

School Board of Indian River County Vero Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015



Mark J. Rendell, Ed.D.
Superintendent

Shawn R. Frost
District 1

Dale Simchick
District 2

Matthew McCain
District 3

Charles G. Searcy
District 4

Claudia Jiménez
District 5



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The School Board of Indian River County, Florida

Vero Beach, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by:
Division of Finance & Operations

The School Board of Indian River County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2015

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Transmittal Letter



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School District of Indian River County

6500 57th Street • Vero Beach, Florida 32960-3395 – Telephone: 772-564-3000 • Fax: 772-569-0424

Mark J. Rendell, Ed.D.
Superintendent



February 26, 2016

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, 2015, is hereby submitted. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District’s financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District’s management.

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

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

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

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

GENERAL INFORMATION

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

The geographical boundaries of the District are those of Indian River County. During the 2014-15 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 17,658 unweighted full-time equivalent students for all locations; and is projecting 17,693 unweighted full-time equivalent students for the 2015-16 fiscal year.

GENERAL DESCRIPTION AND LOCATION

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

ECONOMIC CONDITIONS AND OUTLOOK

The County is located in the middle of the state on the Atlantic Coast, is primarily supported by tourism and agriculture; mostly citrus, although other industries have grown in the past decade. Some stability is provided with top employers being governmental such as the District, the County, and the City of Vero Beach. The District's tax base will continue to improve given a rebound in the local economy, particularly in the services industry.

The District is coterminous with Indian River County, which is located in the middle of the state on the Atlantic coast. The local economy is largely focused on tourism and agriculture. In recent years, however, greater diversification has been achieved through the growth of other industries, including healthcare. The county's population has shown consistent and steady growth, increasing by 3% since 2010 to 141,994 in 2014.

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

LONG-TERM FINANCIAL PLANNING

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

Unassigned and Assigned fund balance in the General Fund (11.19 percent of total General Fund revenues) exceeds the District policy of 5 percent of revenues. During the initial planning for the budget, the District each year sets aside 5 percent of its revenues in order to ensure compliance with this policy.

MAJOR INITIATIVES

Continuation and expansion of Indian River Fellowship for Instructional Leaders (IRFIL)

The District supports all of its schools with a systems thinking approach for student achievement. Our District provides a plethora of supports to all leaders, teachers, and supports across the system. In addition to the District supports for all staff which are listed in the following paragraphs, our District provides specific "Individualized Support Team", IST, professional development to our lower performing schools. The IST supports resemble the

work that was provided to us on behalf of the Differentiated Accountability, DA, work that was taught to our staff via the Florida Department of Education (FDOE).

- ❖ IRPLAN 1: During the 2014-15 school year, the School District developed and implemented Indian Rivers Professional Learning Administrative Network, IRPLAN. This program of support was provided to school based administrators, as well as, an introductory leadership program for aspiring educators seeking opportunities to be future school leaders. IRPLAN 1 exposed aspiring educators, desiring to be future leaders, to a variety of instructional leadership, as well as, building management topics necessary to lead schools. Trainings involving Curriculum and Instruction, Human Resource, Finance, Technology, and Building and Grounds were a part of the program of support.
- ❖ IRPLAN 2 & 3 was developed and implemented for current school leaders aspiring to obtain principal certification with the FDOE. School leaders had the opportunity to complete all course work online. For 2015-16, the District will continue with IRPLAN 1 for aspiring leaders, IRPLAN 2 will focus on providing support to Assistant Principals who are seeking principal certification, and IRPLAN 3 will provide monthly professional development training opportunities for current principals to enhance and build upon their capacity to lead their schools.
- ❖ IR MTSS: The Indian River Multi-tiered System of Support, IR MTSS, core design team works collaboratively together to refine and strengthen the MTSS framework, MTSS problem solving processes, and MTSS instructional supports to meet the varied and diverse needs of our student population. As a part of this refinement, in 2014-15 the core design team developed a strategic plan to raise the bar for high quality, standards-based instruction with tiered supports for students. For the 2015-16 school year the strategic plans focus is on “Developing Traction.” To do so, support is focusing on improving action plans, and implementation of refined utilization of problem solving processes that tier instructional supports for students. IR MTSS supports students in the areas of academics, behavioral, social, and psychological needs.
- ❖ ICE: The Institute of Coaching Excellence, ICE, has been added to our program of support for students. ICE is a formal instructional coaching program that was created to provide support to those aspiring to instructionally coach peers, or formally coach others as a content area specialists. Utilizing a rigorous application process, candidates were required to submit videos of their teaching, references from others, etc. for review. The goal is to provide direct support to coaches on how best to work with teachers to support student achievement in their classrooms.

Continuation of the Moonshot Moment Initiative

Indian River Schools in collaboration with the Learning Alliance offered numerous opportunities for growth for teachers and students. One opportunity was the Moonshot Academies for Students. This is a fun, engaging two hour after school program designed to help catch students up. Moonshot Academy students participating in the 2014-2015 program saw a 65% growth in proficiency. Along with the Academies for students was a Moonshot Academy for Teachers. This was an extended learning opportunity for teachers which take place in various locations including seminars at the museum, embedded coaching in the classroom and after school professional development on school campuses.

To enhance standards based instruction in all our classrooms, the Curriculum and Instruction department worked with the Learning Alliance to offer the “UP Campaign” which was an initiative to assist teams of teachers to create Unit Plans to support our K-12 classrooms. Moonshot Institutes also were developed which are bringing the standards to life by integrating highly engaging, multisensory strategies into lesson design and delivery. These professional development opportunities were shared with teachers and administrators throughout the year.

For behavioral support this partnership with the school District the Learning Alliance provided Conscious Discipline training to over 100 teachers. This is a model which builds teacher and student social and emotional capabilities.

Digital Literacy Integration

The District continues to move forward with its Digital Literacy Implementation. An online resource, Title I SMART Resources, was created especially for educators on the School District Web site. Teacher resources available include, but are not limited to the following: innovative shared lessons, interactive lesson templates, SMART presentations, technical assistance for SMART Notebook software and the Wonders Reading program, and website suggestions for teachers to develop interactive, standards-based lessons. The SMART initiative has moved into its next phase with the purchase of SMART Tables for select elementary schools. The purpose of the SMART Table pilot program is to transform student learning, increase student engagement, and help students practice 21st Century skills. The District’s Learning Management System, CANVAS, is being implemented as a tool for teachers and administrators throughout the District. This is being used not only in the classroom but also as a way for teachers to share professional development, lesson plans, unit plans and discussion boards with their peers across the District. Digital Curriculum is being utilized in the elementary and secondary schools. The Curriculum and Instruction department is observing in the schools to identify District trends and to locate possible digital math software programs that may assist in closing the gap for our students in the area of math.

Indian River Virtual

The School District of Indian River County will be expanding the District's options for virtual education beginning with a campaign to let the community know of the IR Virtual School in the spring of 2016. The new virtual school will provide students the opportunity to enroll in a virtual District school and earn credits in the school District. This opportunity will allow students to be provided services from the school District and, if they choose, complete their K–12 education on-line. In addition to being able to access services that the District provides, students will be able to participate in extracurricular activities through their home schools such as playing on sports teams, bands and other activities

Algebra 1 Institute An exciting math initiative was developed by the Curriculum and Instruction Department in partnership with the Education Foundation of Indian River County. In an effort to assist Algebra 1 teachers with instructional delivery to District Algebra 1 students, an Algebra 1 Institute was developed to introduce side-by-side coaching to our teachers. Pearson was selected to assist the District with this process. Pearson, along with District staff, collected classroom data to ensure that the Professional Development and coaching that was developed would meet the needs of the teachers. The Algebra 1 Institute ran from October 2015- May 2016.

Fine Arts, HOPE/PE and Career and Technical Education Instructional Materials Adoption

The Curriculum and Instruction Department facilitated textbook adoptions for three subject areas. School District adoption teams were formed for each area of adoption. District teachers, parents and community members were part of the teams that reviewed many textbooks and digital components of the instructional materials for each subject. The process began with asking for volunteers from each of the schools to serve on the committees as each adoption covered K-12, as well as parents and community members. A textbook extravaganza was held to showcase the instructional materials and publishing companies made presentations to the committees. The teams were excited and determined to select instructional materials that were aligned with the Florida Standards and would provide rigor for all students.

OTHER INFORMATION

Student Performance. Indian River County students continue to perform very favorably as compared with other students in Florida based on the Florida Standards Assessment (FSA). The FSA measures student progress toward mastery of benchmarks of the Florida Standards for all Florida public school students in grades 3 through 10. Through the state's preliminary 2014-15 grading system which measures, among other items, student performance on the FSA, ten schools achieved an "A", two schools received a letter grade of "B", five schools received a letter grade of "C", four schools received a letter grade of "D", and one school received a letter grade of "F". District grades have not been released as of the date of this report.

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by the Auditor General or another independent certified public accountant. The Office of the Auditor General for the State of Florida

conducted the audit for the fiscal year ended June 30, 2015. 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, 2014. 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, 2014. This award, valid for one year, certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO.

This was the eighth consecutive year that the District has received these prestigious awards. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program and the Certificate of Excellence Program requirements, and we are submitting it to both GFOA and ASBO, to determine its eligibility to receive these prestigious awards.

