7-1-10	Additions	Deletions	Balance 6-30-11
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 23,271,147	\$ -	\$ -	\$ 23,271,147
Improvements Other Than Buildings	188,739	-	-	188,739
Construction in Progress	5,542,978	13,846,914	5,115,657	14,274,235
Total Capital Assets Not Being Depreciated	29,002,864	13,846,914	5,115,657	37,734,121
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	19,935,646	1,192,105	-	21,127,751
Buildings and Fixed Equipment	341,974,514	10,786,451	12,500	352,748,465
Furniture, Fixtures, and Equipment	20,410,096	756,547	2,134,291	19,032,352
Motor Vehicles	11,065,523	320,176	826,831	10,558,868
Property Under Capital Lease	1,941,691	-	-	1,941,691
Audio Visual Materials and Computer Software	4,339,111	41,260	140,027	4,240,344
Total Capital Assets Being Depreciated/Amortized	399,666,581	13,096,539	3,113,649	409,649,471
Less Accumulated Depreciation/Amortization for:				
Improvements Other Than Buildings	10,472,901	1,032,293	-	11,505,194
Buildings and Fixed Equipment	82,310,632	9,733,909	1,021	92,043,520
Furniture, Fixtures, and Equipment	14,957,205	1,687,793	1,959,859	14,685,139
Motor Vehicles	4,772,343	908,311	724,179	4,956,475
Property Under Capital Lease	105,174	97,085	-	202,259
Audio Visual Materials and Computer Software	3,541,013	247,436	140,027	3,648,422
Total Accumulated Depreciation/Amortization	116,159,268	13,706,827	2,825,086	127,041,009
Total Capital Assets Being Depreciated/Amortized Net	283,507,313	(610,288)	288,563	282,608,462
Governmental Activities Capital Assets, Net	\$ 312,510,177	\$ 13,236,626	\$ 5,404,220	\$ 320,342,583

The classes of property under capital lease are presented in Note 8.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	Amount
<u>Function</u>	
Instruction	\$ 7,381,182
Pupil Personnel Services	366,524
Instructional Media Services	164,072
Instruction and Curriculum Development Services	381,323
Instructional Staff Training Services	168,159
Instruction Related Technology	75,925
School Board	78,592
General Administration	65,574
School Administration	648,440
Facility Services - Non-Capitalized	1,127,260
Fiscal Services	108,673
Food Services	620,156
Central Services	166,734
Pupil Transportation Services	1,128,502
Operation of Plant	887,330
Maintenance of Plant	131,830
Administrative Technology Services	206,551
Total Depreciation/Amortization Expense- Governmental Activities	<u>\$ 13,706,827</u>

7. CHANGES IN SHORT-TERM DEBT

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

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
GOVERNMENTAL ACTIVITIES				
Tax Anticipation Notes	\$ -	\$ 30,000,000	\$ 30,000,000	\$ -

The Tax Anticipation Notes, Series 2010, with an interest rate of 2 percent and a net interest cost of 0.439 percent, were issued on October 7, 2010, for \$30,000,000, and matured on June 30, 2011. The proceeds were utilized for payment of operating expenses incurred for the District's schools for the 2010-11 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year.

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8. OBLIGATIONS UNDER CAPITAL LEASE

The class and amount of property being acquired under capital lease is as follows:

Asset under lease	Asset Cost
Telephone System	\$ 1,941,691
Total	<u>\$ 1,941,691</u>

Future minimum capital lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2012	408,778	373,139	35,639
2013	408,777	388,302	20,475
2014	306,582	301,547	5,035
Total Minimum Lease Payments	<u>\$ 1,124,137</u>	<u>\$ 1,062,988</u>	<u>\$ 61,149</u>

The stated interest rate for the telephone system lease is 3.99 percent.

9. 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, Inc., 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 Indian River School Board 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 19 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 SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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the Ground Lease Agreement for the benefit of the securers of the Certificates for the remaining terms of the lease agreements.

Certificates of Participation at June 30, 2011, are as follows:

Series	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Maturity
Series 2005	\$ 80,050,000	\$ 64,500,000	3.80 - 5.00	2025
Series 2007	45,020,000	40,585,000	4.00 - 5.00	2027
Series 2010A-QSCB	26,261,000	26,261,000	0.11 net (1)	2029
Total Certificates of Participation	<u>\$ 151,331,000</u>	<u>\$ 131,346,000</u>		

Note (1):

The Series 2010A-Lease (Certificates) 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 54 A(b)(3) of the Code. The interest rate is 5.91 percent with an allowed federal subsidy of 5.80 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 - Certificates of Participation

Vero Beach Elementary School Replacement
Osceola Magnet School Replacement (partial funding)

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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
2012	\$ 11,082,628	\$ 4,690,000	\$ 6,392,628
2013	11,081,928	4,870,000	6,211,928
2014	11,080,637	5,065,000	6,015,637
2015	11,078,425	5,270,000	5,808,425
2016	11,082,775	5,490,000	5,592,775
2017-2021	55,398,705	31,215,000	24,183,705
2022-2026	55,401,051	39,410,000	15,991,051
2027-2029	39,669,813	35,336,000	4,333,813
Total Minimum Lease Payments	205,875,962	131,346,000	74,529,962
Plus: Unamortized Premium	1,044,558	1,044,558	-
Total Certificates of Participation	<u>\$ 206,920,520</u>	<u>\$ 132,390,558</u>	<u>\$ 74,529,962</u>

The District issued Certificates of Participation (COPS) dated December 1, 2010, under the Qualified School Construction Bond (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

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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 District is to deposit \$1,458,994 into a sinking fund annually on December 1. The accumulated amount in this fund plus interest at a projected 3 percent is to be used to repay the principal amount of these certificates upon maturity.

10. BONDS PAYABLE

Bonds payable at June 30, 2011, are as follows:

Bond Type	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2005A	\$ 6,405,000	\$ 5,145,000	4.00 - 5.00	2025
Series 2008A	1,210,000	1,105,000	3.50 - 5.00	2028
Series 2010A	160,000	155,000	3.50 - 5.00	
District General Obligations Bonds:				
Series 2002, Refunding	<u>24,805,000</u>	<u>9,270,000</u>	5.00 - 5.50	2013
Total Bonds Payable	<u>\$ 32,580,000</u>	<u>\$ 15,675,000</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 State Board of Education 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 State Board of Education and the State Board of Administration.

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➤ **District General Obligation Bonds**

General Obligation Bonds, Series 2002, are authorized by Indian River County School Board and secured by a pledge of property taxes levied, pursuant to Chapters 1010 and 1011, Florida Statutes.

Annual requirements to amortize the bonded debt outstanding as of June 30, 2011, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2012	600,338	315,000	285,338
2013	600,312	330,000	270,312
2014	599,488	345,000	254,488
2015	602,912	365,000	237,912
2016	599,663	380,000	219,663
2017-2021	3,015,512	2,200,000	815,512
2022-2026	2,536,794	2,225,000	311,794
2027-2030	263,400	245,000	18,400
Total State School Bonds	8,818,419	6,405,000	2,413,419
General Obligation Bonds:			
2012	5,007,250	4,520,000	487,250
2013	5,011,250	4,750,000	261,250
Total General Obligation Bonds	10,018,500	9,270,000	748,500
Total	\$ 18,836,919	\$ 15,675,000	\$ 3,161,919

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Notes to the Basic Financial Statements
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11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-10	Additions	Deductions	Balance 6-30-11	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 109,605,000	\$ 26,261,000	\$ 4,520,000	\$ 131,346,000	\$ 4,690,000
Unamortized Premiums	1,115,544	-	70,986	1,044,558	70,986
Total Certificates of Participation Payable	<u>110,720,544</u>	<u>26,261,000</u>	<u>4,590,986</u>	<u>132,390,558</u>	<u>4,760,986</u>
Bonds Payable	20,065,000	160,000	4,550,000	15,675,000	4,835,000
Obligations Under Capital Lease	1,421,555	-	358,567	1,062,988	373,139
Estimated Long-term Claims Payable	5,167	-	2,963	2,204	1,044
Compensated Absences Payable	9,457,793	2,031,493	2,665,219	8,824,067	2,665,219
Other Postemployment Benefits Payable	13,853,927	1,508,043	880,575	14,481,395	-
Total Governmental Activities	<u>\$ 155,523,986</u>	<u>29,960,536</u>	<u>\$ 13,048,310</u>	<u>\$ 172,436,212</u>	<u>\$ 12,635,388</u>
BUSINESS-TYPE ACTIVITIES					
Compensated Absences Payable	\$ 19,359	\$ 10,387	\$ 11,606	\$ 18,140	\$ 11,605
Other Postemployment Benefits Payable	17,083	2,476	1,446	18,113	-
Total Business-Type Activities	<u>\$ 36,442</u>	<u>\$ 12,863</u>	<u>\$ 13,052</u>	<u>\$ 36,253</u>	<u>\$ 11,605</u>

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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12. INTERFUND TRANSFERS

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 871,022	\$ -
Capital Projects:		
Local Capital Improvement	-	9,975,527
Other	-	871,022
Debt Service		
Other	9,950,190	-
ARRA	25,337	-
Total	\$ 10,846,549	\$ 10,846,549

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. The transfers from Capital Projects - Other Fund were to provide for payments to charter schools for capital expenses.

13. FUND BALANCE REPORTING

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, for the fiscal year ended June 30, 2011. The objective of the statement is to improve the usefulness and understanding of fund balance information for user of the financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

The District reports its governmental fund balances in the following categories, as applicable:

➤ **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

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of loans and notes receivable, and property acquired for resale. The District classifies its amount reported as inventories and prepaid amounts as nonspendable.

➤ 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. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked education funding in the General Fund, that are legally or otherwise restricted.

➤ Committed

The portion of fund balance that can only be used for specific purpose pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e. the Board). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed fund balances at June 30, 2011.

➤ Assigned

The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are constrained to be used for specific purposes, and not included in other categories. The Board authorized the Superintendent and Assistant Superintendent for Business/Operations to assign fund balance by approval of the annual financial report.

➤ 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.

The following is a schedule of fund balances by category at June 30, 2011:

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Major Funds								
	Capital							
	Debt Service -	Debt Service -	Projects -	Capital Projects -	Capital Projects -	Nonmajor	Total	
General	Other	ARRA	Local Capital Improvement	Other	ARRA	Governmental Funds	Governmental Funds	
Nonspendable:								
Inventories	\$ 327,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,504	\$ 534,523
Prepaid Items	3,330	-	-	-	-	-	-	3,330
Restricted:								
Federal Required Carryover	-	-	-	-	-	-	1,469,111	1,469,111
State Required Carryover	96,418	-	-	-	-	-	-	96,418
Charter School Capital	619,915	-	-	-	-	-	-	619,915
Voluntary Pre-K Program	46,229	-	-	-	-	-	-	46,229
Adult Workforce	1,444,880	-	-	-	-	-	-	1,444,880
Debt Service	-	21,226	7,437	-	-	-	926,853	955,516
Capital Projects	-	-	-	29,301,343	15,154,485	24,790,270	1,737,797	70,983,895
Assigned:								
Other	252,501	-	-	-	-	-	-	252,501
Next Year's Budget Deficit	6,286,633	-	-	-	-	-	-	6,286,633
Unassigned	5,495,114	-	-	-	-	-	-	5,495,114
Total Fund Balance	\$ 14,572,039	\$ 21,226	\$ 7,437	\$ 29,301,343	\$ 15,154,485	\$ 24,790,270	\$ 4,341,265	\$ 88,188,065

➤ **Minimum Fund Balance Policy**

The District has adopted Board Policy 7.29, which provides that at least 4 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 4 percent amount along with a timeline for restoration.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

14. 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 2010-11 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 6,163,993
Categorical Educational Programs - Class Size Reduction	19,448,714
Workforce Development Program	897,663
Charter School Capital Outlay	871,022
Gross Receipts Tax (Public Education Capital Outlay)	824,916
School Recognition	682,305
Motor Vehicle License Tax (Capital Outlay and Debt Service)	672,673
Voluntary Prekindergarten	603,483
Mobile Home License Tax	148,526
Excellent Teaching	135,701
Food Service Supplement	121,600
Discretionary Lottery Funds	66,264
Miscellaneous	58,657
Total	<u>\$ 30,695,517</u>

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2010 tax roll for the 2010-11 fiscal year:

GENERAL FUND	Millages	Taxes Levied
Nonvoted School Tax:		
Required Local Effort	5.4220	\$ 81,318,592
Basic Discretionary Local Effort	0.7480	11,218,413
Critical Operating Needs	0.2500	3,749,474
Total General Fund Taxes Levied		<u>\$ 96,286,479</u>
DEBT SERVICE FUNDS		
Voted Tax:		
Special Tax School District No. 1	0.3300	4,949,312
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvements	1.5000	22,496,846
Total	<u>8.2500</u>	<u>\$ 123,732,637</u>

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

16. FLORIDA RETIREMENT SYSTEM

All regular employees of the District are covered by 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. Essentially, all regular employees of participating employers are eligible and must enroll as members of the FRS. 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 Public Employee Optional Retirement Program (PEORP).

Employees in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military 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, and 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 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 PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer 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 PEORP vest after one year of service. There were 317 District participants during the 2010-11 fiscal year. Required contributions made to PEORP totaled \$1,265,375.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of the FRS. During the 2010-11 fiscal year, contribution rates were as follows:

Retirement Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	10.77
Florida Retirement System, Elected County Officers	0.00	18.64
Florida Retirement System, Senior Management Service	0.00	14.57
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.25
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of PEORP.

(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 for the fiscal years ended June 30, 2009, June 30, 2010, and June 30, 2011, totaled, \$7,783,110, \$7,430,600, and \$7,809,139, respectively, which were equal to the required contributions for each fiscal year.

The financial statements and other supplementary information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on 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.

17. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The District's Other Postemployment Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the District may continue 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 plans 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

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

plan on average than those of active employees. Additionally, Medicare-eligible retirees receive insurance coverage at a lower premium rate than active employees and do not pay deductibles and copayments. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

The Postemployment Benefit Plan does not issue a stand-alone report and is not included in the report of another entity.

Funding Policy – For the Postemployment Benefits Plan, contribution requirements of the District 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 Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. As of June 30, 2011, there were 375 retirees and 94 eligible dependents receiving postemployment health care benefits. For the 2010-11 fiscal year the District provided required contributions of \$882,021 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance payments, and net of retiree contributions totaling \$1,801,228 which represents 2.1 percent of covered payroll. Required contributions are based on projected pay-as-you-go financing.

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 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 year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

Other Post Employment Benefits		
Description	Fiscal Year Ending	
	June 30, 2010	June 30, 2011
Normal Cost (service cost for one year)	\$ 3,250,861	795,225
Amortization of Unfunded Actuarial Accrued Liability	2,141,595	600,045
Interest on Normal Cost and Amortization	215,698	55,811
Annual Required Contribution	5,608,154	1,451,081
Interest on Net OPEB Obligation	357,226	554,840
Adjustment to Annual Required Contribution	(318,958)	(495,402)
Annual OPEB Cost (Expense)	5,646,422	1,510,519
Contribution Toward the OPEB Cost	(706,073)	882,021
Increase in Net OPEB Obligation	4,940,349	628,498
Net OPEB Obligation, Beginning of Year	8,930,661	13,871,010
Net OPEB Obligation, End of Year	\$ 13,871,010	\$ 14,499,508

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2011, and the two preceding years, are as follows:

Fiscal Year	Annual OPEB Cost	Contribution Toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008-09	\$ 6,269,005	\$ 1,220,488	19.5%	\$ 8,930,661
2009-10	5,646,422	706,073	12.5%	13,871,010
2010-11	1,510,519	882,021	58.4%	14,499,508

Funded Status and Funding Progress. As of June 30, 2011, the actuarial accrued liability for benefits was \$11,041,551, and the actuarial value of assets was \$0, resulting in an unfunded

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

actuarial accrued liability of \$11,041,551. The covered payroll (annual payroll for active participating employees) was \$81,436,561, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 13.6 percent.

Actuarial valuations of an ongoing 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 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 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 liability was determined on the entry age normal cost actuarial method. 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 10.5 percent initially for the 2010-11 fiscal year, reduced by 1 percent per year, to an ultimate rate of 5.5 percent for the fiscal year ending June 30, 2018. In calculating the District's 2010-11 fiscal year annual required contribution the initial unfunded actuarial accrued liability, actuarial gains and actuarial losses were amortized over a closed 30 year period as a level percentage of projected payroll. The remaining amortization period at June 30, 2011, was 26 years.