ACKNOWLEDGEMENT

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

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

Respectfully submitted,

Mark J. Rendell

Mark J. Rendell, Ed.D.
Superintendent of Schools

Carter Morrison

Carter Morrison
Assistant Superintendent for Finance / Operations

Stephanie Miller

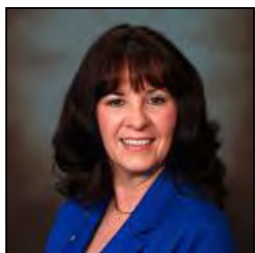
Stephanie Miller
Senior Accountant

Kim Copeman

Kim Copeman
Senior Accountant

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS – ELECTED



Mrs. Dale Simchick, Chair

Member from District 2

Member since November 2013

Current term expires November 2018



Mr. Shawn R. Frost, Vice Chair

Member from District 1

Member since November 2014

Current term expires November 2018



Mr. Matthew McCain

Member from District 3

Member since November 2008

Current term expires November 2016



Mr. Charles G. Searcy

Member from District 4

Member since November 2014

Current term expires November 2018



Mrs. Claudia Jimenez

Member from District 5

Member since November 2008

Current term expires November 2016

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

Mark J. Rendell, Ed.D.	Superintendent
Andrew Rynberg	Assistant Superintendent for Curriculum and Instruction
Carter Morrison	Assistant Superintendent for Finance & Operations
William “Bill” Fritz, Ph.D.	Assistant Superintendent for Human Resources/Risk Management
Bruce Green	Assistant Superintendent for Instructional and Information Technology
Edwina Suit, Ed.D	Executive Director Human Resources
Michael Ferrentino, Ed.D.	Executive Director Exceptional Student Education
Deborah Berg	Director Elementary Education
Deborah Taylor-Long	Director Secondary Education
Christopher Taylor	Director Assessment & Accountability
Michael Arnett, Ed. D.	Director Career and Technical Education
Flynn Fidgeon	Public Information Officer



Government Finance Officers Association

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

Presented to

**School Board of Indian River County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30 2014

Executive Director/CEO

Association of School Business Officials International



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

School Board of Indian River County

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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

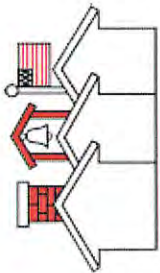


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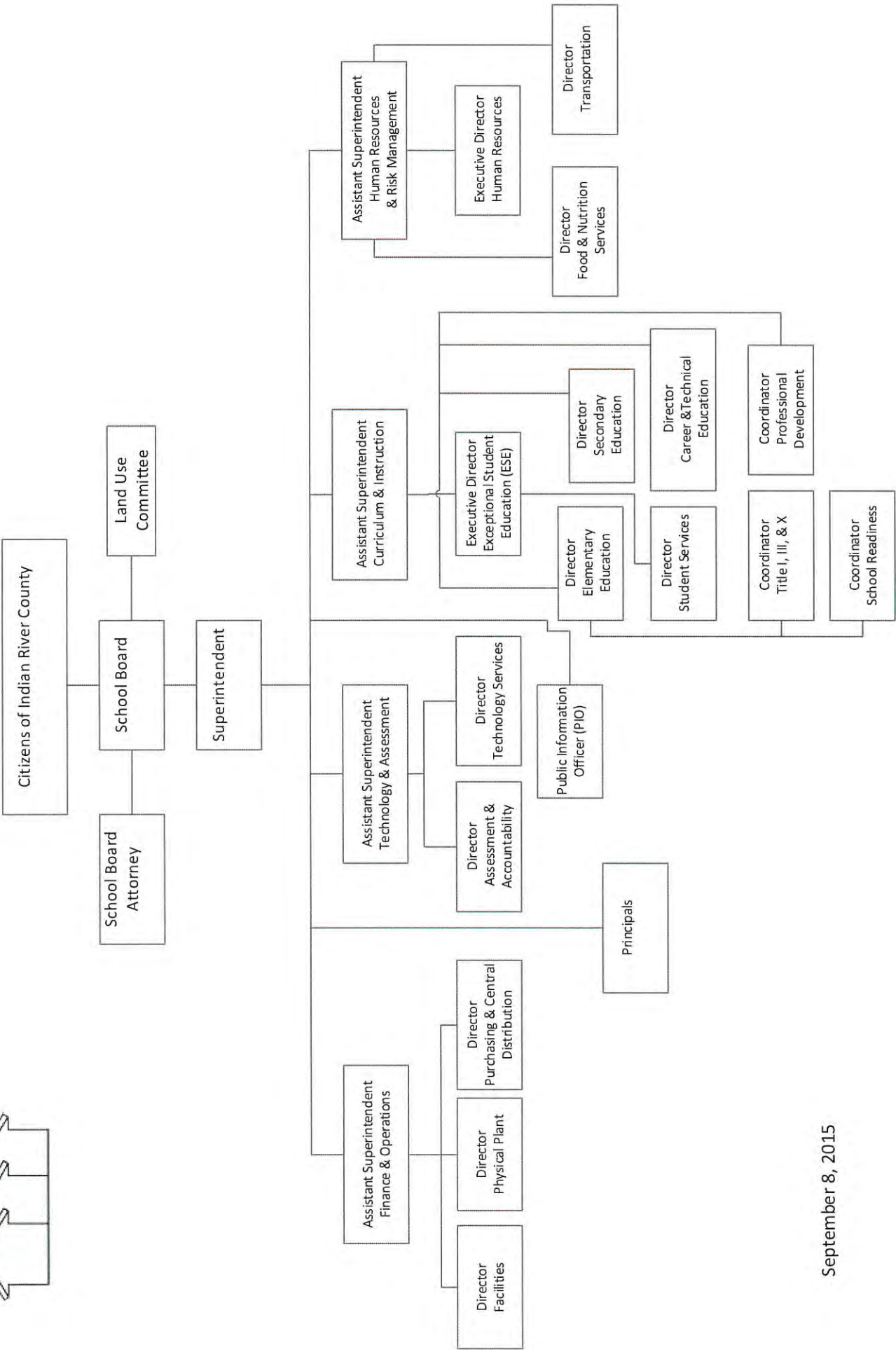
Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



School District of Indian River County
Organizational Chart 2015-2016



September 8, 2015



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Independent Auditor's Report on Financial
Statements



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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Indian River County District School Board, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 6 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, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of 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 of the Indian River County District School Board, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note II. to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27, which is a change in accounting principle that requires an employer participating in a cost-sharing multiple-employer defined benefit pension plan to report the employer's proportionate share of the net pension liability of the defined benefit pension plan. This affects the comparability of amounts reported in the 2014-15 fiscal year with the amounts reported for the 2013-14 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN, Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of District Contributions – Health Insurance Subsidy Pension Plan, and Notes to Required Supplementary**

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

Supplementary and Other Information

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

The combining and individual fund statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL**

REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 26, 2016
Audit Report No. 2016-099

Management's Discussion and Analysis



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Management's Discussion and Analysis

This section of the School Board of Indian River County, Florida's (the District) Comprehensive Annual Financial Report represents our discussion and analysis of the financial performance of the District for the fiscal year ended June 30, 2015. This information should be read in conjunction with the financial statements included in this report.

Financial Highlights

- ◆ The District's total net position decreased by \$53 million. The change in net position was due to an increase of \$2 million during the 2014-15 fiscal year, and an adjustment to decrease the net position \$55 million at the beginning of the year for the Florida Retirement System and Health Insurance Subsidy pension liability.
- ◆ The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at June 30, 2015, by \$186.3 million. Of this amount, \$214.7 million represents investments in capital assets (net of related debt), and \$28.4 million represents restricted and unrestricted net position of \$32.8 million and negative \$61.2 million, respectively.
- ◆ Program revenues account for \$13.1 million or 7.2 percent of total revenues, and general revenues account for \$167.7 million or 92.8 percent.
- ◆ The governmental funds report combined fund balances of \$48.7 million, an decrease of \$3.8 million in comparison to the prior fiscal year.
- ◆ At the end of the fiscal year, assigned plus unassigned fund balance for the General Fund was \$15.6 million, or 11.5 percent of General Fund revenues.

Overview of the Financial Statements

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

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in the manner that helps answer this question. These statements include all non-fiduciary assets, deferred outflows of

resources, liabilities, and deferred inflows of resources, using an economic resources measurement focus and accrual basis of accounting similar to the accounting used in the private sector. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

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

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

- ◆ Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program 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 financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether

there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The District has several governmental fund types: the General Fund, the Debt Service funds, the Special Revenue funds (including the School Food Services Program), and the Capital Projects funds. Within these funds, the District maintains 13 individual funds. Of those funds, the General Fund, Debt Service – Other Fund, Capital Projects – Local Capital Improvement 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. 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 and the district's portion of the net pension liability. 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

combining schedules of component units (charter schools) are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The School Board of Indian River County, Florida Condensed Statement of Net Position June 30, 2015 and 2014 (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 68,892	\$ 77,817	\$ 761	\$ 701	\$ 69,653	\$ 78,518
Capital assets, net	333,255	335,477	-	-	333,255	335,477
Deferred outflows of resources	12,793	-	-	-	12,793	-
Total assets and deferred outflows	414,940	413,294	761	701	415,701	413,995
Current liabilities	18,346	19,659	31	31	18,377	19,690
Long-term liabilities	187,735	155,008	308	52	188,043	155,060
Deferred inflows of resources	23,030	-	-	-	23,030	-
Total liabilities and deferred inflows	229,111	174,667	339	83	229,450	174,750
Net position :						
Invested in capital assets, net of related debt	214,667	208,351	-	-	214,667	208,351
Restricted	32,811	38,435	-	-	32,811	38,435
Unrestricted (Deficit)	(61,649)	(8,159)	422	618	(61,227)	(7,541)
Total net position	\$ 185,829	\$ 238,627	\$ 422	\$ 618	\$ 186,251	\$ 239,245

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$186.3 million at the end of the fiscal year. The largest portion of the District's net position, \$214.7 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$32.8 million, represents resources subject to external restrictions on how they may be used. The remaining balance of net position (\$8.2 million after exclusion of \$9.3 million in compensated absences payable, \$19.4 million in other postemployment benefits obligations and \$40.8 million in net pension liability) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. Restricted net position has decreased \$5.6 million from June 30, 2014 to June 30, 2015.

Governmental Activities

Governmental activities decreased the District's net position by \$52.8 million for the fiscal year ended June 30, 2015. Key components of this decrease are as follows:

The School Board of Indian River County, Florida
Condensed Statement of Activities and Changes in Net Position
June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 2,130	\$ 2,256	\$ 794	\$ 714	\$ 2,924	\$ 2,970
Operating grants and contributions	6,575	6,493	-	-	6,575	6,493
Capital grants and contributions	3,592	3,068	-	-	3,592	3,068
General revenues:						
Property taxes, levied for operational purposes	89,942	87,941	-	-	89,942	87,941
Property taxes, levied for debt service	2	19	-	-	2	19
Property taxes, levied for capital projects	20,774	19,887	-	-	20,774	19,887
Grants and contributions, non-restricted	54,124	53,933	-	-	54,124	53,933
Unrestricted investment earnings	305	294	1	1	306	295
Miscellaneous	2,535	2,265	-	-	2,535	2,265
Total revenue	179,979	176,156	795	715	180,774	176,871
Expenses:						
Instruction	99,322	100,814	-	-	99,322	100,814
Student personnel services	4,913	5,012	-	-	4,913	5,012
Instructional media services	2,154	2,174	-	-	2,154	2,174
Instruction and Curriculum Dev Services	5,704	5,580	-	-	5,704	5,580
Instructional staff training services	2,345	2,530	-	-	2,345	2,530
Instruction related technology	2,817	1,255	-	-	2,817	1,255
School Board	969	945	-	-	969	945
General administration	1,565	901	-	-	1,565	901
School administration	8,739	8,747	-	-	8,739	8,747
Facility services - non-capitalized	4,915	4,015	-	-	4,915	4,015
Fiscal services	1,304	1,312	-	-	1,304	1,312
Food services	8,476	8,608	-	-	8,476	8,608
Central services	2,122	2,506	-	-	2,122	2,506
Student transportation services	6,351	6,683	-	-	6,351	6,683
Operation of plant	13,132	13,430	-	-	13,132	13,430
Maintenance of plant	3,392	3,427	-	-	3,392	3,427
Administrative technology services	4,088	3,756	-	-	4,088	3,756
Community services	-	251	-	-	-	251
Unallocated interest on long-term debt	5,743	6,281	-	-	5,743	6,281
Extended Day Program	-	-	751	663	751	663
Total expenses	178,051	178,227	751	663	178,802	178,890
Change in net position	1,928	(2,071)	42	52	1,972	(2,019)
Net Position, beginning	238,627	240,698	618	566	239,245	241,264
Adjustment to Beginning Net Position	(54,726)	-	(238)	-	(54,964)	-
Net position, ending	\$ 185,829	\$ 238,627	\$ 422	\$ 618	\$ 186,253	\$ 239,245

- ◆ Property taxes for operational purposes and capital projects increased by \$2.0 million and \$887 thousand respectively, primarily due to an increase in the taxable assessed value of 4.46 percent. In addition, capital grants and contributions increased by \$524 thousand due to the reinstatement of Public Education Capital Outlay funds from the State and an increase in the collection of impact fees.
- ◆ Governmental activities expenses decreased from the prior fiscal year by \$176 thousand. Expenses remained relatively the same from the prior year.

The adjustment to beginning net position of a negative \$54.7 million was due to recording the beginning balance of Net Pension Liability.

Business-Type Activities

The adjustment to beginning net position of a negative \$238 thousand was due to recording of the beginning balance of Net Pension Liability. Extended Day Program business-type activities decreased the District's net position by \$42 thousand for the fiscal year ended June 30, 2015. Charges for services and other income totaled \$795 thousand, while Extended Day Program expenses totaled \$753 thousand.

Financial Analysis of the District's Funds

The District's governmental funds reported a combined fund balance of \$48.7 million, which is a decrease of \$3.8 million from last year's total of \$52.5 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, 2015, and 2014.

<i>Fund Balance</i> <i>(in thousands)</i>	2015	2014	Increase (Decrease)	Percentage Change
General Fund	\$ 23,926	\$ 20,524	\$ 3,402	16.6%
Debt Service Funds:				
Other	277	1,014	(737)	(72.7)%
ARRA	-	4,412	(4,412)	(100.0)%
Capital Projects Funds:				
Local Capital Improvement	11,061	16,022	(4,961)	(31.0)%
Other		3,262	(3,262)	(100.0)%
Other Governmental Funds	13,441	7,261	6,180	85.1%
Total	<u>\$ 48,705</u>	<u>\$ 52,495</u>	<u>\$ (3,790)</u>	<u>(7.2)%</u>

General Fund

The District's General Fund balance increased by \$3.4 million. The tables that follow illustrate the financial activities and balance of the General Fund.

<i>Revenues (in thousands)</i>	2015	2014	Increase (Decrease)	Percentage Change
Taxes	\$ 89,942	\$ 87,941	\$ 2,001	2.3%
Investment earnings	194	226	(32)	(14.2)%
State revenues	41,843	41,909	(66)	(0.2)%
Other revenues	3,972	3,269	703	21.5%
Net Other financing sources and (uses)	4,080	4,587	(507)	(11.1)%
Total	<u>\$ 140,031</u>	<u>\$ 137,932</u>	<u>\$ 2,099</u>	<u>1.5%</u>

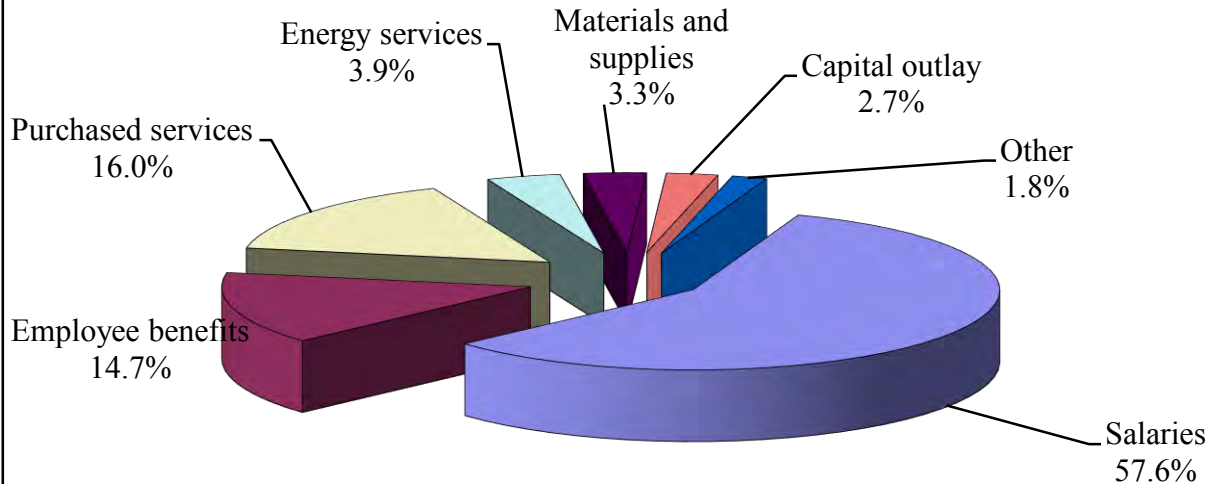
Property tax revenue increased by \$2.0 million. The taxable assessed value of property increased 4.46 percent over the previous year, partially offset by the decrease in the millage rates of approximately 2.01 percent as set by the Florida Legislature.

Other revenues increased by \$703 thousand primarily due to the increase in the restricted indirect cost rate which generated \$568 thousand more in indirect cost revenue from Federal programs as compared to the fiscal year ended June 30, 2014.

As the table below illustrates, the largest portions of General Fund expenditures are for salaries and fringe benefits. The District is a service entity, and as such, is labor intensive.

<i>Expenditures by Object (in thousands)</i>	2015	2014	Increase (Decrease)	Percentage Change
Salaries	\$ 78,774	\$ 79,181	\$ (407)	(0.5)%
Employee benefits	20,033	19,718	315	1.6%
Purchased services	21,846	21,197	649	3.1%
Energy services	5,299	5,768	(469)	(8.1)%
Materials & supplies	4,482	3,803	679	17.9%
Capital outlay	3,689	2,543	1,146	45.1%
Other	2,506	2,160	346	16.0%
Total	<u>\$ 136,629</u>	<u>\$ 134,370</u>	<u>\$ 2,259</u>	<u>1.7%</u>

Expenditures by Object



Expenditures increased \$2.3 million, or 1.7 percent from the prior fiscal year.

Salary expenditures decreased by \$407 thousand or 0.5 percent, primarily due to not filling positions vacated due to retirements.

Employee benefits expenditures increased by \$316 thousand or 1.6 percent, as a result of the Florida Retirement System (FRS) rate increase.

Purchased Services expenditures increased by \$649 thousand or 3.1 percent primarily due to the increase in expenses attributed to the voter approved millage for technology, increased consulting fees and the renovation of the Career and Technical Center.

Energy Services expenditures decreased over the prior year by \$469 thousand or 8.1 percent primarily due to decreased fuel costs and a decrease in Florida Power and Light rates.

Capital outlay increased by \$1.1 million or 45.0 percent largely due to the renovation of facilities for the Career and Technical Center and technology purchases from the voter approved 0.6 millage.

Debt Service - Other Fund

The Debt Service – Other Fund maintains a small fund balance, all of which is restricted for payment of debt service expenditures. The fund balance decreased \$737 thousand as a result of the advanced refunding of the COPs 2005 series and an increase professional service fees.

Capital Projects – Local Capital Improvement Fund

The fund balance of the Capital Projects – Local Capital Improvement Fund decreased by \$5 million, or 31 percent during the fiscal year. This was due to the spend down of outstanding capital projects. Fund balance totaled \$11.1 million; of this amount, \$6.5 million has been encumbered for specific projects.

Other Governmental Funds

The fund balance of the Other Governmental Funds was \$13.4 million. The largest fund balances in the Other Governmental Funds comprises of Food Service Fund, the ARRA Stimulus Debt Service Fund and Other Capital Projects which had fund balances of \$3.2 million, \$5.9 million and \$4 million respectively.