The District's Net OPEB liability shows a substantial decrease due to a Board approved change to the employee benefit plan for health coverage. The changes will eliminate the liability for future benefits related to Medicare eligible recipients after retirement beginning in January 2012.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

18. 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, 2011:

Major Funds							
General	Debt Service - Other	Debt Service - ARRA	Capital Projects - Local Capital Improvement	Capital Projects - Other	Capital Projects - ARRA	Nonmajor Government al Funds	Total Governmental Funds
\$ 252,501	\$ -	\$ -	\$ 11,924,107	\$ 23,076,544	\$ -	\$ 534,546	\$ 37,787,698

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

Project	Contract Amount	Completed to Date	Balance Committed
Vero Beach Elementary Replacement			
Architect	\$ 926,000	\$ 740,552	\$ 185,448
Contractor	18,790,657	2,358,317	16,432,340
Support Services Complex			
Architect	176,800	112,000	64,800
Contractor	10,732,061	7,252,619	3,479,442
Sebastian River High School HVAC			
Architect	171,240	160,498	10,742
Contractor	4,459,786	3,468,011	991,775
Sebastian River High School Part 2 Freshman Learning Center			
Architect	691,393	462,789	228,604
Contractor	6,875,053	121,339	6,753,714
Dodgertown Elementary HVAC			
Architect	130,000	110,000	20,000
Contractor	2,748,846	632,785	2,116,061
Total	<u>\$ 45,701,836</u>	<u>\$ 15,418,910</u>	<u>\$ 30,282,926</u>

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

19. CONSORTIUM

The District is a member of, and the fiscal agent for, the East Central Florida Management Training Institute (MTI). The Institute provides training for administrators in the participating districts. The Institute is governed by a Board of Directors composed of the superintendents of the participating school districts. During the 2010-11 fiscal year, MTI had five full members. MTI also provides training on a fee basis to other nonmember districts and individual schools throughout central Florida.

20. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to 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 District is a member of the South Central Educational Risk Management Program (SCERMP), a consortium 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. 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 deductibles 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 substantially increased during the 2010-11 fiscal year to \$100 million per tower (consisting of 4 members per tower), except for Flood/Earthquake of \$75 million, compared to \$75 million per tower during the 2009-10 fiscal year.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2010-11 fiscal year was \$850,000. 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 each claim and in the aggregate

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 \$100,000 per claim and \$200,000 per occurrence. Effective 10/1/11 the immunity caps were increased by the 2010 Florida Legislature to \$200,000 per claim/\$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, with a maximum lifetime benefit of \$2,000,000 per insured. Premiums received for, and claims (and other expenses) paid on behalf of, 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
2009-10	\$ 4,010,933	\$ 13,406,620	\$ (12,950,157)	\$ 4,467,396
2010-11	4,467,396	12,518,186	(13,650,133)	3,335,449

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

21. 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2011

22. SUBSEQUENT EVENTS

On November 4, 2011, the School Board issued Tax Anticipation Notes in the amount of \$16 million. The note proceeds will provide the District with interim funds for the payment of operating expenditures for the 2011-12 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year. The notes were issued at an interest rate of 1 percent.

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) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
6/30/2008	\$ -	\$ 63,310	\$ 63,310	0.00%	\$ 88,216	71.8%
6/30/2009	-	68,428	68,428	0.00%	88,372	77.4%
6/30/2010	-	60,371	60,371	0.00%	85,459	70.6%
6/30/2011	-	11,042 ⁽¹⁾	11,042	0.00%	81,437	13.6%

(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 will 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

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES



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
June 30, 2011
(amounts expressed in thousands)

	<u>Special Revenue</u>		
	<u>Food Services</u>	<u>Contracted Programs</u>	<u>Total Nonmajor Special Revenue</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,352	\$ 159	\$ 1,511
Investments	-	-	-
Receivables	95	-	95
Due from Other Agencies	249	162	411
Inventories	208	-	208
Total Assets	<u>\$ 1,904</u>	<u>\$ 321</u>	<u>\$ 2,225</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ 94	\$ 206	\$ 300
Accounts Payable	63	48	111
Due to Other Agencies	70	67	137
Total Liabilities	<u>227</u>	<u>321</u>	<u>548</u>
Fund Balances:			
Nonspendable	208	-	208
Restricted	1,469	-	1,469
Total Fund Balances	<u>1,677</u>	<u>-</u>	<u>1,677</u>
Total Liabilities and Fund Balances	<u>\$ 1,904</u>	<u>\$ 321</u>	<u>\$ 2,225</u>

Debt Service			Capital Projects				Total
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Public Education Capital Outlay	Total Nonmajor Capital Projects	Nonmajor Governmental Funds
\$ -	\$ 763	\$ 763	\$ 407	\$ 441	\$ 594	\$ 1,442	\$ 3,716
151	13	164	-	-	-	-	164
-	-	-	-	-	-	-	95
-	-	-	-	-	325	325	736
-	-	-	-	-	-	-	208
<u>\$ 151</u>	<u>\$ 776</u>	<u>\$ 927</u>	<u>\$ 407</u>	<u>\$ 441</u>	<u>\$ 919</u>	<u>\$ 1,767</u>	<u>\$ 4,919</u>
\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	300
-	-	-	1	13	15	29	140
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	137
-	-	-	1	13	15	29	577
-	-	-	-	-	-	-	208
151	776	927	406	428	904	1,738	4,134
151	776	927	406	428	904	1,738	4,342
<u>\$ 151</u>	<u>\$ 776</u>	<u>\$ 927</u>	<u>\$ 407</u>	<u>\$ 441</u>	<u>\$ 919</u>	<u>\$ 1,767</u>	<u>\$ 4,919</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, 2011
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Revenues:			
Local Sources:			
Food Service	\$ 2,842	\$ -	\$ 2,842
Investment Income	2	-	2
Ad Valorem Taxes	-	-	-
Other	12	-	12
Total Local Sources	2,856	-	2,856
State Sources:			
Public Education Capital Outlay	-	-	-
Food Service	122	-	122
CO&DS Withheld for SBE/COBI Bond	-	-	-
CO&DS Distribution	-	-	-
Total State Sources	122	-	122
Federal Sources:			
Federal Direct	-	-	-
Other Federal Through State Sources	-	9,035	9,035
Food Service	5,645	-	5,645
Total Federal Sources	5,645	9,035	14,680
Total Revenues	8,623	9,035	17,658

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	Public Education Capital Outlay	Total Nonmajor Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,842
-	7	7	1	1	1	3	12
-	4,794	4,794	-	-	-	-	4,794
-	-	-	-	-	-	-	12
-	4,801	4,801	1	1	1	3	7,660
-	-	-	-	-	825	825	825
-	-	-	-	-	-	-	122
591	-	591	-	-	-	-	591
-	-	-	-	72	-	72	72
591	-	591	-	72	825	897	1,610
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,035
-	-	-	-	-	-	-	5,645
-	-	-	-	-	-	-	14,680
591	4,801	5,392	1	73	826	900	23,950

Continued on next page.

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, 2011
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Expenditures:			
Current:			
Instruction	\$ -	\$ 5,482	\$ 5,482
Pupil Personnel Services	-	806	806
Instructional Media Services	-	138	138
Instruction and Curriculum Development Services	-	1,256	1,256
Instructional Staff Training Services	-	592	592
General Administration	-	285	285
Facilities Services - Non-Capitalized	-	-	-
Food Services	7,363	-	7,363
Pupil Transportation Services	-	156	156
Community Services	-	277	277
Capital Outlay:			
Facilities Acquisition & Construction	-	-	-
Other Capital Outlay	76	43	119
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>7,439</u>	<u>9,035</u>	<u>16,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,184</u>	<u>-</u>	<u>1,184</u>
Other Financing Sources:			
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>1,184</u>	<u>-</u>	<u>1,184</u>
			-
Fund Balances, Beginning	<u>493</u>	<u>-</u>	<u>493</u>
Fund Balances, Ending	<u>\$ 1,677</u>	<u>\$ -</u>	<u>\$ 1,677</u>

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	Public Education Capital Outlay	Total Nonmajor Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,482
-	-	-	-	-	-	-	806
-	-	-	-	-	-	-	138
-	-	-	-	-	-	-	1,256
-	-	-	-	-	-	-	592
-	-	-	-	-	-	-	285
-	-	-	92	48	453	593	593
-	-	-	-	-	-	-	7,363
-	-	-	-	-	-	-	156
-	-	-	-	-	-	-	277
-	-	-	29	1	349	379	379
-	-	-	-	-	28	28	147
300	4,250	4,550	-	-	-	-	4,550
295	740	1,035	1	-	-	1	1,036
595	4,990	5,585	122	49	830	1,001	23,060
(4)	(189)	(193)	(121)	24	(4)	(101)	890
-	-	-	160	-	-	160	160
-	-	-	14	-	-	14	14
-	-	-	174	-	-	174	174
(4)	(189)	(193)	53	24	(4)	73	1,064
155	965	1,120	353	404	908	1,665	3,278
\$ 151	\$ 776	\$ 927	\$ 406	\$ 428	\$ 904	\$ 1,738	\$ 4,342

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 1	\$ 1	\$ -
Total Revenues	-	1	1	-
Expenditures:				
Principal	6,482	4,879	4,879	-
Interest and Fiscal Charges	5,747	5,068	5,068	-
Total Expenditures	12,229	9,947	9,947	-
Excess (Deficiency) of Revenues Over Expenditures	(12,229)	(9,946)	(9,946)	-
Other Financing Sources				
Transfers In	12,229	9,950	9,950	-
Total Other Financing Sources	12,229	9,950	9,950	-
Net Change in Fund Balance	\$ -	\$ 4	4	\$ -
Fund Balance, Beginning			17	
Fund Balance, Ending			<u>\$ 21</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Federal Sources:				
Miscellaneous Federal Direct	\$ -	\$ 694	\$ 694	\$ -
Total Revenues	-	694	694	-
Expenditures:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	712	712	-
Total Expenditures	-	712	712	-
Excess (Deficiency) of Revenues Over Expenditures	-	(18)	(18)	-
Other Financing Sources				
Transfers In	-	25	25	-
Total Other Financing Sources	-	25	25	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 7</u>	7	<u>\$ -</u>
Fund Balance, Beginning			-	
Fund Balance, Ending			<u>\$ 7</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 21,597	\$ 21,816	\$ 21,816	\$ -
Investment Income	108	203	203	-
Total Revenues	<u>21,705</u>	<u>22,019</u>	<u>22,019</u>	<u>-</u>
Expenditures:				
Capital Outlay	<u>44,574</u>	<u>47,393</u>	<u>20,851</u>	<u>26,542</u>
Total expenditures	<u>44,574</u>	<u>47,393</u>	<u>20,851</u>	<u>26,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,869)</u>	<u>(25,374)</u>	<u>1,168</u>	<u>26,542</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(12,229)</u>	<u>(9,975)</u>	<u>(9,975)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(12,229)</u>	<u>(9,975)</u>	<u>(9,975)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (35,098)</u>	<u>\$ (35,349)</u>	<u>\$ (8,807)</u>	<u>\$ 26,542</u>
Fund Balance, Beginning			<u>38,108</u>	
Fund Balance, Ending			<u>\$ 29,301</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 458	\$ 458	\$ -
Impact Fees	-	332	332	-
Total Local Sources	-	790	790	-
State Sources:				
Other	704	899	899	-
Total State Sources	704	899	899	-
Total Revenues	704	1,689	1,689	-
Expenditures:				
Capital Outlay	36,501	25,882	11,988	13,894
Interest and Fiscal Charges	-	16	-	16
Total Expenditures	36,501	25,898	11,988	13,910
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,797)	(24,209)	(10,299)	13,910
Other Financing Sources (Uses):				
Transfers Out	(674)	(871)	(871)	-
Issuance of Long Term Debt	15,000	-	-	-
Total Other Financing Sources (Uses)	14,326	(871)	(871)	-
Net Change in Fund Balance	<u>\$ (21,471)</u>	<u>\$ (25,080)</u>	(11,170)	<u>\$ 13,910</u>
Fund Balance, Beginning			26,325	
Fund Balance, Ending			<u>\$ 15,155</u>	

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 22	\$ 22	\$ -
Total Local Sources	-	22	22	-
Total Revenues	-	22	22	-
Expenditures:				
Capital Outlay	-	26,124	1,371	24,753
Interest and Fiscal Charges	-	137	122	15
Total Expenditures	-	26,261	1,493	24,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(26,239)	(1,471)	24,768
Other Financing Sources:				
Issuance of Long Term Debt	-	26,261	26,261	-
Total Other Financing Sources	-	26,261	26,261	-
Net Change in Fund Balance	\$ -	\$ 22	24,790	\$ 24,768
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ 24,790	

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
Revenues:				
Local Sources:				
Food Service	\$ 3,168	\$ 2,842	\$ 2,842	\$ -
Investment Income	-	2	2	-
Other	-	12	12	-
Total Local Sources	<u>3,168</u>	<u>2,856</u>	<u>2,856</u>	<u>-</u>
State Sources:				
Food Service	112	122	122	-
Total State Sources	<u>112</u>	<u>122</u>	<u>122</u>	<u>-</u>
Federal Sources:				
Food Service	5,552	5,645	5,645	-
Total Federal Sources	<u>5,552</u>	<u>5,645</u>	<u>5,645</u>	<u>-</u>
Total Revenues	<u>8,832</u>	<u>8,623</u>	<u>8,623</u>	<u>-</u>
Expenditures:				
Food Services:				
Salaries	2,562	2,399	2,399	-
Employee Benefits	1,174	1,028	1,028	-
Purchased Services	200	121	121	-
Energy Services	379	301	301	-
Materials and Supplies	3,904	3,239	3,239	-
Capital Outlay	103	54	54	-
Other Expenditures	229	221	221	-
Total Food Service	<u>8,551</u>	<u>7,363</u>	<u>7,363</u>	<u>-</u>
Capital Outlay:				
Capital Outlay	-	76	76	-
Total Expenditures	<u>8,551</u>	<u>7,439</u>	<u>7,439</u>	<u>-</u>
Excess (Deficiency) of Revenues				-
Over (Under) Expenditures	<u>281</u>	<u>1,184</u>	<u>1,184</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 281</u>	<u>\$ 1,184</u>	1,184	<u>\$ -</u>
Fund Balance, Beginning			493	
Fund Balance, Ending			<u>\$ 1,677</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
Revenues:				
Federal Sources:				
Other Federal Through State Sources	\$ 10,784	\$ 11,029	\$ 9,035	\$ (1,994)
Total Federal Sources	10,784	11,029	9,035	(1,994)
Total Revenues	10,784	11,029	9,035	(1,994)
Expenditures:				
Instruction:				
Salaries	2,594	3,783	3,528	255
Employee Benefits	976	1,090	1,043	47
Purchased Services	1,112	523	386	137
Materials and Supplies	505	290	270	20
Capital Outlay	136	349	140	209
Other Expenditures	102	115	115	-
Total Instruction	5,425	6,150	5,482	668
Pupil Personnel Services:				
Salaries	718	626	609	17
Employee Benefits	214	173	170	3
Purchased Services	19	7	7	-
Materials and Supplies	46	23	20	3
Total Pupil Personnel Services	997	829	806	23
Instructional Media Services:				
Salaries	216	106	106	-
Employee Benefits	64	30	30	-
Other Expenditures	-	2	2	-
Total Instructional Media Services	280	138	138	-
Instruction and Curriculum Development Services:				
Salaries	1,227	1,098	988	110
Employee Benefits	369	353	261	92
Purchased Services	13	4	4	-
Materials and Supplies	4	2	2	-
Capital Outlay	10	1	1	-
Total Instruction and Curriculum Development Services	1,623	1,458	1,256	202
Instructional Staff Training Services:				
Salaries	478	305	298	7
Employee Benefits	143	62	62	-
Purchased Services	371	249	152	97
Materials and Supplies	115	75	14	61
Capital Outlay	9	2	2	-
Other Expenditures	91	75	64	11
Total Instructional Staff Training Services	1,207	768	592	176

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over
				(Under)
Expenditures (continued):				
General Administration:				
Other Expenditures	503	713	285	428
Total General Administration	503	713	285	428
Pupil Transportation Services:				
Salaries	3	8	4	4
Employee Benefits	1	2	1	1
Other Expenditures	533	469	151	318
Total Pupil Transportation Services	537	479	156	323
Community Services:				
Salaries	107	292	212	80
Employee Benefits	41	67	42	25
Purchased Services	41	43	1	42
Materials and Supplies	-	20	18	2
Other Capital Outlay	-	1	1	-
Other Expenditures	23	28	3	25
Total Community Services	212	451	277	174
Capital Outlay:				
Other Capital Outlay	-	43	43	-
Total Capital Outlay	-	43	43	-
Total Expenditures	10,784	11,029	9,035	1,994
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