General Fund Budget Information

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

The District collected \$889 thousand more in revenue as compared to the final budget. This was largely due to tax certificate sales and local revenues which are all conservatively budgeted due to the irregular amounts of these revenues.

The District amended its final budget for expenditures to reflect increases in salaries and other employee related costs as well as non-labor costs. Expenditures were originally budgeted at \$146.5 million, and actual expenditures were lower than the original budget by \$9.8 million due to the District's conservative spending and use of restricted funding sources such as Advanced Placement, Career and Professional Education Act, 0.6 Voter Approved Millage, and Career and Technical Education.

Capital Assets

The District investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$333.3 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.

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

Construction in progress for the School District of Indian River County Administration Complex and Citrus Elementary classroom and cafeteria addition.

Projects completed and included in buildings and improvements include Fellsmere Elementary phase II classroom and cafeteria addition, Citrus Elementary chiller plant relocation, Oslo Middle School thermal energy storage and Sebastian River Middle Schools thermal energy storage renovations.

The total decrease in the District's investment in capital assets (net of accumulated depreciation) was 0.7 percent. Detailed information regarding capital asset activity is included in Notes III. (D) and III. (O) 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 \$188 million. Of this amount, \$4.7 million represents state bonds, \$113.9 million represents certificates of participation, \$9.3 million represents compensated absences payable, \$19.4 million represents other postemployment benefits payable and \$40.8 million represents net pension liability. During the 2014-2015 fiscal year, the District made principal payments of \$369 thousand on State Board of Education bonds and \$5.9 million on certificates of participation. The District increased compensated absences by \$281 thousand, decreased State Board of Education Bonds by \$4.4 million, and decreased certificates of participation by \$3.7 million.

Detailed information regarding long-term debt activity is included in the notes to the basic financial statements, specifically Note IV-E, Certificates of Participation, Note IV-F, Bonds Payable, Note IV-G, Defeased Debt, and Note IV-H 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 2015-16 fiscal year is 5.107 mills (a decrease of .040 mills). The discretionary millage is projected to be 0.748 mills. Voted additional operating is projected to be 0.60 mills. Capital outlay millage is projected to be 1.50 mills. General Fund revenues and other financing sources are projected to be \$144.6 million, and expenditures and other uses are expected to be \$150.6 million.

Requests for Information

This 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, 6500 57th St, Vero Beach, FL 32967.

BASIC FINANCIAL STATEMENTS

The School Board of Indian River County, Florida
Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Charter Schools
ASSETS				
Cash and Cash Equivalents	\$ 49,814	\$ 761	\$ 50,575	\$ 3,940
Investments	8,067	-	8,067	-
Accounts Receivables	372	-	372	151
Due From Other Agencies	2,697	-	2,697	65
Inventories	399	-	399	-
Prepaid Items	-	-	-	120
Notes Receivable	1,650	-	1,650	-
Restricted Investments	5,893	-	5,893	-
Capital Assets:				
Non-Depreciable	28,990	-	28,990	780
Depreciable (Net)	304,265	-	304,265	14,207
Total Assets	402,147	761	402,908	19,263
DEFERRED OUTFLOWS OF RESOURCES				
Net Carrying Amount of Debt Refinancing	1,158	-	1,158	-
Pensions	11,635	-	11,635	-
Total Deferred Outflows of Resources	12,793	-	12,793	-
LIABILITIES				
Accrued Salaries and Benefits	3,459	20	3,479	512
Accounts Payable	1,250	9	1,259	203
Construction Contracts Payable	644	-	644	-
Due to Other Agencies	1,080	2	1,082	-
Matured Debt Payable	5,880	-	5,880	-
Matured Interest Payable	2,078	-	2,078	-
Unearned Revenue	1,381	-	1,381	205
Accrued Interest Payable	12	-	12	-
Estimated Insurance Claims Payable	2,562	-	2,562	-
Noncurrent Liabilities:				
Portion Due Within One Year	8,160	25	8,185	718
Portion Due In More Than One Year	179,575	283	179,858	6,515
Total Liabilities	206,081	339	206,420	8,153
DEFERRED INFLOWS OF RESOURCES				
Pensions	23,030	-	23,030	-
NET POSITION				
Net Investment in Capital Assets	214,667	-	214,667	7,751
Restricted for:				
Special Revenue - Food Service	3,181	-	3,181	155
Capital Projects	15,230	-	15,230	59
Debt Service	6,368	-	6,368	-
State Required Carryover Programs, Adult Workforce, and Donations	8,032	-	8,032	-
Unrestricted	(61,649)	422	(61,227)	3,145
Total Net Position	\$ 185,829	\$ 422	\$ 186,251	\$ 11,110

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

The School Board of Indian River County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Net (Expense) Revenue and Changes in Net Position									
Functions/Programs	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Charter Schools	
Primary Government:									
Governmental Activities:									
Instruction	\$ 99,322	\$ 225	\$ -	\$ -	\$ (99,097)	\$ -	\$ (99,097)		
Student Personnel Services	4,913	-	-	-	(4,913)	-	(4,913)		
Instructional Media Services	2,154	-	-	-	(2,154)	-	(2,154)		
Instruction and Curriculum Development Services	5,704	-	-	-	(5,704)	-	(5,704)		
Instructional Staff Training Services	2,345	-	-	-	(2,345)	-	(2,345)		
Instruction Related Technology	2,817	-	-	-	(2,817)	-	(2,817)		
School Board	969	-	-	-	(969)	-	(969)		
General Administration	1,565	-	-	-	(1,565)	-	(1,565)		
School Administration	8,739	-	-	-	(8,739)	-	(8,739)		
Facilities Services - Non-Capitalized	4,915	-	-	1,572	(3,343)	-	(3,343)		
Fiscal Services	1,304	-	-	-	(1,304)	-	(1,304)		
Food Services	8,476	1,639	6,575	-	(262)	-	(262)		
Central Services	2,122	-	-	-	(2,122)	-	(2,122)		
Student Transportation Services	6,351	75	-	-	(6,276)	-	(6,276)		
Operation of Plant	13,132	-	-	-	(13,132)	-	(13,132)		
Maintenance of Plant	3,392	-	-	-	(3,392)	-	(3,392)		
Administrative Technology Services	4,088	-	-	-	(4,088)	-	(4,088)		
Community Services	-	191	-	-	191	-	191		
Unallocated Interest on Long-Term Debt	5,743	-	-	2,020	(3,723)	-	(3,723)		
Total Governmental Activities	\$ 178,051	\$ 2,130	\$ 6,575	\$ 3,592	\$ (165,754)	\$ -	\$ (165,754)		
Business-Type Activities:									
Extended Day Care Program	751	794	-	-	-	43	43		
Total Primary Government	\$ 178,802	\$ 2,924	\$ 6,575	\$ 3,592	\$ (165,754)	\$ 43	\$ (165,711)		
Component Units:									
Charter Schools	\$ 16,499	\$ 758	\$ 968	\$ 203	(14,570)				
General Revenues:									
Taxes:									
Property Taxes, Levied for Operational Purposes					89,942	-	89,942	-	
Property Taxes, Levied for Debt Service					2	-	2	-	
Property Taxes, Levied for Capital Projects					20,774	-	20,774	-	
Grants and Contributions not Restricted to Specific Programs					54,124	-	54,124	14,601	
Unrestricted Investment Earnings					305	1	306	5	
Miscellaneous					2,535	-	2,535	706	
Total General Revenues					167,682	1	167,683	15,312	
Changes in Net Position					1,928	44	1,972	742	
Net Position - Beginning					238,627	618	239,245	10,368	
Adjustments to Net Position					(54,726)	(240)	(54,966)	-	
Net Position - Ending					\$ 185,829	\$ 422	\$ 186,251	\$ 11,110	

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

The School Board of Indian River County, Florida
Balance Sheet - Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	<u>Debt Service</u>		<u>Capital Projects</u>		
	<u>General Fund</u>	<u>Other Fund</u>	<u>Local Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 26,917	\$ 276	\$ 11,984	\$ 7,563	\$ 46,740
Investments	-	7,959	-	108	8,067
Due from Other Agencies	890	-	-	1,034	1,924
Inventories	310	-	-	89	399
Notes Receivable	1,650	-	-	-	1,650
Restricted Investments	-	-	-	5,893	5,893
Total Assets	<u>\$ 29,767</u>	<u>\$ 8,235</u>	<u>\$ 11,984</u>	<u>\$ 14,687</u>	<u>\$ 64,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accrued Salaries and Benefits	\$ 2,661	\$ -	\$ -	\$ 797	\$ 3,458
Accounts Payable	746	-	279	220	1,245
Construction Contract Payable	-	-	644	-	644
Due to Other Agencies	775	-	-	183	958
Matured Debts Payable	-	5,880	-	-	5,880
Matured Interest Payable	-	2,078	-	-	2,078
Unearned Revenue	9	-	-	46	55
Total Liabilities	<u>4,191</u>	<u>7,958</u>	<u>923</u>	<u>1,246</u>	<u>14,318</u>
Deferred Inflows:					
Note Receivable	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650</u>
Total Deferred Inflows of Resources	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650</u>
Fund Balances:					
Nonspendable	310	-	-	89	399
Restricted	8,032	277	11,061	13,352	32,722
Assigned	8,002	-	-	-	8,002
Unassigned	7,582	-	-	-	7,582
Total Fund Balances	<u>23,926</u>	<u>277</u>	<u>11,061</u>	<u>13,441</u>	<u>48,705</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 29,767</u>	<u>\$ 8,235</u>	<u>\$ 11,984</u>	<u>\$ 14,687</u>	<u>\$ 64,673</u>

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

The School Board of Indian River County, Florida
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds	\$	48,705
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		333,255
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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 position.		203
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Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unavailable revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the governmental funds.		1,650
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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.		(12)
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Deferred outflow of resources represents a consumption of net position that applies to a future period. This is the net difference between the carrying value of the refunded debt and its reacquisition price.		1,158
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The deferred outflows and deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	\$ 11,635	
Deferred inflows related to pensions	<u>(23,030)</u>	(11,395)