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, 2011
(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	\$ 588	\$ 591	\$ 591	-
Total State Sources	588	591	591	-
Total Revenues	588	591	591	-
Expenditures:				
Principal	295	300	300	-
Interest and Fiscal Charges	293	295	295	-
Total expenditures	588	595	595	-
Net Change in Fund Balance	\$ -	\$ (4)	\$ (4)	\$ -
Fund Balance, Beginning			155	
Fund Balance, Ending			\$ 151	

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local sources:				
Ad Valorem Taxes	\$ 4,751	\$ 4,794	\$ 4,794	\$ -
Investment Income	7	7	7	-
Total Local Sources	4,758	4,801	4,801	-
Total Revenues	4,758	4,801	4,801	-
Expenditures:				
Principal	4,250	4,250	4,250	-
Interest and Fiscal Charges	869	740	740	-
Total Expenditures	5,119	4,990	4,990	-
Net Change in Fund Balance	<u>\$ (361)</u>	<u>\$ (189)</u>	(189)	<u>\$ -</u>
Fund Balance, Beginning			965	
Fund Balance, Ending			<u>\$ 776</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 1	\$ 1	\$ -
Total Revenues	-	1	1	-
Expenditures:				
Capital Outlay	347	520	121	399
Interest and Fiscal Charges	-	1	1	-
Total expenditures	347	521	122	399
Excess (Deficiency) of Revenues Over (Under) Expenditures	(347)	(520)	(121)	399
Other Financing Sources				
Issuance of SBE/COBI Bonds	-	160	160	-
Premium on Issuance of SBE/COBI Bonds	-	14	14	-
Total Other Financing Sources	-	174	174	-
Net Change in Fund Balance	\$ (347)	\$ (346)	53	\$ 399
Fund Balance, Beginning			353	
Fund Balance, Ending			\$ 406	

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 1	\$ 1	\$ -
State Sources:				
CO&DS Distribution	69	72	72	-
Total Revenues	<u>69</u>	<u>73</u>	<u>73</u>	<u>-</u>
Expenditures:				
Capital Outlay	472	248	49	199
Total Expenditures	<u>472</u>	<u>248</u>	<u>49</u>	<u>199</u>
Net Change in Fund Balance	<u>\$ (403)</u>	<u>\$ (175)</u>	24	<u>\$ 199</u>
Fund Balance, Beginning			<u>404</u>	
Fund Balance, Ending			<u>\$ 428</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ 1	\$ 1	\$ -
State Sources:				
Public Education Capital Outlay	825	825	825	-
Total Revenues	825	826	826	-
Expenditures:				
Capital Outlay	1,732	1,733	830	903
Total Expenditures	1,732	1,733	830	903
Net Change in Fund Balance	<u>\$ (907)</u>	<u>\$ (907)</u>	(4)	<u>\$ 903</u>
Fund Balance, Beginning			908	
Fund Balance, Ending			<u>\$ 904</u>	

Internal Service Funds

Internal Service Funds are used to account for the District's individual self-insurance program and for the financing of the East Central Management Training Institute Consortium, for which the Board is fiscal agent.

Medical Insurance Fund - To account for self-insured medical benefits for employees.

East Central Management Training Institute Consortium Fund - To account for the financial activities of the consortium's training programs.



The School Board of Indian River County, Florida
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 9,379	\$ 52	\$ 9,431
Investments	212	-	212
Accounts Receivable	80	-	80
Due From Other Agencies	576	-	576
	<u>10,247</u>	<u>52</u>	<u>10,299</u>
Total Current Assets			
	<u>\$ 10,247</u>	<u>\$ 52</u>	<u>\$ 10,299</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1	-	1
Unearned Revenue	1,372	-	1,372
Estimated Insurance Claims Payable	3,335	-	3,335
	<u>4,708</u>	<u>-</u>	<u>4,708</u>
Total Liabilities			
	<u>5,539</u>	<u>52</u>	<u>5,591</u>
NET ASSETS			
Unrestricted	<u>5,539</u>	<u>52</u>	<u>5,591</u>
Total Net Assets	<u>\$ 5,539</u>	<u>\$ 52</u>	<u>\$ 5,591</u>

The School Board of Indian River County, Florida
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
OPERATING REVENUES			
Charges for Services	\$ -	\$ 86	\$ 86
Premium Revenues	16,514	-	16,514
Other Operating Revenues	562	-	562
	<u>17,076</u>	<u>86</u>	<u>17,162</u>
OPERATING EXPENSES			
Insurance Claims	12,518	-	12,518
Insurance Premiums	2,620	-	2,620
Service Agent Fees	1,521	-	1,521
Professional and Technical Services	-	68	68
Salaries and Benefits	77	-	77
	<u>16,736</u>	<u>68</u>	<u>16,804</u>
Operating Income	<u>340</u>	<u>18</u>	<u>358</u>
NONOPERATING REVENUES			
Investment Earnings	81	-	81
	<u>81</u>	<u>-</u>	<u>81</u>
Change in Net Assets	421	18	439
Total Net Assets, Beginning	<u>5,118</u>	<u>34</u>	<u>5,152</u>
Total Net Assets, Ending	<u><u>\$ 5,539</u></u>	<u><u>\$ 52</u></u>	<u><u>\$ 5,591</u></u>

The School Board of Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Premiums	\$ 16,724	\$ -	\$ 16,724
Cash Received for Other Operating Revenues	562	86	648
Cash Payments for Insurance Premiums	(2,620)	-	(2,620)
Cash Payments to Employees for Services	(77)	-	(77)
Cash Payments for Other Fees	(1,521)	-	(1,521)
Cash Payments for Insurance Claims	(13,650)	-	(13,650)
Cash Payments for Other	(231)	(68)	(299)
	<u>(813)</u>	<u>18</u>	<u>(795)</u>
Net Cash Provided (Used) by Operating Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales and Maturities of Investments	71	-	71
Interest on Investments	27	-	27
	<u>98</u>	<u>-</u>	<u>98</u>
Net Cash Provided by Investment Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	(715)	18	(697)
Cash and Cash Equivalents, Beginning	10,094	34	10,128
Cash, and Cash Equivalents, Ending	<u>\$ 9,379</u>	<u>\$ 52</u>	<u>\$ 9,431</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 340	\$ 18	\$ 358
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(80)	-	(80)
Increase in Due from Other Agencies	(151)	-	(151)
Increase in Unearned Revenue	210	-	210
Decrease in Estimated Insurance Claims Payable	(1,132)	-	(1,132)
	<u>(1,153)</u>	<u>-</u>	<u>(1,153)</u>
Total Adjustments			
Net Cash Provided (Used) by Operating Activities	<u>\$ (813)</u>	<u>\$ 18</u>	<u>\$ (795)</u>
Noncash Investing Activity			
Increase in Fair Value of Investments	<u>\$ 54</u>	<u>-</u>	<u>\$ 54</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, 2011
(amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash and Cash Equivalents	\$ 1,144	\$ 3,482	\$ 3,454	\$ 1,172
Accounts Receivable	-	30	-	30
Inventory	32	8	-	40
	<u>1,176</u>	<u>3,520</u>	<u>3,454</u>	<u>1,242</u>
Total Assets	<u>\$ 1,176</u>	<u>\$ 3,520</u>	<u>\$ 3,454</u>	<u>\$ 1,242</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 63	\$ -	\$ 63
Internal Accounts Payable	1,176	3,523	3,520	1,179
	<u>1,176</u>	<u>3,586</u>	<u>3,520</u>	<u>1,242</u>
Total Liabilities	<u>\$ 1,176</u>	<u>\$ 3,586</u>	<u>\$ 3,520</u>	<u>\$ 1,242</u>



Discretely Presented Component Units

The District's discretely presented component units consists of the following entities:

Charter Schools – Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Indian River Charter High School, Inc., Sebastian Charter Junior High, Inc., St. Peter's Academy, Inc., and North County Charter School, Inc. Pursuant to Chapter 608, Florida Statutes, and 1002.33, Florida Statutes, the following charter school is also considered a discretely presented component unit: d/b/a Imagine Charter Schools at South Indian River County, LLC.

The School Board of Indian River County, Florida
Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2011
(amounts expressed in thousands)

	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
ASSETS						
Cash and Cash Equivalents	\$ 2,082	\$ 107	\$ 166	\$ 307	\$ 374	\$ 3,036
Receivables	6	486	-	22	13	527
Due from Other Agencies	-	-	79	-	76	155
Due from Primary Government	432	-	-	-	-	432
Prepaid Items	62	-	-	-	83	145
Deferred Charges	45	-	-	-	-	45
Capital Assets (Net of Accumulated Depreciation):						
Land	-	186	-	472	-	658
Construction in Process	1,226	94	-	-	-	1,320
Improvements Other than Buildings	359	27	4	39	-	429
Buildings and Fixed Equipment	3,639	499	1,494	3,065	28	8,725
Furniture, Fixtures and Equipment	184	18	29	60	93	384
Motor Vehicles	-	-	5	-	-	5
Property Under Capital Leases	-	6	-	-	-	6
Audio Visual Materials	10	-	-	-	12	22
Computer Software	22	1	-	-	3	26
Total Assets	8,067	1,424	1,777	3,965	682	15,915
LIABILITIES						
Accrued Salaries and Benefits Payable	-	1	38	-	180	219
Accounts Payable	191	5	6	-	4	206
Accrued Expenses	172	-	-	-	-	172
Unearned Revenue	26	466	19	21	176	708
Long-Term Liabilities						
Portion Due Within One Year:						
Notes Payable	296	34	23	51	-	404
Obligations Under Capital Leases	-	3	-	-	-	3
Other Long-Term Liabilities	-	-	-	-	55	55
Portion Due After One Year:						
Notes Payable	1,939	274	446	2,277	-	4,936
Obligations Under Capital Leases	-	4	-	-	-	4
Other Long-Term Liabilities	-	-	-	-	18	18
Total Liabilities	2,624	787	532	2,349	433	6,725
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	3,250	516	1,064	1,308	137	6,275
Restricted for:						
Capital Projects	473	20	-	-	-	493
Unrestricted	1,720	101	181	308	112	2,422
Total Net Assets	\$ 5,443	\$ 637	\$ 1,245	\$ 1,616	\$ 249	\$ 9,190

The School Board of Indian River County, Florida
Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2011
(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	\$ 2,523	\$ 624	\$ 635	\$ 511	\$ 2,794	\$ 7,087
Pupil Personnel Services	156	-	-	1	-	157
Instructional Media Services	62	-	1	-	-	63
Technology	86	-	-	-	-	86
Instruction and Curriculum Development Services	-	-	-	-	-	2
Instructional Staff Training Services	-	6	-	-	17	23
School Board	-	6	-	2	15	23
School Administration	530	294	250	152	1,153	2,379
Facilities Services - Non-Capitalized	80	5	65	12	-	162
Fiscal Services	-	15	-	12	-	27
Food Services	8	74	176	71	105	434
Central Services	-	-	-	-	20	20
Pupil Transportation Services	5	19	42	14	-	80
Operation of Plant	404	62	66	73	1,593	2,198
Maintenance of Plant	16	8	-	10	9	43
Community Services	-	-	-	-	57	57
Unallocated Interest on Long-Term Debt	92	23	-	103	-	218
Depreciation/Amortization - Unallocated	353	29	43	58	-	483
Total Expenses	4,315	1,165	1,278	1,019	5,765	13,542
Program Revenues:						
Charges for Services	-	-	-	15	512	527
Operating Grants and Contributions	398	157	502	141	816	2,014
Capital Grants and Contributions	-	191	43	422	117	773
Total Program Revenues	398	348	545	578	1,445	3,314
Net Program Expense	(3,917)	(817)	(733)	(441)	(4,320)	(10,228)
General Revenues:						
Grants and Contributions not Restricted to Specific Programs	4,186	943	914	971	4,602	11,616
Unrestricted Investment Earnings	11	2	-	-	-	13
Miscellaneous	36	21	17	-	10	84
Special Item - Loss on Disposal of Capital Assets	(2)	-	-	-	-	(2)
Total General Revenues	4,231	966	931	971	4,612	11,711
Changes in Net Assets	314	149	198	530	292	1,483
Net Assets - Beginning	5,129	488	1,047	1,086	(43)	7,707
Net Assets - Ending	\$ 5,443	\$ 637	\$ 1,245	\$ 1,616	\$ 249	\$ 9,190



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	Page
<u><i>Financial Trends Information</i></u>	117
These schedules 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>	138
These schedules 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>	144
These schedules 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>	150
These schedules 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>	154
These schedules 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 performs.	



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

	Fiscal Year Ending									
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 94,985	\$ 104,340	\$ 118,227	\$ 119,712	\$ 153,266	\$ 168,013	\$ 178,107	\$ 192,693	\$ 194,967	\$ 204,036
Restricted	15,221	14,342	20,137	42,769	37,121	51,577	56,935	53,202	54,814	44,120
Unrestricted	(13)	4,433	7,083	8,274	10,717	8,125	2,731	(2,812)	(11,162)	(909)
Total Governmental Activities Net Assets	\$ 110,193	\$ 123,115	\$ 145,447	\$ 170,755	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,083	\$ 238,619	\$ 247,247
Business-Type Activities:										
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 339	\$ 401
Total Business-Type Activities Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 339	\$ 401
Total Primary Government Net Assets	\$ 110,193	\$ 123,115	\$ 145,447	\$ 170,755	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,336	\$ 238,958	\$ 247,648

(a) Net Assets have 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 Assets - Government-Wide
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Expenses:										
Governmental Activities:										
Instruction	\$ 53,934	\$ 53,742	\$ 59,974	\$ 67,292	\$ 73,352	\$ 82,995	\$ 91,695	\$ 100,824	\$ 101,193	\$ 97,419
Pupil Personnel Services	3,584	3,753	3,759	3,922	4,255	5,146	5,344	5,858	5,604	4,784
Instructional Media Services	1,500	1,670	1,845	1,865	1,994	2,082	2,116	2,461	2,512	2,172
Instruction and Curriculum										
Development Services	4,872	4,965	5,251	5,939	6,155	6,342	6,854	6,712	5,632	4,862
Instructional Staff Training Services	1,075	747	769	718	1,086	1,217	1,186	1,000	2,452	2,235
Instruction Related Technology (a)	-	-	-	-	424	599	955	952	1,062	1,006
School Board	840	882	160	712	926	911	978	1,103	1,195	1,031
General Administration	542	551	638	754	801	848	705	870	804	843
School Administration	5,473	5,776	6,115	6,303	6,841	9,214	9,529	9,777	9,353	8,425
Facilities Services - Non-Capitalized	4,065	4,921	4,283	4,931	6,731	12,240	13,352	11,227	12,690	14,809
Fiscal Services	890	935	980	1,021	996	1,324	1,257	1,298	1,301	1,429
Food Services	5,846	6,282	6,555	6,936	7,622	7,890	8,315	8,848	8,754	8,102
Central Services	2,755	3,188	3,757	4,061	2,189	2,438	2,666	2,638	2,631	2,138
Pupil Transportation Services	3,178	3,256	3,432	3,655	4,083	5,162	6,689	6,599	6,354	6,106
Operation of Plant	7,531	8,355	9,479	10,772	12,156	14,087	14,906	13,883	12,341	11,634
Maintenance of Plant	2,702	2,836	3,102	4,896	3,676	3,864	3,638	3,804	97	412
Administrative Technology Services (a)	-	-	-	-	1,625	1,927	2,352	2,752	2,515	2,496
Community Services	901	1,037	1,026	2,017	961	1,010	1,030	48	281	281
Unallocated Interest on Long-Term Debt	3,301	2,425	1,687	1,860	3,745	5,062	6,575	7,081	6,852	7,339
Depreciation - Unallocated	7,717	7,350	7,802	7,969	8,892	10,088	9,688	-	-	-
Loss on Disposal of Capital Assets	5,678	972	127	1,123	-	327	-	-	-	-
Extraordinary Item:										
Claims Settlement	1,224	370	542	367	222	-	-	-	-	-
Total Governmental Activities Expenses	117,608	114,013	121,283	137,113	148,732	174,773	189,830	187,735	183,623	177,523
Business-Type Activities:										
Extended Day Program	-	-	-	-	-	-	-	827	717	709
Total Business-Type Activities Expenses	-	-	-	-	-	-	-	827	717	709
Total Primary Government Expenses	117,608	114,013	121,283	137,113	148,732	174,773	189,830	188,562	184,340	178,232

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 Assets - Government-Wide
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Program Revenues:										
Governmental Activities:										
Charges for Services										
Instruction	\$ 212	\$ 149	\$ 221	\$ 205	\$ 159	\$ 1,454	\$ 1,461	\$ 475	\$ 496	\$ 285
Food Services	1,853	2,035	2,159	2,279	2,670	2,951	3,138	3,025	2,953	2,842
Pupil Transportation	10	19	17	15	10	10	11	29	31	22
Community	815	1,009	951	1,032	1,174	-	-	-	-	183
Operating Grants and Contributions	7,382	7,370	7,625	7,734	8,280	8,012	8,442	9,320	5,834	5,765
Capital Grants and Contributions	4,679	2,248	6,879	3,595	3,058	11,940	4,342	7,984	1,246	2,523
Total Government Activities Program Revenues	14,951	12,830	17,852	14,860	15,351	24,367	17,394	20,833	10,560	11,620
Business Type Activities:										
Extended Day Program - Charges for Services	-	-	-	-	-	-	-	872	802	769
Total Primary Government Program Revenues	14,951	12,830	17,852	14,860	15,351	24,367	17,394	21,705	11,362	12,389
Net (Expenses) / Revenues										
Governmental Activities	(102,657)	(101,183)	(103,431)	(122,253)	(133,381)	(150,406)	(172,436)	(166,902)	(173,063)	(165,903)
Business-Type Activities	-	-	-	-	-	-	-	45	85	60
Total Primary Government Net (Expenses) / Revenues	(102,657)	(101,183)	(103,431)	(122,253)	(133,381)	(150,406)	(172,436)	(166,857)	(172,978)	(165,843)
General Revenues and Other Changes in Net Assets:										
General Revenues:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	52,263	55,808	64,505	71,074	81,182	89,194	94,914	88,841	93,743	93,342
Levied for Debt Services	5,538	5,748	5,552	5,671	4,969	4,828	4,861	4,954	4,850	4,794
Levied for Capital Projects	16,287	18,158	20,856	23,587	27,590	34,531	36,012	31,012	24,275	21,816
Grants and Contributions										
Not Restricted to Specific Programs	28,686	30,686	28,381	24,893	30,315	37,796	37,938	37,706	42,236	51,432
Restricted Investment Earnings	-	-	-	-	1,518	-	-	-	-	-
Unrestricted Investment Earnings	1,002	586	485	1,240	2,808	7,537	5,158	(767)	1,877	1,309
Miscellaneous	2,167	3,118	5,985	22,180	15,348	3,034	3,611	10,672	1,618	1,838
Total Governmental Activities General Revenues	105,943	114,104	125,764	148,645	163,730	176,920	182,494	172,418	168,599	174,531
Business-Type Activities:										
Extended Day Program - Investment Earnings	-	-	-	-	-	-	-	2	1	2
Total Business-Type Activities Revenues	-	-	-	-	-	-	-	2	1	2
Total Primary Government General Revenues and Other Changes in Net Assets	105,943	114,104	125,764	148,645	163,730	176,920	182,494	172,420	168,600	174,533
Changes in Net Assets										
Governmental Activities	3,286	12,921	22,333	26,392	30,349	26,514	10,058	5,516	(4,464)	8,628
Business-Type Activities	-	-	-	-	-	-	-	47	86	62
Total Primary Government	\$ 3,286	\$ 12,921	\$ 22,333	\$ 26,392	\$ 30,349	\$ 26,514	\$ 10,058	\$ 5,563	\$ (4,378)	\$ 8,690

Source: District Records

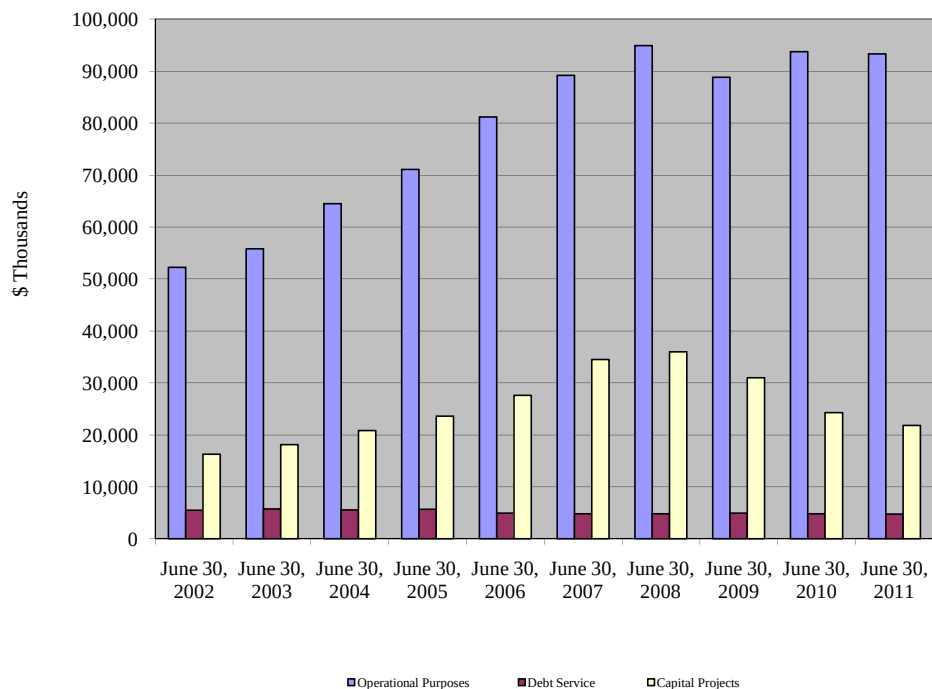


The School Board of Indian River County, Florida
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (amounts expressed in thousands)
 (Unaudited)

Fiscal Year Ending	Property Tax			Total
	Operational Purposes	Debt Service	Capital Projects	
June 30, 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
June 30, 2004	64,505	5,552	20,856	90,913
June 30, 2003	55,808	5,748	18,158	79,714
June 30, 2002	52,263	5,538	16,287	74,088

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)

	Fiscal Year Ending				
	Restated (1) June 30, 2002	Restated (1) June 30, 2003	Restated (1) June 30, 2004	Restated (1) June 30, 2005	Restated (1) June 30, 2006
General Fund					
Nonspendable	\$ 408	\$ 363	\$ 335	\$ 332	\$ 433
Restricted	1,821	754	2,127	2,140	567
Assigned	544	253	536	984	642
Unassigned	7,086	10,015	9,514	9,966	11,109
Total General Fund	<u>\$ 9,859</u>	<u>\$ 11,385</u>	<u>\$ 12,512</u>	<u>\$ 13,422</u>	<u>\$ 12,751</u>
All Other Governmental Funds					
Nonspendable	\$ 330	\$ 374	\$ -	\$ 315	\$ 295
Restricted	14,776	14,593	19,132	41,112	92,442
Assigned	-	-	-	-	-
Unassigned: (2)					
Special Revenue Fund	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 15,106</u>	<u>\$ 14,967</u>	<u>\$ 19,132</u>	<u>\$ 41,427</u>	<u>\$ 92,737</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

Fiscal Year Ending				
Restated (1) June 30, 2007	Restated (1) June 30, 2008	Restated (1) June 30, 2009	Restated (1) June 30, 2010	June 30, 2011
\$ 397	\$ 474	\$ 429	\$ 335	\$ 330
1,259	193	-	582	2,208
511	551	355	258	6,539
9,207	8,663	4,061	1,362	5,495
<u>\$ 11,374</u>	<u>\$ 9,881</u>	<u>\$ 4,845</u>	<u>\$ 2,537</u>	<u>\$ 14,572</u>
\$ -	\$ -	\$ -	\$ 150	\$ 208
95,394	113,922	19,288	67,578	73,408
-	-	59,202	-	-
(336)	(849)	(501)	-	-
<u>\$ 95,058</u>	<u>\$ 113,073</u>	<u>\$ 77,989</u>	<u>\$ 67,728</u>	<u>\$ 73,616</u>

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, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Revenues:										
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 25	\$ 76	\$ 95	\$ 100	\$ 105	\$ 92	\$ 116	\$ 121	\$ 133	\$ 101
Other Federal Direct Sources	1,005	205	224	322	366	128	291	62	-	694
Total Federal Direct	1,030	281	319	422	471	220	407	183	133	795
Federal Through State Sources:										
Food Service	3,841	3,767	4,011	4,273	3,879	3,734	4,343	5,202	5,694	5,645
Donated Foods	313	371	277	300	292	145	-	-	-	-
Other Federal Through State Grants	6,079	5,912	7,055	7,086	7,638	7,993	7,866	7,987	18,178	22,254
Total Federal Through State Sources:	10,233	10,050	11,343	11,659	11,809	11,872	12,209	13,189	23,872	27,899
Federal Through Local Sources:										
Other Federal Through Local Grants	55	101	58	45	14	48	-	-	-	-
Total Federal Through Local Sources:	55	101	58	45	14	48	-	-	-	-
State Sources:										
Florida Education Finance Program (FEFP)	15,275	18,715	15,616	11,745	6,581	8,326	4,575	5,732	1,726	6,164
Categorical Programs	6,737	5,969	8,973	11,983	16,866	19,652	23,096	25,476	18,851	19,449
District Discretionary Lottery Funds	1,598	1,790	1,403	1,658	797	672	831	425	49	66
CO&DS Distribution	493	519	546	565	100	100	193	96	83	72
CO&DS Withheld for SBE/COBI Bonds	77	84	81	79	500	565	489	592	590	601
Public Education Capital Outlay	-	-	-	-	2,386	3,082	3,660	1,829	295	825
Food Service	210	213	176	178	159	171	126	113	140	122
Other State Sources	5,927	4,313	8,954	6,005	1,970	12,144	4,239	7,084	3,279	3,397
Total State Sources	30,317	31,603	35,749	32,213	29,359	44,712	37,209	41,347	25,013	30,696
Local Sources:										
Ad Valorem Taxes	73,710	73,906	85,210	94,597	113,741	128,553	135,787	124,807	122,868	119,952
Impact Fees	-	-	-	-	5,409	1,055	1,186	291	279	332
Food Service	1,853	2,035	2,159	2,279	2,953	2,466	2,775	3,025	2,953	2,842
Investment Income	2,535	2,840	2,935	3,571	4,689	6,995	4,776	(739)	1,741	1,228
Other Local Sources	1,166	6,119	5,843	6,336	3,593	3,932	4,442	2,801	2,610	2,632
Total Local Sources	79,264	84,900	96,147	106,783	130,385	143,001	148,966	130,185	130,451	126,986
Total Revenues	\$ 120,899	\$ 126,935	\$ 143,616	\$ 151,122	\$ 172,038	\$ 199,853	\$ 198,791	\$ 184,904	\$ 179,469	\$ 186,376

Source: District Records

	Fiscal Year Ending									
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Expenditures:										
Current:										
Instruction	\$ 52,845	\$ 56,260	\$ 62,247	\$ 67,784	\$ 73,938	\$ 82,218	\$ 89,240	\$ 90,317	\$ 90,005	\$ 89,556
Pupil Personnel Services	3,588	3,737	3,744	3,917	4,298	5,089	5,179	5,124	4,971	4,447
Instructional Media Services	1,496	1,669	1,842	1,875	2,012	2,065	2,060	2,173	2,238	1,991
Instruction and Curriculum										
Development Services	4,831	4,933	5,231	5,916	6,203	6,202	6,664	5,852	5,186	4,627
Instructional Staff Training Services	1,074	746	766	724	1,086	1,197	1,161	955	2,115	2,040
Instruction Related Technology (a)	-	-	-	-	429	591	934	832	949	921
School Board	1,329	1,138	1,234	1,081	1,371	1,060	1,040	1,013	1,078	954
General Administration	543	599	619	739	806	826	686	816	729	795
School Administration	5,378	5,712	6,032	6,261	6,918	8,851	9,275	9,060	8,270	7,868
Facilities Services-Non-Capitalized	4,060	4,941	4,910	5,345	6,831	12,222	13,372	10,530	11,732	13,677
Fiscal Services	888	930	961	1,017	1,061	1,307	1,218	1,141	1,147	1,318
Food Service	5,841	6,269	6,553	6,933	7,700	7,896	8,158	8,056	7,859	7,446
Central Services	2,748	3,209	3,776	4,068	2,445	2,571	2,519	2,080	2,085	2,024
Pupil Transportation Services	3,192	3,244	3,426	3,652	4,137	5,175	6,060	5,468	5,208	4,958
Operation of Plant	7,516	8,339	9,443	10,759	12,225	14,030	14,726	12,721	11,175	10,766
Maintenance of Plant	2,703	2,821	3,078	4,908	3,702	3,827	3,428	3,323	-	299
Administrative Technology Services (a)	-	-	-	-	1,639	1,908	2,318	2,473	2,237	2,506
Community Services	900	1,032	1,028	2,025	962	1,012	1,006	46	278	277
Capital Outlay:										
Facilities Acquisition and Construction	17,011	9,828	13,797	20,687	48,896	25,642	42,802	43,701	14,720	20,710
Other Capital Outlay	4,107	4,687	3,640	2,855	3,617	3,750	2,990	5,400	4,106	1,034
Debt Service:										
Principal	3,525	4,370	4,357	4,469	13,912	6,947	8,089	8,475	9,128	9,429
Interest and Fiscal Charges	2,705	2,022	1,715	1,689	5,028	5,085	7,273	7,100	6,882	7,376
Total Expenditures	126,280	126,486	138,399	156,704	209,216	199,471	230,198	226,656	192,098	195,019
Excess of Revenues over (under) Expenditures	(5,381)	449	5,217	(5,582)	(37,178)	382	(31,407)	(41,752)	(12,629)	(8,643)
Other Financing Sources (Uses)										
Transfers In	2,245	3,083	2,963	2,967	13,451	9,403	14,692	16,303	13,375	10,846
Transfers Out	(2,381)	(2,750)	(2,963)	(2,967)	(13,451)	(9,403)	(14,692)	(16,303)	(13,375)	(10,846)
Sale of Capital Assets	54	37	69	18	44	24	13	99	57	88
Loss Recoveries	70	50	6	12,123	6,814	538	1,134	16	3	43
Bonds Payable	-	-	-	16,405	-	-	1,210	-	-	160
Refunding Bonds	-	42,410	-	-	-	-	-	-	-	-
Certificates of Participation	-	-	-	-	80,050	-	45,020	-	-	-
Premiums on Issuance of Long-Term Debt	-	1,569	-	240	912	-	552	-	-	26,261
Payment to Refunding Bonds Escrow Agent	-	(43,463)	-	-	-	-	-	-	-	14
Capital Lease Inception	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(12)	936	75	28,786	87,820	562	47,929	1,881	60	26,566
Net Change in Fund Balances	\$ (5,393)	\$ 1,385	\$ 5,292	\$ 23,204	\$ 50,642	\$ 944	\$ 16,522	\$ (39,871)	\$ (12,569)	\$ 17,923
Debt Service as a percentage of non-capital expenditures	5.92%	5.71%	5.02%	4.62%	12.09%	7.07%	8.33%	8.77%	9.24%	9.70%

(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

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object),
and Changes in Fund Balances - General Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year Ending				
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 25	\$ 76	\$ 95	\$ 100	\$ 105
Other Federal Direct Sources	431	2	-	-	-
Total Federal Direct	456	78	95	100	105
Federal Through State Sources:					
Other Federal Through State Sources	-	-	-	-	-
Total Federal Through State Sources:	-	-	-	-	-
Federal Through Local Sources:					
Total Federal Local Sources:	55	68	19	13	14
Total Federal Through Local Sources:	55	68	19	13	14
State Sources:					
Florida Education Finance Program (FEFP)	15,275	18,715	15,616	11,745	6,581
State Required Carryover Programs	6,737	5,969	8,973	11,983	15,745
District Discretionary Lottery Funds	1,598	1,790	1,403	1,658	1,918
CO&DS Withheld for SBE/COBI Bonds	8	9	9	10	10
State Grants and Other State Sources	1,788	2,642	2,675	3,029	1,887
Total State Sources	25,406	29,125	28,676	28,425	26,141
Local Sources:					
Ad Valorem Taxes	52,500	55,748	64,354	71,011	81,117
Investment Income	520	352	281	653	1,372
Other Local Sources	2,084	2,626	2,743	2,995	3,796
Total Local Sources	55,104	58,726	67,378	74,659	86,285
Total Revenues	81,021	87,997	96,168	103,197	112,545
Expenditures: (by object)					
Salaries	52,514	55,818	59,671	66,129	71,307
Employee Benefits	15,485	15,172	17,242	18,719	20,658
Purchased Services	7,729	9,353	10,851	13,444	13,201
Energy Services	2,754	2,859	3,211	3,740	4,859
Material and Supplies	3,204	3,631	3,790	3,908	3,857
Capital Outlay	1,120	883	1,050	3,415	1,970
Other Expenditures	1,950	1,926	2,152	1,924	2,420
Total Expenditures	84,756	89,642	97,967	111,279	118,272
Excess (Deficiency) of Revenues Over Expenditures	(3,735)	(1,645)	(1,799)	(8,082)	(5,727)
Other Financing Sources (Uses), Net	2,233	3,171	2,925	8,991	5,057
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,502)	1,526	1,126	909	(670)
Beginning Fund Balances	11,362	9,860	11,386	12,512	13,421
Adjustment to Beginning Fund Balance	-	-	-	-	-
Ending Fund Balances	\$ 9,860	\$ 11,386	\$ 12,512	\$ 13,421	\$ 12,751