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:		
Certificates of Participation Payable	\$ 113,923	
Bonds Payable	4,664	
Compensated Absences Payable	9,235	
Other Postemployment Benefits Payable	19,370	
Net Pension Liability	<u>40,543</u>	(187,735)
Total long-term liabilities		

Total Net Position - Governmental Activities	\$	<u>185,829</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Debt Service</u>		<u>Capital Projects</u>		
	<u>General Fund</u>	<u>Other Fund</u>	<u>Local Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Federal Direct Sources:					
Reserve Officer Training Corps (ROTC)	\$ 153	\$ -	\$ -	\$ -	\$ 153
Miscellaneous Federal Direct	-	-	-	1,450	1,450
Total Federal Direct	153	-	-	1,450	1,603
Federal Through State Sources:					
Food Service	-	-	-	6,469	6,469
Other Federal Through State Sources	370	-	-	10,885	11,255
Total Federal through State	370	-	-	17,354	17,724
State Sources:					
Florida Education Finance Program	20,302	-	-	-	20,302
Categorical - Class Size Reduction	19,310	-	-	-	19,310
Food Service	-	-	-	106	106
CO&DS Withheld for SBE/COBI Bond	10	-	-	565	575
CO&DS Distribution	-	-	-	97	97
Other State Sources	2,221	-	-	1,204	3,425
Total State Sources	41,843	-	-	1,972	43,815
Local Sources:					
Ad Valorem Taxes	89,942	-	20,774	2	110,718
Impact Fees	-	-	-	1,149	1,149
Food Service	-	-	-	1,639	1,639
Investment Income	194	-	30	70	294
Other Local Sources	3,449	3	-	205	3,657
Total Local Sources	93,585	3	20,804	3,065	117,457
Total Revenues	\$ 135,951	\$ 3	\$ 20,804	\$ 23,841	\$ 180,599

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

		<u>Debt Service</u>	<u>Capital Projects</u>		
	<u>General Fund</u>	<u>Other Fund</u>	<u>Local Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Current:					
Instruction	\$ 85,415	\$ -	\$ -	\$ 5,967	\$ 91,382
Student Personnel Services	3,546	-	-	985	4,531
Instructional Media Services	1,975	-	-	-	1,975
Instruction and Curriculum Development Services	3,128	-	-	2,134	5,262
Instructional Staff Training Services	1,363	-	-	797	2,160
Instruction Related Technology	2,340	-	-	247	2,587
School Board	911	-	-	-	911
General Administration	943	-	-	508	1,451
School Administration	7,989	-	-	-	7,989
Facilities Services - Non-Capitalized	630	-	3,705	512	4,847
Fiscal Services	1,209	-	-	-	1,209
Food Services	12	-	-	7,746	7,758
Central Services	1,932	-	-	4	1,936
Student Transportation Services	4,913	-	-	26	4,939
Operation of Plant	12,046	-	-	-	12,046
Maintenance of Plant	2,996	-	-	-	2,996
Administrative Technology Services	3,760	-	-	-	3,760
Community Services	-	-	-	15	15
Capital Outlay:					
Facilities Acquisition and Construction	1,001	-	8,071	516	9,588
Other Capital Outlay	520	-	960	379	1,859
Debt Service:					
Principal	-	5,880	-	369	6,249
Interest and Fiscal Charges	-	4,905	-	1,732	6,637
Total Expenditures	<u>136,629</u>	<u>10,785</u>	<u>12,736</u>	<u>21,937</u>	<u>182,087</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(678)</u>	<u>(10,782)</u>	<u>8,068</u>	<u>1,904</u>	<u>(1,488)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	3,846	8,425	-	1,624	13,895
Transfers Out	(19)	-	(13,029)	(847)	(13,895)
Issuance of Refunding Debt	-	45,455	-	-	45,455
Premiums on Refunding Debt	-	7,178	-	-	7,178
Payments to Refunding Escrow Agent	-	(51,013)	-	(4,175)	(55,188)
Sale of Capital Assets	244	-	-	-	244
Loss Recoveries	9	-	-	-	9
Total Other Financing Sources (Uses)	<u>4,080</u>	<u>10,045</u>	<u>(13,029)</u>	<u>(3,398)</u>	<u>(2,302)</u>
Net Change in Fund Balances	<u>3,402</u>	<u>(737)</u>	<u>(4,961)</u>	<u>(1,494)</u>	<u>(3,790)</u>
Fund Balances, Beginning	<u>20,524</u>	<u>1,014</u>	<u>16,022</u>	<u>14,935</u>	<u>52,495</u>
Fund Balances, Ending	<u>\$ 23,926</u>	<u>\$ 277</u>	<u>\$ 11,061</u>	<u>\$ 13,441</u>	<u>\$ 48,705</u>

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

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
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds \$ (3,790)

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

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

Capital Outlay - Facilities and Construction - Governmental Funds	\$ 9,588	
Capital Outlay - Other Capital Outlay - Governmental Funds	1,859	
Donated Items	26	
Undepreciated Cost of Assets Sold	(153)	
Less: Depreciation/Amortization Expense	(13,731)	(2,411)

Certificates of participation premiums and bond premiums are reported in the governmental funds in the fiscal year debt is issued, but are amortized over the life of the debt in the government-wide statements.	1,082
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Repayment of long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Certificates of Participation - Par Value Refunding Proceeds	\$ (45,455)	
Certificates of Participation - Premium	(7,178)	
Certificates of Participation - Payment to Refunding Escrow Agent	51,013	
Certificates of Participation - Principal payment	5,880	
Bond Repayments	369	
Payment to Bond Escrow Agent	4,175	8,804

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.	(460)
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In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned (\$2,122) in excess of the amount paid (\$1,859) in the current period.	(263)
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Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

FRS Pension Contributions	\$ 5,214	
HIS Pension Contributions	1,097	
FRS Pension Expense	(1,465)	
HIS Pension Expense	(2,058)	2,788

Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unavailable revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the government funds. This is the amount recognized in the current year in governmental funds, whereas the entire amount was recognized in the prior fiscal year in the government-wide statements.	(758)
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Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net loss of internal service funds is reported with governmental activities.	(3,064)
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Change in Net Position - Governmental Activities	\$ 1,928
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The accompanying notes to the basic financial statements are an integral part of this statement.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 150	\$ 150	\$ 153	\$ 3
Total Federal Direct	150	150	153	3
Federal Through State Sources:				
Other Federal Through State Sources	400	400	370	(30)
Total Federal through State	400	400	370	(30)
State Sources:				
Florida Education Finance Program	21,335	20,302	20,302	-
Categorical - Class Size Reduction	19,623	19,310	19,310	-
CO&DS Withheld for SBE/COBI Bond	10	10	10	-
Other State Sources	2,288	2,215	2,221	6
Total State Sources	43,256	41,837	41,843	6
Local Sources:				
Ad Valorem Taxes	89,429	89,398	89,942	544
Investment Income	130	184	194	10
Other Local Sources	2,823	3,093	3,449	356
Total Local Sources	92,382	92,675	93,585	910
Total Revenues	136,188	135,062	135,951	889
EXPENDITURES				
Current:				
Instruction:				
Salaries	53,252	51,726	51,298	428
Employees Benefits	12,866	12,856	12,821	35
Purchased Services	16,639	16,122	15,785	337
Energy Services	4	4	1	3
Materials and Supplies	6,348	5,567	3,622	1,945
Capital Outlay	760	761	246	515
Other Expenditures	1,359	1,986	1,642	344
Total Instruction	91,228	89,022	85,415	3,607
Student Personnel Services:				
Salaries	2,896	2,772	2,771	1
Employees Benefits	762	702	702	-
Purchased Services	28	26	17	9
Energy Services	4	4	3	1
Materials and Supplies	26	30	28	2
Capital Outlay	1	1	1	-
Other Expenditures	11	24	24	-
Total Student Personnel Services	3,728	3,559	3,546	13
Instructional Media Services:				
Salaries	1,409	1,448	1,448	-
Employees Benefits	395	386	386	-
Purchased Services	6	10	5	5
Materials and Supplies	16	18	16	2
Capital Outlay	282	113	103	10
Other Expenditures	3	17	17	-
Total Instructional Media Services	2,111	1,992	1,975	17

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
EXPENDITURES				
Current (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 2,385	\$ 2,506	\$ 2,507	\$ (1)
Employees Benefits	549	599	599	-
Purchased Services	18	13	11	2
Materials and Supplies	25	12	10	2
Capital Outlay	6	1	1	-
Total Instruction and Curriculum Development Services	2,983	3,131	3,128	3
Instructional Staff Training Services:				
Salaries	967	907	874	33
Employees Benefits	244	210	209	1
Purchased Services	149	237	144	93
Materials and Supplies	6	9	6	3
Capital Outlay	7	51	43	8
Other Expenditures	45	120	87	33
Total Instructional Staff Training Services	1,418	1,534	1,363	171
Instruction Related Technology:				
Salaries	487	582	582	-
Employees Benefits	130	144	144	-
Purchased Services	741	919	692	227
Energy Services	2	6	6	-
Capital Outlay	975	3,080	916	2,164
Total Instruction Related Technology	2,335	4,731	2,340	2,391
School Board:				
Salaries	206	213	213	-
Employees Benefits	337	247	142	105
Purchased Services	445	487	422	65
Materials and Supplies	1	1	1	-
Other Expenditures	38	138	133	5
Total School Board	1,027	1,086	911	175
General Administration:				
Salaries	279	450	450	-
Employees Benefits	87	96	96	-
Purchased Services	18	44	41	3
Materials and Supplies	7	9	9	-
Capital Outlay	-	1	-	1
Other Expenditures	15	378	347	31
Total General Administration	406	978	943	35
School Administration:				
Salaries	6,187	6,281	6,279	2
Employees Benefits	1,620	1,512	1,511	1
Purchased Services	91	103	83	20
Energy Services	1	1	1	-
Materials and Supplies	161	72	56	16
Capital Outlay	124	44	37	7
Other Expenditures	21	25	22	3
Total School Administration	8,205	8,038	7,989	49