Fiscal Year Ending				
June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 92	\$ 116	\$ 121	\$ 133	\$ 101
-	-	-	-	-
92	116	121	133	101
295	350	273	247	313
295	350	273	247	313
48	-	-	-	-
48	-	-	-	-
8,326	4,575	5,732	1,726	6,164
19,652	23,096	25,476	18,851	19,449
672	831	425	49	66
10	10	10	10	10
3,923	3,416	1,178	2,576	2,498
32,583	31,928	32,821	23,212	28,187
89,194	94,914	88,841	93,743	93,342
1,559	691	68	727	532
3,445	4,024	2,598	2,563	2,620
94,198	99,629	91,507	97,033	96,494
127,216	132,023	124,722	120,625	125,095
79,052	86,583	84,735	73,830	66,919
24,332	25,659	24,808	21,413	19,378
14,048	14,526	13,917	14,532	16,037
5,689	6,578	6,267	6,001	5,501
4,516	3,863	3,490	2,590	3,473
1,685	277	128	122	231
2,726	2,608	2,967	2,515	2,523
132,048	140,094	136,312	121,003	114,062
(4,832)	(8,071)	(11,590)	(378)	11,033
3,455	6,578	6,803	(1,930)	1,002
(1,377)	(1,493)	(4,787)	(2,308)	12,035
12,751	11,374	9,881	4,845	2,537
-	-	(249)	-	-
\$ 11,374	\$ 9,881	\$ 4,845	\$ 2,537	\$ 14,572

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object)
and Changes in Fund Balances - Special Revenue Funds
Last Two Fiscal Years
Federal Economic Stimulus Fund
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	<u>Fiscal Year Ending</u> <u>June 30, 2010 (1)</u>	<u>Fiscal Year Ending</u> <u>June 30, 2011</u>
Federal Through State Sources:		
Other Federal Through State Sources	\$ 9,407	\$ 12,906
Total Federal Through State Sources:	<u>9,407</u>	<u>12,906</u>
Total Revenues	9,407	12,906
Expenditures: (by object)		
Salaries	5,198	8,887
Employee Benefits	1,137	2,502
Purchased Services	338	1,204
Material and Supplies	185	100
Capital Outlay	2,298	72
Other Expenditures	<u>251</u>	<u>141</u>
Total Expenditures	<u>9,407</u>	<u>12,906</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>
Other Financing Sources (Uses), Net	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>
Beginning Fund Balances	<u>-</u>	<u>-</u>
Ending Fund Balances	<u><u>-</u></u>	<u><u>-</u></u>

(1) The District first incurred expenditures under the American Recovery and Reinvestment Act of 2009 in Fiscal Year 2010.

Source: District Records



The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object),
and Changes in Fund Balances - Special Revenue Funds - Contracted Programs Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year Ending			
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005
Federal Direct Sources:				
Other Federal Direct Sources	\$ 575	\$ 203	\$ 224	\$ 322
Total Federal Direct	575	203	224	322
Federal Through State Sources:				
Other Federal Through State Sources	6,018	5,944	7,092	7,085
Total Federal Through State Sources:	6,018	5,944	7,092	7,085
State Sources:				
Other State Sources	-	-	-	-
Total State Sources	-	-	-	-
Local Sources:				
Other Local Sources	-	-	-	-
Total Local Sources	-	-	-	-
Total Revenues	6,593	6,147	7,316	7,407
Expenditures: (by object)				
Salaries	3,199	3,850	4,439	4,289
Employee Benefits	1,001	1,141	1,370	1,310
Purchased Services	601	386	408	445
Material and Supplies	454	317	367	405
Capital Outlay	1,016	163	386	492
Other Expenditures	322	290	346	466
Total Expenditures	6,593	6,147	7,316	7,407
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-
Beginning Fund Balances	-	-	-	-
Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

Fiscal Year Ending					
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 366	\$ 128	\$ 291	\$ 62	\$ -	\$ -
366	128	291	62	-	-
6,849	7,698	7,516	7,709	8,524	9,035
6,849	7,698	7,516	7,709	8,524	9,035
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,215	7,826	7,807	7,771	8,524	9,035
4,138	4,695	4,735	4,666	5,479	5,745
1,276	1,503	1,449	1,516	1,608	1,609
672	553	666	633	602	550
338	327	268	163	178	324
322	199	275	240	83	187
469	549	414	553	574	620
7,215	7,826	7,807	7,771	8,524	9,035
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: District Records

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object),
and Changes in Fund Balances - Special Revenue Funds - Food Services Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year Ending			
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005
Federal Through State Sources:				
Food Service	\$ 3,841	\$ 3,767	\$ 4,011	\$ 4,273
Donated Foods	313	371	277	300
Total Federal Through State Sources:	4,154	4,138	4,288	4,573
State Sources:				
Food Services	210	213	176	178
Total State Sources	210	213	176	178
Local Sources:				
Food Service	1,853	2,035	2,159	2,279
Investment Income	33	20	11	10
Total Local Sources	1,886	2,055	2,170	2,289
Total Revenues	6,250	6,406	6,634	7,040
Expenditures: (by object)				
Salaries	1,784	1,966	2,124	2,218
Employee Benefits	918	890	979	1,007
Purchased Services	172	432	271	207
Energy Services	164	210	231	207
Material and Supplies	2,576	2,618	2,751	2,914
Capital Outlay	319	399	190	369
Other Expenditures	155	114	241	336
Total Expenditures	6,088	6,629	6,787	7,258
Excess (Deficiency) of Revenues Over Expenditures	162	(223)	(153)	(218)
Other Financing Sources (Uses), Net	(100)	(105)	(105)	(105)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	62	(328)	(258)	(323)
Beginning Fund Balances	1,646	1,708	1,380	1,122
Ending Fund Balances	\$ 1,708	\$ 1,380	\$ 1,122	\$ 799

Fiscal Year Ending					
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 4,368	\$ 3,734	\$ 4,343	\$ 5,202	\$ 5,694	\$ 5,645
292	145	-	-	-	-
4,660	3,879	4,343	5,202	5,694	5,645
159	171	126	113	140	122
159	171	126	113	140	122
2,670	2,953	3,138	3,025	2,953	2,854
25	2	-	7	32	2
2,695	2,955	3,138	3,032	2,985	2,856
7,514	7,005	7,607	8,347	8,819	8,623
2,470	2,757	2,755	2,611	2,501	2,399
1,132	1,221	1,178	1,137	1,054	1,028
166	169	141	128	156	121
283	317	345	349	336	301
3,211	3,140	3,523	3,623	3,542	3,239
38	42	7	28	18	130
381	224	171	123	218	221
7,681	7,870	8,120	7,999	7,825	7,439
(167)	(865)	(513)	348	994	1,184
(105)	2	-	-	-	-
(272)	(863)	(513)	348	994	1,184
799	527	(336)	(849)	(501)	493
\$ 527	\$ (336)	\$ (849)	\$ (501)	\$ 493	\$ 1,677

Source: District Records

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object),
and Changes in Fund Balances - Debt Service Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year Ending			
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005
Federal Sources:				
Miscellaneous Federal Direct	\$ -	\$ -	\$ -	\$ -
Total Federal Sources	-	-	-	-
State Sources:				
CO&DS Withheld for SBE/COBI Bonds	77	84	81	79
SBE/COBI Bond Interest	-	-	-	-
Total State Sources	77	84	81	79
Local Sources:				
Ad Valorem Taxes	5,539	5,748	5,552	5,671
Investment Income	62	39	27	69
Total Local Sources	5,601	5,787	5,579	5,740
Total Revenues	5,678	5,871	5,660	5,819
Expenditures: (by object)				
Debt Service:				
Principal	3,525	4,370	4,357	4,469
Interest and Fiscal Charges	2,697	2,013	1,706	1,627
Total Expenditures	6,222	6,383	6,063	6,096
Excess (Deficiency) of Revenues Over Expenditures	(544)	(512)	(403)	(277)
Other Financing Sources (Uses), Net	-	516	113	141
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(544)	4	(290)	(136)
Beginning Fund Balances	2,068	1,524	1,528	1,238
Ending Fund Balances	\$ 1,524	\$ 1,528	\$ 1,238	\$ 1,102

Fiscal Year Ending					
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694
-	-	-	-	-	694
500	565	474	582	580	591
-	-	5	-	-	-
500	565	479	582	580	591
4,969	4,828	4,861	4,954	4,850	4,794
90	100	62	12	14	8
5,059	4,928	4,923	4,966	4,864	4,802
5,559	5,493	5,402	5,548	5,444	6,087
13,912	6,947	8,089	8,475	9,128	9,429
3,975	5,085	6,631	6,678	6,471	6,815
17,887	12,032	14,720	15,153	15,599	16,244
(12,328)	(6,539)	(9,318)	(9,605)	(10,155)	(10,157)
12,560	6,506	9,261	9,615	10,037	9,975
232	(33)	(57)	10	(118)	(182)
1,102	1,335	1,302	1,245	1,255	1,137
\$ 1,334	\$ 1,302	\$ 1,245	\$ 1,255	\$ 1,137	\$ 955

Source: District Records

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object),
and Changes in Fund Balances - Capital Projects Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year Ending			
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005
REVENUES				
Federal Through State Sources:				
Other Federal Through State Sources	\$ -	\$ -	\$ -	\$ 33
Total Federal through State	-	-	-	33
State Sources:				
CO&DS Distribution	493	519	546	565
Public Education Capital Outlay	2,307	1,636	1,766	2,012
Public Education Capital Outlay Loan	1,794	-	-	-
Class Size Reduction Program	-	-	4,476	930
State Grants and Other State Sources	25	25	26	25
Total State Sources	4,619	2,180	6,814	3,532
Local Sources:				
Ad Valorem Taxes	16,382	18,158	20,856	23,586
Investment Income	387	175	165	507
Impact Fees	-	-	-	-
Other Miscellaneous	-	-	-	-
Total Local Sources	16,769	18,333	21,021	24,093
Total Revenues	21,388	20,513	27,835	27,658
Expenditures: (by object)				
Capital Outlay:				
Library Books	12	80	-	-
Audio Visual Materials	-	10	-	-
Buildings and Fixed Equipment	9,975	1,995	8,267	10,611
Furniture, Fixtures, and Equipment	2,506	3,248	2,789	2,583
Motor Vehicles	433	434	706	318
Land	-	-	265	21
Improvements Other Than Buildings	1,736	1,185	998	1,843
Remodeling and Renovations	7,759	10,748	7,067	9,080
Computer Software	-	125	173	154
Interest and Fiscal Charges	-	-	-	76
Total Expenditures	22,421	17,825	20,265	24,686
Excess (Deficiency) of Revenues Over Expenditures	(1,033)	2,688	7,570	2,972
Other Financing Sources (Uses), Net	(2,145)	(2,645)	(2,858)	19,783
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(3,178)	43	4,712	22,755
Beginning Fund Balances	15,195	12,017	12,060	16,772
Ending Fund Balances	\$ 12,017	\$ 12,060	\$ 16,772	\$ 39,527

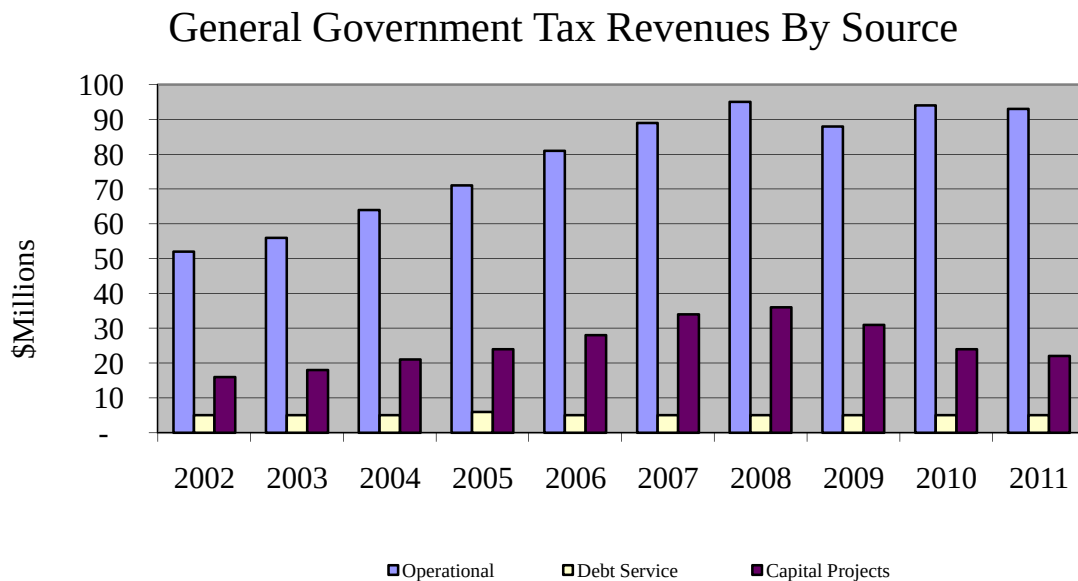
Fiscal Year Ending					
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 300	\$ -	\$ -	\$ 5	\$ -	\$ -
300	-	-	5	-	-
146	100	193	96	83	72
1,782	3,082	3,660	1,829	295	825
-	-	-	-	-	-
604	8,183	-	-	-	-
26	28	823	5,906	703	899
2,558	11,393	4,676	7,831	1,081	1,796
27,590	34,531	36,012	31,012	24,275	21,816
2,839	5,334	4,023	(819)	1,000	686
5,409	1,055	1,186	291	279	332
509	-	55	196	15	-
36,347	40,920	41,276	30,680	25,569	22,834
39,205	52,313	45,952	38,516	26,650	24,630
2	119	-	6	251	-
14	-	-	18	4	-
25,685	18,631	37,544	38,082	7,188	15,105
3,575	4,949	4,995	6,421	3,375	1,787
1,576	249	1,147	1,398	2,390	295
14,491	266	7	527	-	-
1,787	3,943	2,356	1,949	2,805	1,817
9,885	11,524	12,747	10,893	13,576	16,180
97	14	19	127	148	26
1,053	-	642	-	3	123
58,165	39,695	59,457	59,421	29,740	35,333
(18,960)	12,618	(13,505)	(20,905)	(3,090)	(10,703)
70,308	(9,401)	32,090	(14,537)	(8,047)	15,589
51,348	3,217	18,585	(35,442)	(11,137)	4,886
39,527	90,875	94,092	112,677	77,235	66,098
\$ 90,875	\$ 94,092	\$ 112,677	\$ 77,235	\$ 66,098	\$ 70,984

Source: District Records

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

Fiscal Year Ending	Property Tax			Total
	Operational Purposes	Debt Service	Capital Projects	
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	81,117	4,969	27,590	113,676
June 30, 2005	71,011	5,671	23,586	100,268
June 30, 2004	64,354	5,552	20,856	90,762
June 30, 2003	55,748	5,748	18,158	79,654
June 30, 2002	52,500	5,539	16,382	74,421

Source: District Records



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		Personal Property		Total Just		Total Taxable Value		Percent of Total Taxable Value To Total Just Value		Total Direct Rate
	Just Value	Value	Just Value	Value	Value (\$)	Value (\$)	Value	Value			
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
2003-04		13,534,323		693,374		14,240,720		10,717,793	75.3%		8.710
2002-03		11,975,903		694,305		12,679,434		9,530,620	75.2%		8.732
2001-02		10,531,128		707,942		11,247,647		8,541,205	75.9%		9.082

(1) Includes Centrally Assessed Property

Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book, 1999-2011

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			
	2001-02	2002-03	2003-04	2004-05
District School Board:				
Local Required Effort	5.8000	5.5060	5.5900	5.4360
Discretionary Local	0.5100	0.5100	0.5100	0.5100
Supplemental Discretionary	0.0920	0.0860	0.0790	0.0730
Critical Operating Needs	0.0000	0.0000	0.0000	0.0000
Debt Service	0.6800	0.6300	0.5310	0.4800
Capital Improvement	2.0000	2.0000	2.0000	2.0000
Total District School Board	9.0820	8.7320	8.7100	8.4990
Other County-Wide:				
Board of County Commissioners	5.5234	5.4713	5.5181	5.1563
St. John River Water Management	0.4720	0.4620	0.4620	0.4620
Total County-Wide	15.0774	14.6653	14.6901	14.1173
Municipalities:				
Fellsmere	5.7500	5.7500	5.7500	5.7500
Indian River Shores	1.4284	1.4370	1.4730	1.4730
Sebastian	4.5904	4.5904	4.5904	4.5904
Orchid	1.3430	0.9354	0.8954	0.7508
Vero Beach	2.1425	2.1425	2.1425	2.1425