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
EXPENDITURES				
Current (continued)				
Facilities Services Non-Capitalized:				
Salaries	\$ 456	\$ 465	\$ 465	\$ -
Employees Benefits	104	108	108	-
Purchased Services	17	84	36	48
Energy Services	8	8	6	2
Materials and Supplies	4	6	3	3
Capital Outlay	764	516	12	504
Total Facilities Services Non-Capitalized	1,353	1,187	630	557
Fiscal Services:				
Salaries	829	871	871	-
Employees Benefits	229	224	224	-
Purchased Services	115	67	54	13
Materials and Supplies	3	4	4	-
Other Expenditures	11	59	56	3
Total Fiscal Services	1,187	1,225	1,209	16
Food Services:				
Salaries	-	11	11	-
Employees Benefits	-	1	1	-
Total Food Services	-	12	12	-
Central Services:				
Salaries	1,406	1,337	1,336	1
Employees Benefits	363	358	357	1
Purchased Services	359	357	224	133
Energy Services	10	9	8	1
Materials and Supplies	67	40	-	40
Capital Outlay	12	7	2	5
Other Expenditures	20	22	5	17
Total Central Services	2,237	2,130	1,932	198
Student Transportation Services:				
Salaries	2,822	2,955	2,808	147
Employees Benefits	886	897	887	10
Purchased Services	337	319	250	69
Energy Services	692	698	631	67
Materials and Supplies	183	179	163	16
Capital Outlay	1	-	-	-
Other Expenditures	1	174	174	-
Total Student Transportation Services	4,922	5,222	4,913	309
Operation of Plant:				
Salaries	3,196	3,257	3,252	5
Employees Benefits	990	959	959	-
Purchased Services	3,234	3,196	2,894	302
Energy Services	4,859	4,863	4,568	295
Materials and Supplies	370	402	369	33
Capital Outlay	6	6	4	2
Other Expenditures	19	8	-	8
Total Operation of Plant	12,674	12,691	12,046	645

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
EXPENDITURES				
Current (continued)				
Maintenance of Plant:				
Salaries	\$ 1,901	\$ 1,947	\$ 1,946	\$ 1
Employees Benefits	498	494	494	-
Purchased Services	286	311	283	28
Energy Services	47	88	77	11
Materials and Supplies	176	193	186	7
Capital Outlay	15	11	10	1
Total Maintenance of Plant	2,923	3,044	2,996	48
Administrative Technology Services:				
Salaries	1,630	1,662	1,662	-
Employees Benefits	394	394	394	-
Purchased Services	775	1,027	905	122
Energy Services	3	4	4	-
Materials and Supplies	2	3	3	-
Capital Outlay	4,888	1,812	792	1,020
Total Administrative Technology Services	7,692	4,902	3,760	1,142
Capital Outlay:		-		
Facilities Acquisition and Construction	-	1,001	1,001	-
Other Capital Outlay	-	520	520	-
Total Capital Outlay:	-	1,521	1,521	-
Debt Service:				
Interest and Fiscal Charges	35	-	-	-
Total Debt Service	35	-	-	-
Total Expenditures	146,464	146,005	136,629	9,376
Deficiency of Revenues Over Expenditures	(10,276)	(10,943)	(678)	10,265
OTHER FINANCING SOURCES (USES)				
Transfers In	4,526	3,846	3,846	-
Transfers Out	-	(19)	(19)	-
Sale of Capital Assets	25	75	244	169
Loss Recoveries	-	4	9	5
Total Other Financing Sources (Uses)	4,551	3,906	4,080	174
Net Change in Fund Balance	(5,725)	(7,037)	3,402	10,439
Fund Balance, Beginning	20,524	20,524	20,524	-
Fund Balance, Ending	<u>\$ 14,799</u>	<u>\$ 13,487</u>	<u>\$ 23,926</u>	<u>\$ 10,439</u>
The accompanying notes to the basic financial statements are an integral part of this statement				

The School Board of Indian River County, Florida
Statement of Net Position
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities <u>Nonmajor Enterprise Fund Extended Day Care Program</u>	Governmental Activities <u>Internal Service Fund</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 761	\$ 3,074
Accounts Receivable, Net	-	372
Due from Other Agencies	-	773
	<u>761</u>	<u>4,219</u>
Total Assets	<u>761</u>	<u>4,219</u>
LIABILITIES		
Current Liabilities:		
Accrued Salaries and Benefits	20	1
Accounts Payable	9	5
Due to Other Agencies	2	122
Estimated Insurance Claims Payable	-	2,562
Unearned Revenues	-	1,326
Compensated Absences Payable	20	-
Net Pension Liability	5	-
	<u>56</u>	<u>4,016</u>
Total Current Liabilities	<u>56</u>	<u>4,016</u>
Long-Term Liabilities:		
Compensated Absences Payable	16	-
Other Postemployment Benefits Payable	34	-
Net Pension Liability	233	-
	<u>283</u>	<u>-</u>
Total Long-Term Liabilities	<u>283</u>	<u>-</u>
Total Liabilities	<u>339</u>	<u>4,016</u>
NET POSITION		
Unrestricted	<u>\$ 422</u>	<u>\$ 203</u>

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities <u>Nonmajor Enterprise Fund Extended Day Care Program</u>	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES		
Charges for Services	\$ 794	\$ -
Premium Revenues	-	17,175
Other Operating Revenues	-	744
	<u>794</u>	<u>17,919</u>
OPERATING EXPENSES		
Salaries and Benefits	645	2,835
Professional and Technical Services	29	1,337
Energy Services	-	2
Materials and Supplies	67	3
Facilities Services - Non-Capitalized	10	190
Insurance Claims	-	16,625
	<u>751</u>	<u>20,992</u>
Operating Income (Loss)	<u>43</u>	<u>(3,073)</u>
NONOPERATING REVENUES		
Investment Earnings	<u>1</u>	<u>9</u>
Total Nonoperating Revenues	<u>1</u>	<u>9</u>
Change in Net Position	44	(3,064)
Total Net Position, Beginning	<u>618</u>	<u>3,267</u>
Adjustment to Net Position	<u>(240)</u>	<u>-</u>
Total Net Position, Ending	<u><u>\$ 422</u></u>	<u><u>203</u></u>

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

The School Board of Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Care Program	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Premiums	\$ -	\$ 16,969
Cash Received for other Operating Revenues	794	\$ 372
Cash Payments for Insurance Premiums	-	(2,724)
Cash Payments to Employees for Services	(629)	(113)
Cash Payments for Fees	-	(1,337)
Cash Payments for Insurance Claims		(17,625)
Cash Payments for Other	(106)	(196)
Net Cash Provided (Used) by Operating Activities	59	(4,654)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	-	25
Interest on Investments	1	9
Net Cash Provided by Investing Activities	1	34
Net Change in Cash and Cash Equivalents	60	(4,620)
Cash and Cash Equivalents, Beginning	701	7,694
Cash and Cash Equivalents, Ending	\$ 761	\$ 3,074
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 43	\$ (3,073)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Increase in Accounts Receivable	-	(372)
Increase in Due From Other Agencies	-	(24)
Increase in Salaries and Benefits Payable	2	-
Decrease in Accounts Payable	(2)	(3)
Decrease in Due to Other Agencies	-	(129)
Decrease in Unearned Revenue	-	(53)
Decrease in Estimated Insurance Claims Payable	-	(1,000)
Increase in Compensated Absences Payable	18	-
Decrease in Pension Liability (a)	(2)	-
Total Adjustments	16	(1,581)
Net Cash Provided (Used) by Operating Activities	\$ 59	\$ (4,654)

Note: (a) The implementation of GASB 68 created a beginning liability of \$240,000 which was recorded as a prior period adjustment. The liability at June 30, 2015 was \$238,000 resulting in an increase of \$2,000 for the 2014-15 fiscal year.

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

The School Board of Indian River County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(amounts expressed in thousands)

	Private-Purpose Trust Fund <u>Waldo Schraubstader Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 17	\$ 1,247
Investments	48	-
Accounts Receivable	-	2
Inventory	-	54
	<u>65</u>	<u>1,303</u>
Total Assets	<u><u>65</u></u>	<u><u>1,303</u></u>
LIABILITIES		
Accounts Payable	-	26
Internal Accounts Payable	-	1,277
	<u>-</u>	<u>1,277</u>
Total Liabilities	<u>-</u>	<u><u>\$ 1,303</u></u>
NET POSITION		
Held in Trust for Scholarships and Other Purposes	<u><u>\$ 65</u></u>	

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

The School Board of Indian River County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Fiduciary Fund Private-Purpose Trust Fund Waldo Schraubstader Scholarship Fund
ADDITIONS	
Investments Earnings:	
Interest on Investments	\$ 1
Total Investment Earnings	1
DEDUCTIONS	
Other Expenses	4
Change in Net Position	(3)
Total Net Position, Beginning	68
Total Net Position, Ending	\$ 65

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



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THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

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

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

B. Reporting Entity

The Indian River County District School Board (the District) 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 is considered part of the Florida system of public education. The governing body of the school district is the Indian River County School Board (Board) that 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. 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 a subsequent note to the financials. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

financials statements. Separate financial statements for the Leasing Corporation are not published.

- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the district. Per Florida Statute, charter schools operate under charters approved by their sponsor. Charter schools listed below are sponsored by the Indian River County District School board and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them and there is a potential for the charter schools to provide specific financial benefits to, or impose specific financial burdens on the District.