Source: Indian River County Tax Collector

Fiscal Year					
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
5.2440	4.5510	4.6570	4.4100	5.0480	5.4220
0.5100	0.5100	0.5100	0.4980	0.7480	0.7480
0.1260	0.1020	0.1010	0.1020	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.2500
0.3600	0.2800	0.2700	0.2800	0.3000	0.3300
2.0000	2.0000	2.0000	1.7500	1.5000	1.5000
8.2400	7.4430	7.5380	7.0400	7.5960	8.2500
4.9173	4.3250	4.1037	4.1493	4.1666	4.1625
0.4620	0.4620	0.4158	0.4158	0.4158	0.4158
13.6193	12.2300	12.0575	11.6051	12.1784	12.8283
5.7500	5.7500	4.4301	4.4300	4.4300	4.4300
1.4730	1.4730	1.3923	1.3923	1.3923	1.4105
3.9325	3.0519	2.9917	3.3456	3.3456	3.3041
0.6900	0.4525	0.4494	0.4550	0.4550	0.4550
2.2925	2.1425	1.9367	1.9367	1.9367	1.9367

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

		Fiscal Year		
		2010-2011		
Taxpayer	Type of Business	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	Electrical Utility	1	\$ 91,400,547	0.61%
Disney Vacation Dev., Inc.	Resort	2	72,961,084	0.49%
Bellsouth Telecommunications, Inc.	Telephone Utility	3	42,197,328	0.28%
John's Island Club, Inc.	Land Development	4	40,527,089	0.27%
IR Mall Associates LTD	Retail	5	38,298,008	0.26%
Adult Community Services, Inc.	Retirement Community	6	36,637,750	0.24%
Windsor Properties	Land Development	7	31,266,657	0.21%
Sebastian Hospital, Inc.	Healthcare	8	30,009,649	0.20%
Fellsmere Joint Venture	Land Development	9	25,909,620	0.17%
CVS Vero FL Distribution, LLC	Industrial	10	21,769,006	0.15%
Total			<u>\$ 430,976,738</u>	<u>2.88%</u>
Total County Taxable Valuation (Page 139)			<u>\$ 14,990,362,000</u>	

		Fiscal Year		
		2001-2002		
Taxpayer	Type of Business	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Disney Vacation Dev., Inc.	Resort	1	\$ 69,069,073	0.81%
Florida Power & Light	Electric Utility	2	61,098,500	0.72%
Bellsouth Telecommunications	Telephone Utility	3	58,655,192	0.69%
Windsor Properties	Land Development	4	50,376,579	0.59%
IR Mall Associates LTD	Regional Shopping Center	5	47,574,020	0.56%
New Piper Aircraft, Inc.	Aircraft Manufacturer	6	34,121,169	0.40%
John's Island Club, Inc.	Club & Golf Course	7	30,849,571	0.36%
Adult Community Total Services	Retirement Community	8	30,514,130	0.36%
Horizon Outlet Center LTD	Regional Shopping Center	9	29,737,070	0.35%
Wal-Mart Stores, Inc.	Retail	10	28,577,908	0.33%
Total			<u>\$ 440,573,212</u>	<u>5.16%</u>
Total County Taxable Valuation (Page 139)			<u>\$8,541,205,000</u>	

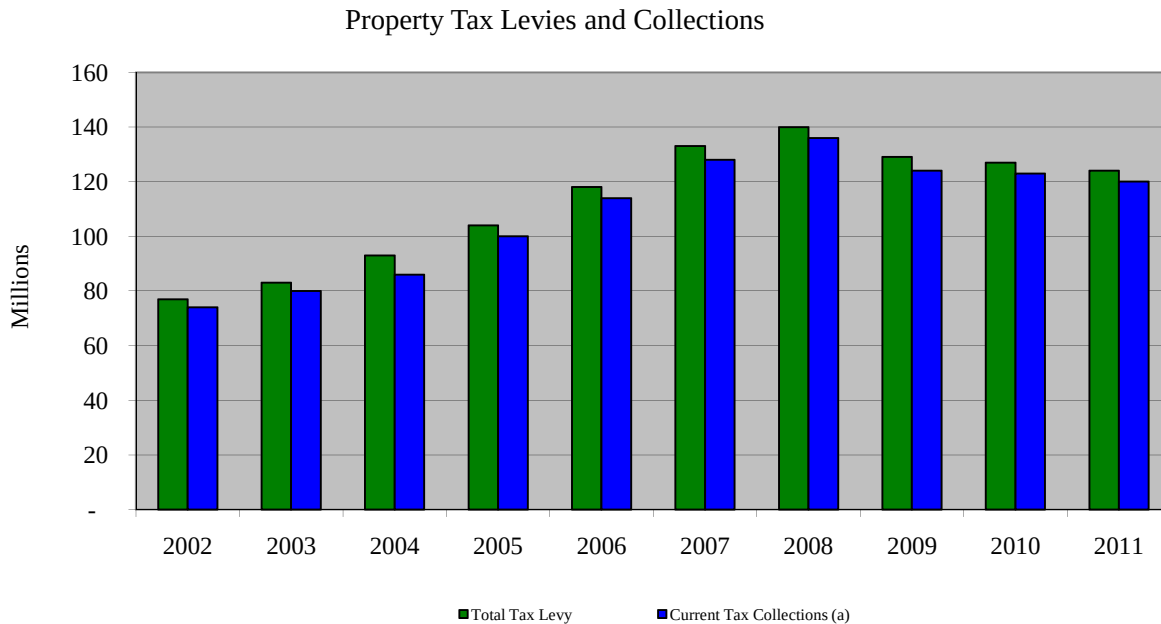
Source: Indian River County Property Appraiser

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
2010-11	\$123,732,637	\$119,596,795	96.66%	\$0	\$119,596,795	96.66%
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%
2003-04	93,352,877	85,912,998	92.03%	1,955	85,914,953	92.03%
2002-03	83,227,752	79,713,842	95.78%	2,724	79,716,566	95.78%
2001-02	76,706,661	74,087,936	96.59%	4,798	74,092,734	96.59%

(a) Net of allowable discounts

Source: Indian River County Tax Collector and District Records



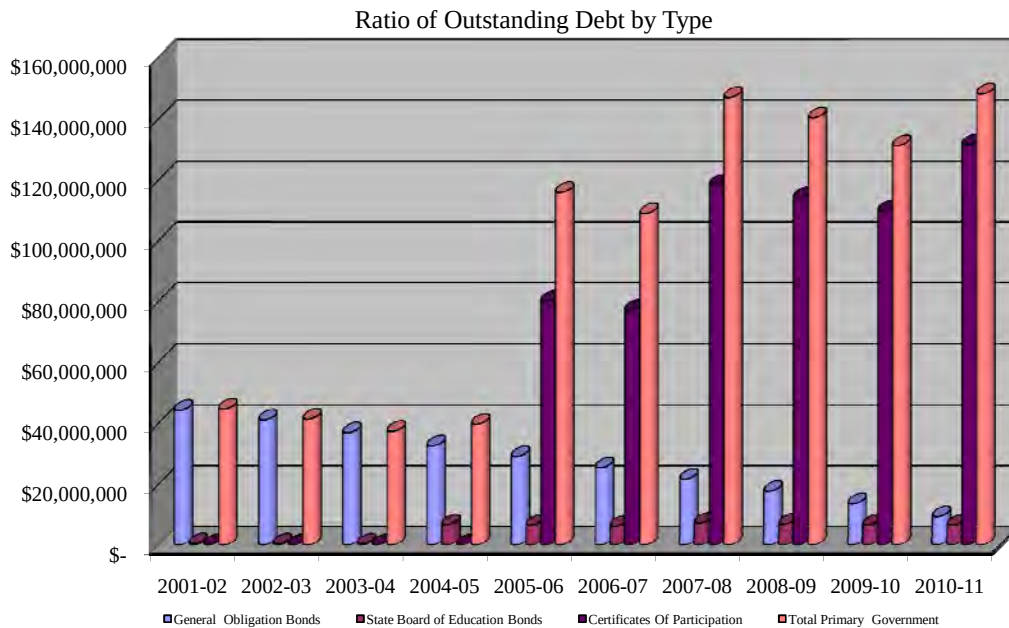
The School Board of Indian River County, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities ⁽¹⁾					Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	State Board of Education Bonds	Certificates Of Participation	Capital Leases	Total Primary Government		
2010-11	\$ 9,270,000	\$ 6,405,000	\$ 131,346,000	\$ 1,062,988	\$ 148,083,988	3.250%	1,073
2009-10	13,520,000	6,545,000	109,605,000	1,421,555	131,091,555	n/a (c)	970
2008-09	17,580,000	6,825,000	113,965,000	1,849,599	140,219,599	1.842%	991
2007-08	21,505,000	7,090,000	118,170,000	163,043	146,928,043	1.916%	1,037
2006-07	25,310,000	6,090,000	77,150,000	237,974	108,787,974	1.393%	778
2005-06	28,985,000	6,370,000	80,050,000	329,818	115,734,818	1.653%	856
2004-05	32,520,000	6,555,000	-	522,253	39,597,253	0.673%	304
2003-04	36,815,000	220,000	-	219,026	37,254,026	0.735%	294
2002-03	40,990,000	290,000	-	-	41,280,000	0.854%	340
2001-02	44,170,000	360,000	-	-	44,530,000	0.951%	377

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 page 150.
- (b) "Total Primary Government Debt" divided by "Estimated Population" from page 145.
- (c) Information not available



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
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
2003-04	126,829	13,534,323	36,815,000	1,233,304	35,581,696	0.263%	281
2002-03	121,274	11,975,903	40,990,000	1,521,178	39,468,822	0.330%	325
2001-02	118,149	10,531,128	44,170,000	1,515,528	42,654,472	0.405%	361

- (a) Population was obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.
- (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
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 (a)	Total General Governmental Non-Capital Expenditures (b) (c)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
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
2003-04	4,175,000	1,579,335	5,754,335	116,052	0.050
2002-03	4,300,000	1,382,164	5,682,164	107,030	0.053
2001-02	3,465,000	2,564,738	6,029,738	101,102	0.060

(a) During the 2002-03 fiscal year, general obligation bonds were refunded to reduce interest costs.

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

(c) Amounts expressed in thousands.

Source: District Records

The School Board of Indian River County, Florida
Direct and Overlapping Governmental Activities Debt
June 30, 2011
(Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt ⁽¹⁾	
			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	\$ 4,274,882	-	0%	-	100%	\$ 4,274,882
Series 2006	37,359,804	-	0%	-	100%	37,359,804
Subtotal, Overlapping Debt	\$ 41,634,686					\$ 41,634,686
School Board of Indian River County ⁽²⁾						
Series 2002 Refunded Bonds	^(a) \$ 8,493,998	-	100%	\$ 8,493,998	100%	\$ 8,493,998
2005 Certificates of Participation	^(b) -	64,500,000	100%	64,500,000	100%	64,500,000
2007 Certificates of Participation	^(b) -	40,585,000	100%	40,585,000	100%	40,585,000
2010 Certificates of Participation	^(b) -	26,261,000	100%	26,261,000	100%	26,261,000
Capital Leases Payable	-	1,062,988	100%	1,062,988	100%	1,062,988
Indian River School Board Direct Debt	8,493,998	132,408,988		140,902,986		140,902,986
Total Direct and Overlapping Debt	\$ 50,128,684	\$ 132,408,988		\$ 140,902,986		\$ 182,537,672
Total Direct Debt of the School Board				\$ 140,902,986		
Total Direct and Overlapping Debt						\$ 182,537,672

(1) Source: Indian River County, Florida Comprehensive Annual Financial Report dated September 30, 2010.

(2) Source: District Records

(a) Net of available debt service - General Obligation Bonds only, pg. 145.

(b) Payments appropriated annually by millage allowed under Florida Statute 1011.71 for facilities.

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



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

Fiscal Year	Tax Year	Taxable Assessed Valuation (3)	Principal Payments (2)	Interest Payments	Total Annual Lease Payments	Millage Levy to Provide 1.00x Coverage (1)
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% 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) See Assessed and Estimated Actual Value of Taxable Property page 139.

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

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

Fiscal Year	Population (1)	Personal Income (1),(2),(4)	Per Capita Personal Income (1)(2)	Median Age (1)	Unemployment Rate (3)
2010-11	138,028	4,556,856 *	33,014	49.4	13.7%
2009-10	135,167	n/a	33,014	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%
2003-04	126,829	5,071,395	39,986	n/a	6.7%
2002-03	121,274	4,831,037	39,836	n/a	6.8%
2001-02	118,149	4,680,414	39,615	47.0	7.0%

Sources:

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

(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

Education Level (5)			School Enrollment (6)	Government-Wide Governmental Activities Expenses (4)		Cost per Student
High School	Bachelors	Graduate				
n/a	n/a	n/a	17,561	\$	177,523	\$ 10,109
n/a	n/a	n/a	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
n/a	n/a	n/a	16,283		121,283	7,448
n/a	n/a	n/a	15,712		114,013	7,256
81.6%	23.1%	6%	15,146		n/a	n/a



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		
	2010-2011		
	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	2,013	1	3.22%
Indian River County	1,354	2	2.17%
Indian River Medical Center ^(a)	1,605	3	2.57%
Publix Supermarkets	960	4	1.54%
Piper Aircraft, Inc. ^(b)	700	5	1.12%
Sebastian River Medical Center	600	6	0.96%
John's Island, Inc.	550	7	0.88%
City of Vero Beach	492	8	0.79%
Visiting Nurse Association	399	9	0.64%
Indian River Estates	350	10	0.56%
	<u>9,023</u>		<u>14.45%</u>
Total MSA Workforce	<u>62,464</u>		
Employer	Fiscal Year		
	2001-2002		
	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	1,860	1	3.45%
Indian River Memorial Hospital ^(a)	1,451	2	2.69%
Indian River County	1,372	3	2.54%
The New Piper Aircraft ^(b)	1,000	4	1.85%
Publix Supermarkets	715	5	1.32%
City of Vero Beach	681	6	1.26%
Walmart	672	7	1.24%
Sun Ag. Inc.	550	8	1.02%
Hale Indian River Groves	500	9	0.93%
John's Island	475	10	0.88%
	<u>9,276</u>		<u>17.18%</u>
Total MSA Workforce	<u>53,983</u>		

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)

	<u>Placed in</u>	<u>Square</u>			<u>Full - Time Equivalent Enrollment Data</u>		
	<u>Service (1)</u>	<u>Footage (2)</u>	<u>Portables</u>	<u>Capacity</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Elementary Schools							
Beachland Elementary	1957	94,544	4	635	428	459	500
Citrus Elementary	1967	74,775	8	757	587	605	614
Dodgertown Elementary	1967	123,249	5	793	636	538	563
Fellsmere Elementary	1982	77,406	11	744	531	508	501
Glendale Elementary	1987	71,769	5	743	581	573	596
Highlands Elementary	1987	65,867	-	668	468	457	457
Liberty Magnet Elementary	2002 ^(a)	91,667	-	678	-	495	505
Osceola Magnet Elementary	1958	75,680	1	619	564	555	546
Pelican Island Elementary	1981	69,628	2	681	737	635	685
Rosewood Magnet Elementary	1957	84,042	-	561	544	559	561
Sebastian Elementary	1984	85,825	2	695	697	551	601
J.A. Thompson Elementary ^(b)	1982	75,785	-	557	390	383	388
Treasure Coast Elementary	2006 ^(a)	95,645	6	801	-	-	-
Vero Beach Elementary	1971	78,608	3	667	554	555	559
Total Elementary				<u>9,599</u>	<u>6,717</u>	<u>6,873</u>	<u>7,076</u>
Middle Schools							
Gifford Middle	1951	135,033	3	1,471	1,125	1,234	1,306
Oslo Middle	1994	152,045	-	1,269	1,196	1,174	1,201
Sebastian River Middle	1977	147,627	16	1,723	1,173	1,199	1,249
Storm Grove	2009	156,410	-				-
Total Middle Schools				<u>4,463</u>	<u>3,494</u>	<u>3,607</u>	<u>3,756</u>

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

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

	Full - Time Equivalent Enrollment Data						
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Elementary Schools							
Beachland Elementary	521	522	540	561	564	584	575
Citrus Elementary	589	585	560	633	602	577	659
Dodgertown Elementary	636	705	654	584	495	490	488
Fellsmere Elementary	530	631	568	525	563	599	621
Glendale Elementary	579	662	652	600	466	487	562
Highlands Elementary	492	462	535	562	457	429	444
Liberty Magnet Elementary	532	537	542	538	541	534	542
Osceola Magnet Elementary	538	543	546	537	526	535	535
Pelican Island Elementary	693	696	453	491	467	452	428
Rosewood Magnet Elementary	561	551	548	539	526	538	556
Sebastian Elementary	659	687	639	545	554	562	509
J.A. Thompson Elementary	388	413	422	436	355	322	35
Treasure Coast Elementary	-	-	673	783	706	622	645
Vero Beach Elementary	542	584	556	506	517	547	576
Total Elementary	7,260	7,578	7,888	7,840	7,339	7,278	7,175
Middle Schools							
Gifford Middle	1,278	1,263	1,298	1,268	1,326	970	1,033
Oslo Middle	1,237	1,147	1,140	1,142	1,076	961	921
Sebastian River Middle	1,267	1,318	1,367	1,393	1,415	969	992
Storm Grove Middle	-	-	-	-	-	883	819
Total Middle Schools	3,782	3,728	3,805	3,803	3,817	3,783	3,765

Source: District Records

(Continued)

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	Full - Time Equivalent Enrollment Data			
				Capacity	2001-02	2002-03	2003-04
High Schools							
Sebastian River High School	1993	291,954	17	2,275	1,598	1,693	1,737
Vero Beach Senior High School	1964	497,542	2	3,032	2,595	2,588	2,689
Total High Schools				5,307	4,193	4,281	4,426
Specialty Schools							
Adult Education	1951	3,698	-	-			
Alternative Education	2005	44,430	-	328	93	99	101
Exceptional Student Education	n/a	n/a	-	-	9	14	17
Teen Parent	n/a	n/a	-	-	31	29	25
Wabasso	1925	36,875	-	55	46	42	53
Florida Virtual							-
Total Specialty Schools				383	179	184	196
Charter Schools							
Imagine School at South Vero, LLC	n/a	n/a	n/a	-	-	-	-
Indian River Academy	n/a	n/a	n/a	-	28	17	45
Indian River Charter High School	n/a	n/a	n/a	-	277	451	482
North County Charter High School	n/a	n/a	n/a	-	87	85	93
Sebastian Charter Junior High	n/a	n/a	n/a	-	87	111	108
St. Peters Academy	n/a	n/a	n/a	-	84	103	101
Total Charter Schools				-	563	767	829
Departments							
Administrative Building	1989	26,755	-	-	-	-	-
Central Warehouse	1963	31,032	-	-	-	-	-
Facilities	1951	10,921	-	-	-	-	-
Print Shop	1951	7,840	-	-	-	-	-
Transportation	1951	22,304	-	-	-	-	-
Total Other Sites				-	-	-	-
Total District				19,752	15,146	15,712	16,283

(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.