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

- Indian River Charter High School, Inc. was established to provide educational services to secondary school students in grades 9 through 12 who want or need a nontraditional structure and learning environment to successfully complete their high school academic and vocational preparation and earn their high school diploma.
- North County Charter School, Inc. was established to provide educational services to students in grades K through 5, to learn at high levels, through an academically rigorous and innovative curriculum that incorporates the development of good character.
- Sebastian Charter Junior High, Inc. was established to educate students in grades 6 through 8 in a challenging and wholesome environment which provides an educational environment where students have learning opportunities that set high expectations for academic growth, individual achievement, and character development.
- St. Peter's Academy, Inc., was established to provide educational services to students in grades K through 6, to demonstrate that students can learn at high levels, through academically rigorous and innovative curriculum that incorporates the development of good character.
- Imagine Schools at South Vero, LLC, was established to provide students in grades K through 8, with a quality learning opportunity by maintaining a caring learning environment, working with parents and local communities to develop the intellect and character of the students who choose to attend the school; utilizing innovative teaching techniques delivered by a highly qualified faculty; and offering a challenging curriculum that prepares children for lives of leadership in a rapidly changing world.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2015. Audits of the charter schools

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

for the fiscal year ended June 30, 2015 were conducted by independent accounting firms and are on file at the District Administrative Office at 6500 57th Street, Vero Beach, Florida 32967. None of the individual component units are considered to be major for financial statement presentation purposes.

C. Basis of Presentation: Government-wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

The District reports the following major governmental funds:

- ❖ General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- ❖ Debt Service – Other Fund – to account for financial resources generated for debt principal and interest for the Series 2014A and Series 2007 Certificates of Participation.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

- ❖ Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects; motor vehicle purchases; equipment purchases; and costs of environmental compliance.

The District reports the following proprietary funds:

- ❖ Internal Service Fund – to account for the District's individual self-insurance program.
- ❖ 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 and is administered by the District.

The District reports the following fiduciary funds:

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

E. Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Revenues susceptible to accrual include ad valorem taxes, impact fees, and interest on investments. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

judgments, pensions and other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and amounts invested in the State Board of Administration (SBA) Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund Investment Pool.

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

2. Investments

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, trust accounts, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, U.S. Treasury note and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

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

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

3. Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are valued using a weighted average cost method, except that United States Department of Agriculture 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

4. Capital Assets

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

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

<u>Description</u>	<u>Estimated Useful 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
Audio Visual Materials and Computer Software	5 - 7 years

5. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Premiums and discounts on debt issuance are deferred and amortized using a straight-line method over the life of the related debt. Bonds and other long-term debts payables such as certificates of participation are reported net of the applicable premium or discount. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Changes in long term liabilities for the current year are reported in a subsequent note.

6. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District's retirement plans and related amounts are described in a subsequent note.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first is the deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings, which are amortized over five years. The second item is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report this unavailable revenue from a note receivable for state revenues available to the District in a prior period but which were loaned to another school district under an agreement with the State. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted and unrestricted resources. To determine the amounts to be reported as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumption

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

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation. The District does not have a policy regarding the commitment of fund balances and, therefore, does not report any committed fund balance.

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

When unrestricted (assigned and unassigned) resources in the governmental funds are available for use, it is the District's policy to use unassigned resources as they are needed unless revenues previously assigned are available for use. The Board has adopted Policy 6233 (C), which provides that at least 5 percent of the current year's annual estimated General Fund revenues be reserved for contingency purposes. In the event these reserves are needed, a majority vote of the Board is required before using these funds, and the Superintendent is required to provide a financial plan to the Board to restore the funds to the minimum 5 percent amount along with a timeline for restoration.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues 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 SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

2. State Revenue Sources

Significant revenues from State sources for current operations include funding from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

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

3. District Property Taxes

The Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Indian River County Property Appraiser, and property taxes are collected by the Indian River County Tax Collector. The Board adopted the 2014 tax levy on September 08, 2014. 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 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.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

4. Additional Operating Millage

In August 2012, the voters of Indian River County approved a 0.6 mills school operating millage levy for 4 years effective January 2013 to fund instructional material and technology needs of the District. The collections began in fiscal year 2014.

5. Educational Impact Fees

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

6. Federal Revenue Sources

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

7. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation 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 who 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.

8. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

II. ACCOUNTING CHANGES

Governmental Accounting Standards Board Statement No. 68. The District participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The beginning net position of the District was decreased by \$54,964,459 due to the adoption of this Statement.

III. 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:

A. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.

B. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

C. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

D. Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders and other contract commitments are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

All earnings from cash deposits with financial institutions are allocated monthly to each fund based upon average ending balance in that fund.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

B. Investments

As of June 30, 2015, the District has the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Florida PRIME (1), (2)	34 Day Average	\$ 12,586,245
Debt Service Accounts	6 Months	107,295
U.S. Government Issues:		
U.S. Treasury Note	5 Months	5,893,122
Mutual Funds:		
Morgan Stanley U.S. Government Securities Trust (3)	3.7 Years Average	47,482
First American Money Market Fund (4) (5)	33 Day Average	7,958,791
Total Investments, Primary Government		<u>\$ 26,592,935</u>

Notes: (1) Includes \$12,586,219 considered cash equivalents for financial statement reporting purposes.

(2) Includes \$26 held under a trust agreement for Certificates of Participation financing arrangements.

(3) The U.S. Government Securities Trust invests exclusively in U.S. Government securities.

(4) Held under a trust agreement for Certificates of Participation financing arrangements.

(5) First American Money Market Fund invests exclusively in short-term U.S. Government Securities and repurchase agreements secured by U.S. Government Securities.

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

❖ **Interest Rate Risk**

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

Florida PRIME use a weighted average days to maturity (WAM). 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.

❖ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits investments to the SBA's Florida PRIME, United States Government Securities, United States Government Agencies, Federal

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Instrumentalities, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies, Intergovernmental Investment Pool, and Corporate Securities.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account.

The District's investment in Florida PRIME is Rated AAAM by Standard & Poor's.

The District's investment in the U.S. Treasury Note is rated AAA by Moody's Investors Service.

The District's investment in the Morgan Stanley U.S. Government Securities Trust mutual fund is unrated.

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.

C. NOTE RECEIVABLE

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

The note receivable at June 30, 2015 is \$1,649,795 as shown in the schedule below:

Fiscal Year Ending			
June 30	Total	Principal	Interest
2016	\$ 897,039	\$ 801,742	\$ 95,297
2017	897,039	848,053	48,986
Total	<u>\$1,794,078</u>	<u>\$1,649,795</u>	<u>\$144,283</u>

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D. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 22,145,606	\$ -	\$ -	\$ 22,145,606
Improvements Other Than Buildings	182,686	-	-	182,686
Construction in Progress	9,418,123	5,973,225	8,730,072	6,661,276
Total Capital Assets Not Being Depreciated	31,746,415	5,973,225	8,730,072	28,989,568
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	23,360,877	1,519,394	-	24,880,271
Buildings and Fixed Equipment	401,185,538	11,009,921	-	412,195,459
Furniture, Fixtures, and Equipment	21,140,484	1,141,806	1,524,284	20,758,006
Motor Vehicles	12,326,635	748,096	997,098	12,077,633
Audio Visual Materials and Computer Software	4,035,317	-	95,686	3,939,631
Total Capital Assets Being Depreciated/Amortized	462,048,851	14,419,217	2,617,068	473,851,000
Less Accumulated Depreciation/Amortization for:				
Improvements Other Than Buildings	13,807,928	1,201,694	-	15,009,622
Buildings and Fixed Equipment	118,661,442	10,082,592	-	128,744,034
Furniture, Fixtures, and Equipment	15,491,599	1,291,473	1,442,458	15,340,614
Motor Vehicles	6,746,848	1,022,731	935,068	6,834,511
Audio Visual Materials and Computer Software	3,610,759	132,406	86,233	3,656,932
Total Accumulated Depreciation/Amortization	158,318,576	13,730,896	2,463,759	169,585,713
Total Capital Assets Being Depreciated/Amortized Net	303,730,275	688,321	153,309	304,265,287
Governmental Activities Capital Assets, Net	\$ 335,476,690	\$ 6,661,546	\$ 8,883,381	\$ 333,254,855

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Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	Amount
<u>Function</u>	
Instruction	\$ 7,517,880
Student Personnel Services	376,378
Instructional Media Services	162,432
Instruction and Curriculum Development Services	432,636
Instructional Staff Training Services	177,603
Instruction Related Technology	212,760
School Board	74,882
General Administration	123,008
School Administration	659,394
Facility Services - Non-Capitalized	60,666
Fiscal Services	99,418
Food Services	652,276
Central Services	173,690
Student Transportation Services	1,333,498
Operation of Plant	990,596
Maintenance of Plant	370,412
Administrative Technology Services	313,367
Total Depreciation/Amortization Expense- Governmental Activities	<u>\$ 13,730,896</u>

E. CERTIFICATES OF PARTICIPATION

The District entered into a master financing arrangement on November 1, 2005 characterized as a lease-purchase agreement, with the Indian River School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing for construction of educational facilities and the purchase of land. The financing was accomplished through the issuance of Certificates of Participation, to be repaid from the proceeds of rents paid by the District. As a condition of the financing arrangements, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$10 per year. The initial terms of the lease agreement for the Series 2007 is 20 years commencing on August 1, 2007. The initial term of the Series 2014A, Refunding is 10 years commencing on November 20, 2014. The Series 2010A-QSCB has a term of 18 years commencing on December 17, 2010. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease agreements and to provide for the rent payments through to term, the District may

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be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for the remaining terms of the lease agreements.