Source: District Records

	Full - Time Equivalent Enrollment Data						
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
High Schools							
Sebastian River High School	1,826	1,848	1,925	2,014	1,939	1,933	1,882
Vero Beach Senior High School	2,741	2,644	2,637	2,652	2,632	2,646	2,678
Total High Schools	4,567	4,492	4,562	4,666	4,571	4,579	4,560
Specialty Schools							
Adult Education							
Alternative Education	110	119	116	150	155	127	96
Exceptional Student Education	-	22	-	-	24	48	49
Teen Parent	23	18	17	17	42	19	25
Wabasso	63	62	62	55	56	55	48
Florida Virtual	-	-	-	-	-	15	14
Total Specialty Schools	196	221	195	222	277	264	232
Charter Schools							
Imagine School at South Vero, LLC	-	-	-	-	434	577	742
Indian River Academy	49	11	-	-	-	-	-
Indian River Charter High School	544	585	576	620	621	635	634
North County Charter School	103	103	102	100	94	135	149
Sebastian Charter Junior High	109	127	131	131	132	141	156
St Peter's Academy	102	97	106	99	113	124	148
Total Charter Schools	907	923	915	950	1,394	1,612	1,829
Departments							
Administrative Building	-	-	-	-	-	-	-
Central Warehouse	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-
Print Shop	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total Other Sites	-	-	-	-	-	-	-
Total District	16,712	16,942	17,365	17,481	17,398	17,516	17,561

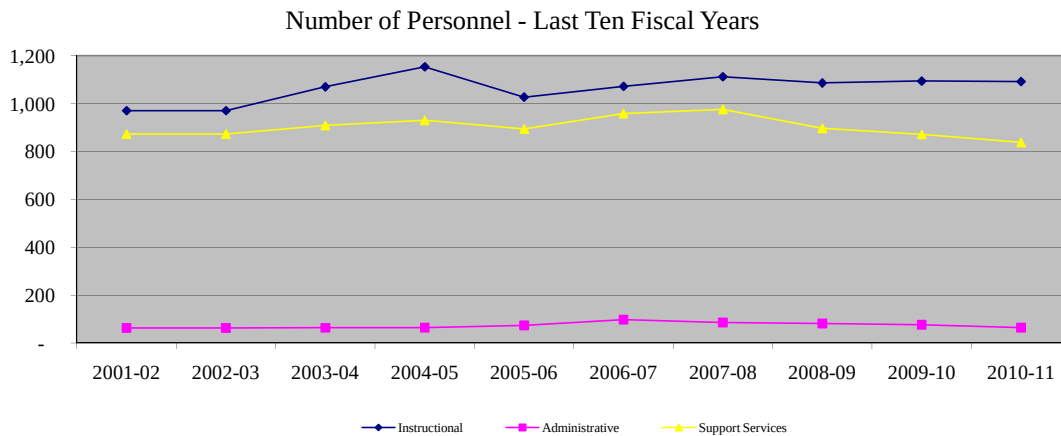
Source: District Records

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
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
2003-04	1,070	64	909	2,043	15.22	16.72
2002-03	970	63	873	1,906	16.20	15.40
2001-02	970	63	873	1,906	15.61	15.40

- (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 page 151

Source: District Records



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

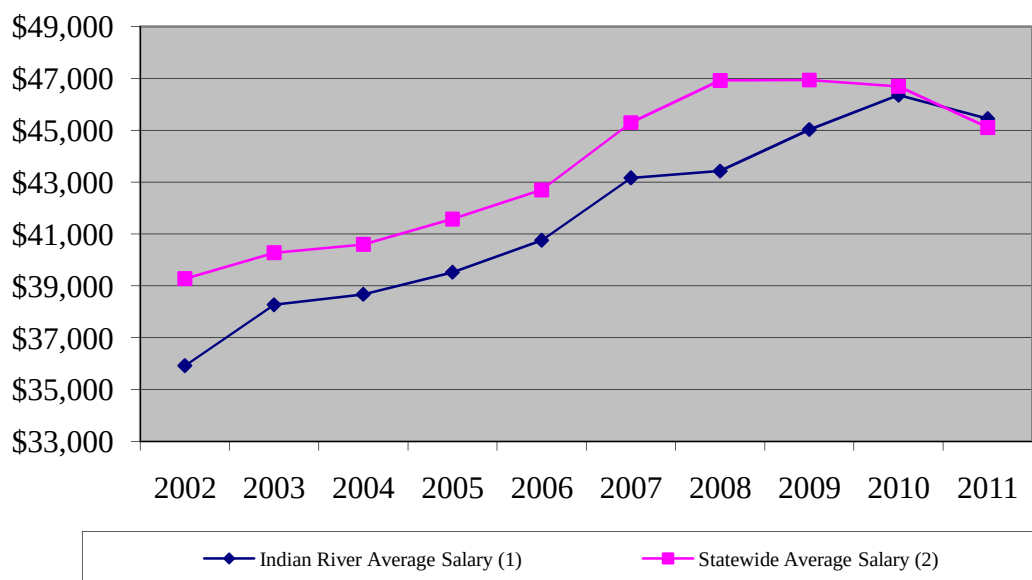
Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	Indian River Average Salary ⁽²⁾	Statewide Average Salary ⁽²⁾
2010-11	\$35,500	\$61,974	\$45,449	\$45,110
2009-10	35,500	61,009	46,356	46,696
2008-09	35,500	61,009	45,030	46,938
2007-08	35,500	61,009	43,427	46,922
2006-07	34,240	59,258	43,162	45,296
2005-06	32,000	56,109	40,756	42,702
2004-05	21,150	54,107	39,518	41,578
2003-04	30,000	51,353	38,664	40,598
2002-03	29,105	49,968	38,266	40,275
2001-02	26,705	47,209	35,913	39,275

10 Month Teachers

⁽¹⁾ District Records

⁽²⁾ Florida Department of Education Bureau of Education Information
& Accountability Services

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, 2002	June 30, 2003	June 30, 2004	June 30, 2005
Days Meals were Served	180	180	180	175 (a)
Average Number of Free and Reduced Meals Served Daily	11,315	10,433	11,155	11,870
Number of Free and Reduced Meals Served	2,036,720	1,877,979	2,007,967	2,077,311
Average Daily Subsidy Received	\$ 23,078	\$ 22,992	\$ 23,826	\$ 26,134
Total Subsidy Received	\$ 4,154,053	\$ 4,138,511	\$ 4,288,674	\$ 4,573,494
Average Number of Meals Served Daily	15,604	15,146	16,011	16,967
Number of Meals Served	2,808,656	2,726,235	2,881,996	2,969,156
Percentage of Free and Reduced Meals Served to Total Meals Served	73%	69%	70%	70%
Average Daily Revenues	\$ 34,722	\$ 35,591	\$ 36,860	\$ 40,239
Total Revenues	\$ 6,249,935	\$ 6,406,368	\$ 6,634,820	\$ 7,041,750
Average Daily Costs	\$ 33,823	\$ 36,829	\$ 37,708	\$ 41,485
Total Costs	\$ 6,088,061	\$ 6,629,300	\$ 6,787,469	\$ 7,259,916

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

Fiscal Year Ending					
<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
180	180	180	179 (b)	180	180
11,409	8,623	9,326	10,005	11,109	11,357
2,053,627	1,552,215	1,678,680	1,790,833	1,999,609	2,044,233
\$ 25,890	\$ 21,549	\$ 24,126	\$ 29,063	\$ 31,635	\$ 32,035
\$ 4,660,210	\$ 3,878,876	\$ 4,342,612	\$ 5,202,288	\$ 5,694,339	\$ 5,766,294
16,947	13,648	13,952	13,630	14,183	14,113
3,050,457	2,456,569	2,511,415	2,439,791	2,552,938	2,540,300
67%	63%	67%	73%	78%	80%
\$ 41,747	\$ 38,914	\$ 42,261	\$ 46,636	\$ 48,997	\$ 47,905
\$ 7,514,491	\$ 7,004,535	\$ 7,606,961	\$ 8,347,783	\$ 8,819,402	\$ 8,622,822
\$ 42,675	\$ 43,720	\$ 45,112	\$ 44,689	\$ 43,476	\$ 41,329
\$ 7,681,532	\$ 7,869,558	\$ 8,120,103	\$ 7,999,364	\$ 7,825,667	\$ 7,439,183



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 Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB *Circular A-133*
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings – Federal Awards
- Exhibit A – Management's Response



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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*

We have audited 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, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements was modified to include a reference to 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. Other auditors audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the Indian River County District School Board's financial statements. For the school internal funds and the aggregate discretely presented component units, 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, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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. 2012-036, dated November 2011.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
December 16, 2011
Audit Report No. 2012-065



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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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 COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB *CIRCULAR A-133*

Compliance

We have audited the Indian River County District School Board's compliance with the types of compliance requirements described in the United States Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2011. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in Federal Awards Finding No. 1 in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report, the District did not comply with requirements regarding Matching, Level of Effort, Earmarking – Maintenance of Effort that are applicable to its Special Education Cluster program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine auditing procedures for the purpose of expressing our opinion on compliance 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 control 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. We consider the deficiency in internal control over compliance described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 1 to be a material weakness.

Management's response to the finding described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report is included as Exhibit A. We did not audit management's response and, accordingly, we express no opinion on the response.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
December 16, 2011
Audit Report No. 2012-065

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011**

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 Education:				
School Breakfast Program	10.553	321	\$ 1,136,000.18	\$
National School Lunch Program	10.555	300, 350	3,877,253.28	
Summer Food Service Program for Children	10.559	323	222,387.80	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	None	508,183.00	
Total Child Nutrition Cluster			5,743,824.26	-
Indirect:				
Florida Department of Education:				
Child and Adult Care Food Program	10.558	302	184,774.30	
Fresh Fruit and Vegetable Program	10.582	330	45,180.00	
Child Nutrition Discretionary Grants Limited Availability	10.579	371	46,191.06	
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	371	5,571.00	
Total United States Department of Agriculture			6,025,540.62	-
United States Department of Education:				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	3,659,563.00	
Special Education - Preschool Grants	84.173	267	100,101.49	
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	2,027,033.53	17,432.70
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	44,305.33	
St. Lucie County District School Board:				
Special Education - Grants to States	84.027	None	20,386.00	
Total Special Education Cluster			5,851,389.35	17,432.70
Title I, Part A Cluster:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	3,305,898.43	30,604.70
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	226, 212	1,012,812.72	
Total Title I, Part A Cluster			4,318,711.15	30,604.70
Educational Technology State Grants Cluster:				
Florida Department of Education:				
Education Technology State Grants	84.318	121	2,070.00	
ARRA - Education Technology State Grants, Recovery Act	84.386	121	7,540.30	
Total Educational Technology State Grants Cluster			9,610.30	-
State Fiscal Stabilization Fund Cluster:				
Florida Department of Education:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	591	5,700,725.00	580,305.13
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	592	130,813.69	
Total State Stabilization Fund Cluster			5,831,538.69	580,305.13
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	167,746.35	
Migrant Education - State Grant Program	84.011	217	61,229.45	
Career and Technical Education - Basic Grants to States	84.048	151, 161	239,476.40	
Charter Schools	84.282	298	290,152.45	290,152.45
Twenty-First Century Community Learning Centers	84.287	244	374,784.62	
English Language Acquisition Grants	84.365	102	131,602.28	
Improving Teacher Quality State Grants	84.367	224	700,783.24	
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	127	10,935.20	
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	591	192,874.86	
Education Jobs Fund	84.410	541	3,675,068.00	383,767.00
Total United States Department of Education			21,855,902.34	1,302,261.98

**INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Fiscal Year Ended June 30, 2011**

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 Health and Human Services:				
Indirect:			\$	
Florida Department of Education:				
ARRA - Emergency Contingency for Temporary Assistance for Needy Families (TANF) State Program	93.714	540	<u>97,880.98</u>	
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	<u>101,262.47</u>	
Total Expenditures of Federal Awards			<u>\$ 28,080,586.41</u>	<u>\$ 1,302,261.98</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 – Represents the amount of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

**INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	No
Type of report the auditor issued on compliance for major programs:	Unqualified for all major programs, except for the Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 – ARRA, and 84.392 – ARRA), which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB <i>Circular A-133</i> ?	Yes
Identification of major programs:	Child Nutrition Cluster (CFDA Nos. 10.553, 10.555, and 10.559); Title I Part A Cluster (CFDA Nos. 84.010 and 84.389 - ARRA); Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 - ARRA, and 84.392 - ARRA); State Fiscal Stabilization Fund (SFSF) Cluster (CFDA Nos. 84.394 – ARRA and 84.397 – ARRA); and Education Jobs Fund (CFDA No. 84.410).
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 842,417
Auditee qualified as low-risk auditee?	No

FEDERAL AWARDS FINDING AND QUESTIONED COSTS

Federal Awards Finding No. 1:

Federal Agency: United States Department of Education

Pass-Through Entity: Florida Department of Education

Program: Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 – ARRA, and 84.392 - ARRA)

Finding Type: Material Noncompliance and Material Weakness

Questioned Costs: \$704,844

Matching, Level of Effort, Earmarking – Maintenance of Effort. Title 34, Sections 300.203 and 300.204, Code of Federal Regulations, require that the amount of State and local funds expended by the District on special education related services during the audit period be at least equal, in total or average per capita, to that of the prior fiscal year. Allowances for decreases in maintenance of effort may be made for certain reasons such as the departure of special education personnel; a decrease in the enrollment of students with disabilities; and the termination of costly expenditures for long-term purchases, such as the acquisition of equipment and the construction of school facilities.

District records did not evidence that the District monitored the maintenance of effort requirements, and the State and local expenditures, in total and average per capita, decreased from the 2009-10 fiscal year to the 2010-11 fiscal year, as shown below:

Source	Fiscal Years		Difference
	2009-10	2010-11	
General Fund Special Education Expenditures	\$ 12,141,527	\$ 10,747,710	\$ 1,393,817
Add: State Fiscal Stabilization Funds Special Education Fund Expenditures	141,901	516,773	(374,873)
Less: General Fund Special Education Gifted Expenditures	(697,813)	(529,017)	(168,796)
Less: General Fund Special Capital Outlay Expenditures	(15,665)	(1,596)	(14,068)
Less: State Fiscal Stabilization Funds Special Education Gifted Expenditures	(5,252)	0	(5,252)
Subtotal Expenditures (Deficiency in Total Expenditures)	<u>\$ 11,564,698</u>	<u>\$ 10,733,870</u>	<u>\$ 830,828</u>
Full-Time Equivalent (FTE) Enrollment in Special Education	3,201	3,172	
Expenditures per FTE	<u>\$ 3,613</u>	<u>\$ 3,384</u>	
Part B Entitlement Flow-Through Funds		\$ 5,686,597	
Less: Prior Year Entitlement		5,644,173	
Reduction of Maintenance of Effort (MOE)		<u>\$ 42,424</u>	
Allowance for MOE Flexibility (Reduction of MOE times 50 percent)			(21,212)
Allowance for Decrease in FTE (29 FTE Decrease times \$3,613 Average Expended for 2009-10 Fiscal Year)			<u>(104,772)</u>
Deficiency in Expenditures of State and Local Resources (Calculated Per Capita)			<u>\$ 704,844</u>

In addition, District records did not evidence that the District met a qualified exemption from the maintenance of effort requirement. Consequently, the deficiency in maintenance of effort from State and local funds totaling \$704,844 represent questioned costs subject to disallowance by the grantor. Without procedures to monitor applicable maintenance of effort requirements, the risk increases that State and local funds will not be properly allocated and expended for special education services.

Recommendation: The District should establish controls over State and local resources allocated and expended for District Special Education programs to ensure compliance with Federal maintenance of effort requirements. In addition, the District should document to the grantor (Florida Department of Education) its compliance with these requirements or restore \$704,844 to the Special Education programs.

District Contact Person: Larry Harrah, Executive Director of Exceptional Student Education and Student Services

PRIOR AUDIT FOLLOW-UP

Except as discussed in the **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS**, the District had taken corrective actions for findings included in previous reports on audits of the District's financial statements and Federal awards.

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit A.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

*INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011*

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 is currently going through the close-out process with FEMA which includes these costs. This process is scheduled to be completed by June 30, 2012.



EXHIBIT A
MANAGEMENT'S RESPONSE

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 16, 2011

David W. Martin, CPA
Office of the Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

The purpose of this letter is to respond to the preliminary and tentative audit findings for the School Board of Indian River County as a result of the financial and federal single audit for the fiscal year ended June 30, 2011. The following are the responses as submitted by the appropriate staff.

Finding No. 1:

In response to the auditor's finding the District would like to respond with the following information. A detailed analysis of the District's Exceptional Student Education (ESE) population shows that over a 9 year period beginning in fiscal year 2003/04, our ESE population has decreased by approximately 406 students or 11.75%. In 2003/04 our ESE population count was a high of 3455 students; whereas as of the October 2011/12 FTE count the ESE population has declined to approximately 3049 students. **(Chart 1)**.

During this same time period, total state and federal aid has decreased from a high of \$8.1 million in fiscal year 2003/04 to the current funding level of \$6.7million; or a 17.78% decrease in funding. Conversely, during the same time period, the district increased its expenditure levels for exceptional student services from \$10.2 million to the current budgeted level of \$10.9 million or approximately 8.16%, despite a declining ESE population. Of special note, the District consistently spent more each year more than the Florida Department of Education (FLDOE) funding formulas provided. The total cumulative funding for exceptional student services over this 9 year period was approximately \$71.2 million, while district expenditures for ESE related services totaled approximately \$102.1 million; or \$31.2 million or 43.88% in excess of total cumulative funding. **(Chart 2 & 2A)**

"Educate and inspire every
student to be successful"

Karen Disney-Brombach
District 1

Matthew McCain
District 2

Carol Johnson
District 3

Claudia Jiménez
District 4

Jeffrey Pegler
District 5

"To serve all students with excellence"
Equal Opportunity Educator and Employer

EXHIBIT A
MANAGEMENT’S RESPONSE (CONTINUED)

In fiscal 2008/09, the district was subject to a mid-year budget cut by the State of Florida and lost approximately \$4 million in revenues. As a result of this mid-year cut, and subsequent audit adjustments in fiscal 2009/10, the district’s unreserved fund balance declined from \$4 million (4% of revenues) to \$1.3 million (1% of revenues) in fiscal year 2009/10. This low 1% unreserved fund balance was in violation of School Board policy 7.29 which requires a minimum of 4% of revenues, and Florida Statute 1011.051 that requires a minimum of 3% of revenues in the District’s unreserved fund balance. As a result of these violations, a corrective action plan was submitted to the State of Florida for implementation in fiscal 2010/11 in order to restore the district’s fund balance to above the school board and statutory levels. **(Chart 3)**

Included in the District’s Budget Reduction Action Plan was the elimination of 25 ESE Teacher Assistant positions as the District had to reduce its staffing levels in response to statewide budget reductions for a savings of approximately \$729,550. These corrective measures were implemented to correct the prior year’s overstaffing situation, due to the decline in the ESE population being served, as well as to restore the District’s unreserved fund balance to required School Board and statutory levels. The 2010/11 Budget Reduction Action Plan was implemented without any disruption or degradation in services provided to our ESE population.

In conclusion, the District has now established procedures over state and local resources allocated and expended for District Special Education programs, especially during the budgetary process to ensure future compliance with Federal maintenance of effort requirements. In addition the District will work with the Florida Department of Education to ensure our compliance with the these requirements.

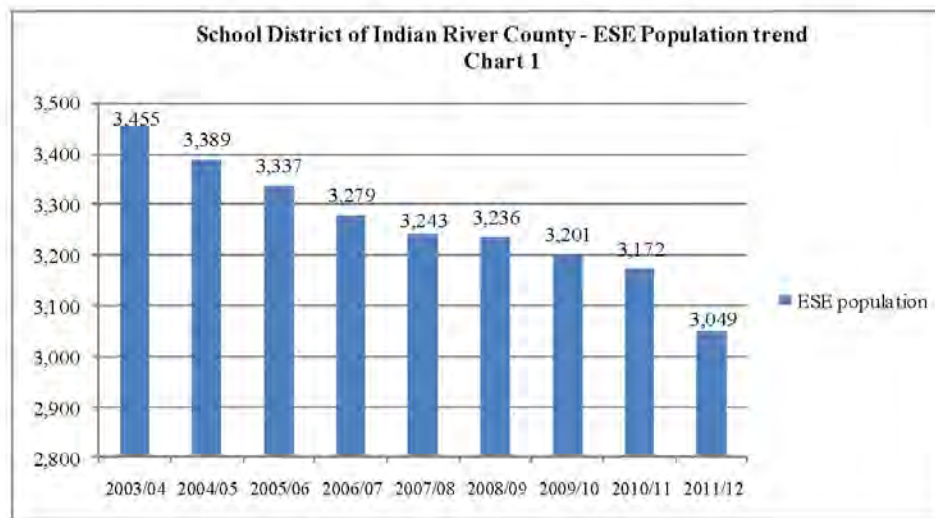


EXHIBIT A
MANAGEMENT'S RESPONSE (CONTINUED)

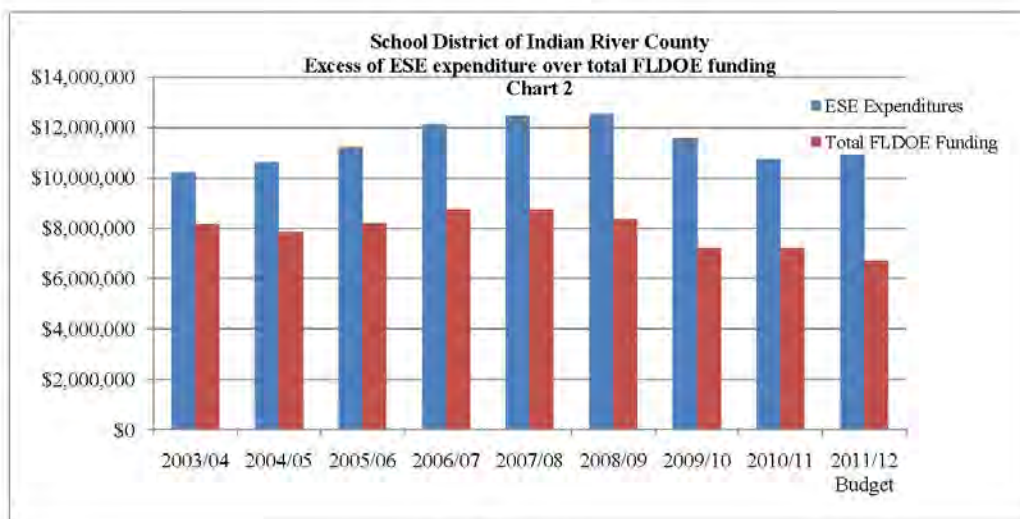
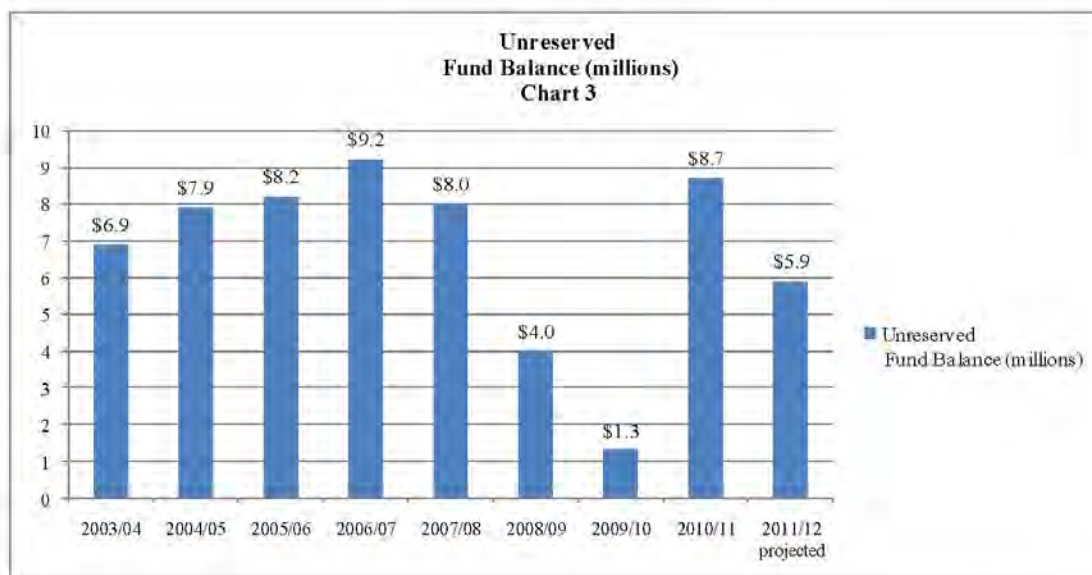


Chart 2A

Fiscal Year	Total FLDOE funding	Dollar increase (decrease)	Percentage increase (decrease)	Total District ESE Expenditures	Dollar increase (decrease)	Percentage increase (decrease)	Excess of ESE Expenditures over funding	% in excess of funding
2003/04	\$8,155,601	\$ -	0%	\$10,216,201	\$ -	0%	\$2,060,600	25.27%
2004/05	\$7,862,251	(\$293,350)	-3.60%	\$10,623,375	\$407,174	3.99%	\$2,761,124	35.12%
2005/06	\$8,199,105	\$336,854	4.28%	\$11,228,592	\$605,217	5.70%	\$3,029,487	36.95%
2006/07	\$8,723,984	\$524,879	6.40%	\$12,129,743	\$901,151	8.03%	\$3,405,759	39.04%
2007/08	\$8,750,940	\$26,956	0.31%	\$12,472,193	\$342,450	2.82%	\$3,721,253	42.52%
2008/09	\$8,362,796	(\$388,144)	-4.44%	\$12,531,741	\$59,548	0.48%	\$4,168,945	49.85%
2009/10	\$7,222,298	(\$1,140,498)	-13.64%	\$11,585,615	(\$946,126)	-7.55%	\$4,363,317	60.41%
2010/11	\$7,207,724	(\$14,574)	-0.17%	\$10,735,467	(\$850,148)	-6.78%	\$3,527,743	48.94%
2011/12 Budget	\$6,706,868	(\$500,856)	-6.93%	\$10,907,983	\$172,516	1.49%	\$4,201,115	62.64%
Total	\$71,191,567	(\$1,448,733)	-17.78%	\$102,430,910	\$ 691,782.00	8.16%	\$31,239,343	43.88%

EXHIBIT A
MANAGEMENT'S RESPONSE (CONTINUED)



*2010/11 fund balance excludes one-time non recurring federal Edujobs roll forward funding of **\$3.2 million**

In closing, I would like to thank the staff from your office for their professionalism and cooperation in the conduct of the aforementioned audit. Please feel free to contact my office if you have any questions concerning this matter.

Sincerely,

Frances J. Adams, Ed.D.
Superintendent

Cc: School Board Members
Superintendent's Leadership Council

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

TBD
Assistant Superintendent
Curriculum and Instruction

Ms. Jody Bennett
Executive Director
Core Curriculum

Mr. Larry Harrah
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

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Sebastian River Middle



Vero Beach High



Sebastian River High

STORM GROVE MIDDLE



STINGRAYS

Storm Grove Middle



Oslo Middle



Gifford Middle

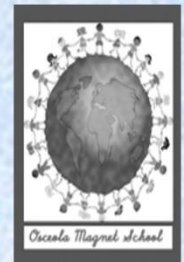
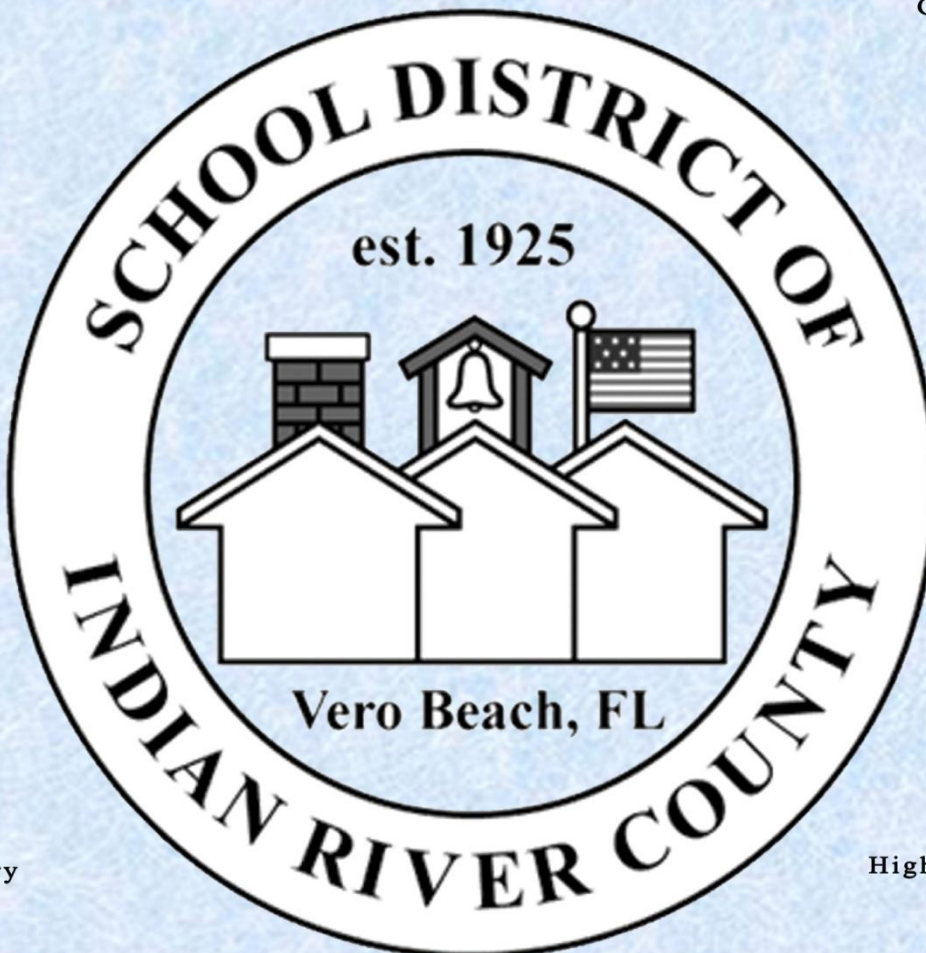


Liberty Magnet



Be Respectful
Be Responsible
Be Safe and Ready to Learn!

Beachland
Elementary



Osceola Magnet



Rosewood
Magnet



Citrus Elementary



Highlands Elementary



Fellsmere
Elementary



Glendale
Elementary



Pelican Island
Elementary



Sebastian
Elementary



Treasure Coast
Elementary



Imagine
School



Indian River Charter
High School



North County
Charter Elementary



Sebastian Charter
Junior High



St. Peter's
Academy



Vero Beach
Elementary