Certificates of Participation at June 30, 2015, are as follows:

Series	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity to
Series 2007	\$ 45,020,000	\$ 35,335,000	4.125 - 5.00	2027
Series 2014A, Refunding	45,455,000	44,845,000	5.00	2025
Series 2010A-QSCB	<u>26,261,000</u>	<u>26,261,000</u>	0.5334 net ^{*(1)}	2029
Total Certificates of Participation	<u>\$ 116,736,000</u>	<u>\$ 106,441,000</u>		

Note: (1) The Series 2010A-Lease Certificate is designated as a "qualified school construction bond" as defined in Section 54F of the Internal Revenue Code, and pursuant to Section 6431 of the Code, the Board has elected to receive federal subsidy payments on each interest payment date for the Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates if the interest were determined at the applicable tax credit rate for the Certificates pursuant to Section 54A(b)(3) of the Code. The interest rate is 5.91 percent with an allowable current federal subsidy of 5.3766 percent.

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

Series 2007 Certificates of Participation

Storm Grove Middle School
Support Services Complex

2014A, Refunding 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 2010A Qualified School Construction Bonds - Certificates of Participation

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

The lease payments for the 2007 and 2014A 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:

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Certificates of Participation Outstanding			
Fiscal Year Ending June 30	Total	Principal	Interest
2016	\$ 10,496,501	\$ 5,015,000	\$ 5,481,501
2017	10,488,439	5,245,000	5,243,439
2018	10,493,799	5,500,000	4,993,799
2019	10,490,574	5,760,000	4,730,574
2020	10,494,019	6,040,000	4,454,019
2021-2025	52,463,001	34,900,000	17,563,001
2026-2029	50,752,837	43,981,000	6,771,837
Total Minimum Lease Payments	155,679,170	106,441,000	49,238,170
Plus: Unamortized Premium	7,482,171	7,482,171	-
Total Certificates of Participation	<u>\$ 163,161,341</u>	<u>\$ 113,923,171</u>	<u>\$49,238,170</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 Code. The tax credit rate applicable to the Series 2010A Certificates is 5.3766 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 is to be used to repay the principal amount of these certificates upon maturity.

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F. BONDS PAYABLE

Bonds payable at June 30, 2015, are as follows:

Bond Type	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2008A	\$ 1,210,000	\$ 930,000	4.25 - 5.00	2028
Series 2010A	160,000	135,000	3.50 - 5.00	2030
Series 2014A, Refunding	3,603,000	3,599,000	3.00 - 5.00	2025
Total Bonds Payable	<u>\$ 4,973,000</u>	<u>\$ 4,664,000</u>		

The various bonds were issued to finance capital outlay projects of the District. 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.

Annual requirements to amortize the bonded debt outstanding as of June 30, 2015, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2016	\$ 557,432	344,000	\$ 213,432
2017	558,113	356,000	202,113
2018	568,322	381,000	187,322
2019	565,273	397,000	168,273
2020	571,523	423,000	148,523
2021-2025	2,826,387	2,418,000	408,387
2026-2030	379,575	345,000	34,575
Total State School Bonds	<u>\$ 6,026,625</u>	<u>\$ 4,664,000</u>	<u>\$ 1,362,625</u>

G. DEFEASED DEBT

Refunding Certificates of Participation, Series 2014A

On November 20, 2014, the Board issued \$45,455,000 in Certificates of Participation, Series 2014A, with an average interest rate of 4.99 percent, to advance-refund the remaining \$49,855,000 of the District's Certificates of Participation, Series 2005 that mature after July 1, 2015. The net proceeds of \$51,013,062 (including a premium at issuance of \$7,177,668 and

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after payment of \$442,844 in underwriting fees, insurance, and other issuance costs, and capitalized interest of \$1,176,762) was placed in an irrevocable trust to provide for the future debt service payments on the Certificates of Participation, Series 2005. As a result, the Certificates of Participation, Series 2005 are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements. The Certificates of Participation Series 2005 were refunded to reduce its total debt service payments over the next 10 years by approximately \$6,232,716 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt of \$5,486,110).

H. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-14	Additions	Deductions	Balance 6-30-15	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 116,721,000	\$ 45,455,000	\$ 55,735,000	\$ 106,441,000	\$ 5,015,000
Unamortized Premiums	831,599	7,177,668	527,096	7,482,171	25,375
Total Certificates of Participation Payable	117,552,599	52,632,668	56,262,096	113,923,171	5,040,375
 Bonds Payable	 9,018,000	 -	 4,354,000	 4,664,000	 344,000
Unamortized Premiums	555,011	-	555,011	-	-
Compensated Absences Payable	8,972,271	2,122,258	1,859,050	9,235,479	\$ 1,859,050
Other Postemployment Benefits Payable	18,909,716	1,077,595	617,083	19,370,228	-
Net Pension Liability (1)	60,395,548	7,870,490	27,722,886	40,543,152	916,735
Total Governmental Activities	\$ 215,403,145	\$ 63,703,011	\$ 91,370,126	\$ 187,736,030	\$ 8,160,160
 BUSINESS-TYPE ACTIVITIES					
Compensated Absences Payable	\$ 18,374	\$ 37,290	\$ 19,797	\$ 35,867	\$ 19,797
Other Postemployment Benefits Payable	33,858	564	323	34,099	-
Net Pension Liability (1)	354,380	46,181	162,668	237,893	5,400
Total Business-Type Activities	\$ 406,612	\$ 84,035	\$ 182,788	\$ 307,859	\$ 25,197
Note: (1) The beginning balance resulted from the implementation of GASB Statement 68. See Note IV to the financial statements.					

For the governmental activities, compensated absences, and pensions 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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I. INTERFUND TRANSFERS

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 3,846,889	\$ 19,300
Capital Projects:		
Local Capital Improvement	-	13,028,621
Debt Service		
Other	8,424,600	-
Non Major		
Capital Projects - Other	-	846,889
Debt Service	-	-
ARRA	1,623,321	-
Total	<u>\$ 13,894,810</u>	<u>\$ 13,894,810</u>

Interfund transfers represent permanent transfers between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments in the Debt Service – Other Fund and the Debt Service – ARRA Fund and to the General Fund for maintenance and repair of educational plant and salaries for facilities and planning and construction. The transfer out from General Fund was to fund the fee for the delivery agreement in the Debt Service - ARRA Fund. The transfers from Capital Projects - Other Fund were to provide for payments to charter schools for capital expenditures and other debt service payments.

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J. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2015:

	Major Funds				Total Governmental Funds
	General	Debt Service - Other	Capital Projects - Local Capital Improvement	Nonmajor Funds	
Nonspendable:					
Inventories	\$ 310,237	\$ -	\$ -	\$ 88,553	\$ 398,790
Restricted:					
State Required Carryover	6,209,528	-	-	-	6,209,528
Adult Workforce	1,708,410	-	-	-	1,708,410
Donations	114,582	-	-	-	114,582
Debt Service	-	276,644	-	6,091,166	6,367,810
Capital Projects	-	-	11,060,593	4,169,137	15,229,730
Food Service	-	-	-	3,092,074	3,092,074
Assigned:					
Purchase Obligations	360,602	-	-	-	360,602
Next Year's Budget Deficit	6,140,026	-	-	-	6,140,026
Other	1,501,032	-	-	-	1,501,032
Unassigned	<u>7,582,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,582,358</u>
Total Fund Balance	<u>\$ 23,926,775</u>	<u>\$ 276,644</u>	<u>\$ 11,060,593</u>	<u>\$ 13,440,930</u>	<u>\$ 48,704,943</u>

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

- ❖ Nonspendable
 - The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, and property acquired for resale. The District classifies as nonspendable those amounts reported as inventories
- ❖ Restricted
 - The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. In the General Fund, the District classifies as restricted any unspent State categorical funding as well as donations that are legally or otherwise restricted.

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❖ Unassigned

- The portion of fund balance that is residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.
- At the end of the fiscal year, the unassigned general fund balance was \$7,582,358 or 5.57 percent of general fund total revenues.

K. SCHEDULE OF STATE REVENUE SOURCES

Accounting policies relating to certain State revenue sources are described in Note I. The following is a schedule of the District's State revenue for the 2014-15 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 20,301,641
Categorical Educational Programs - Class Size Reduction	19,310,219
Workforce Development Program	1,129,749
Charter School Capital Outlay	846,889
Motor Vehicle License Tax (Capital Outlay and Debt Service)	662,407
Voluntary Prekindergarten	472,588
School Recognition	353,689
Public School Capital Outlay (PECO)	321,266
Mobile Home License Tax	160,242
Food Service Supplement	105,509
Lottery Funds	63,689
Miscellaneous	86,497
Total	<u>\$ 43,814,385</u>

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L. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2014 tax roll for the 2014-15 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	5.1410	\$ 73,463,576
Prior Period Funding Adjustment Millage	0.0060	85,738
Basic Discretionary Local Effort	0.7480	10,688,729
Voted School Tax:		
Additional Operating	0.6000	8,573,847
Total General Fund Taxes Levied		92,811,890
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.5000	21,434,617
Total	<u>7.9950</u>	<u>\$ 114,246,507</u>

M. RETIREMENT PLANS

1. Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement,

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and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The District's pension expense totaled \$3,522,773 for the fiscal year ended June 30, 2015.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- ❖ *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- ❖ *Elected County Officers Class* – Members who hold specified elective offices in local government.
- ❖ *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the

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service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

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Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.37
FRS, Elected County Officers	3.00	43.24
FRS, Senior Management Service	3.00	21.14
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.28
FRS, Reemployed Retiree	(2)	(2)
Notes: (1) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.		
(2) Contribution rates are dependent upon retirement class in which reemployed.		

The District's contributions to the Plan totaled \$5,213,663 for the fiscal year ended June 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$13,312,251 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.218181024 percent, which was an increase of 0.007580466 from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,465,195 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 823,802
Change of assumptions	2,305,460	
Net difference between projected and actual earnings on FRS pension plan investments		22,207,044
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,097,803	
District FRS contributions subsequent to the measurement date	5,213,663	
Total	\$ 8,616,926	\$ 23,030,846

The deferred outflows of resources related to pensions, totaling \$5,213,663, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2016	\$ (5,065,070)
2017	(5,065,070)
2018	(5,065,070)
2019	(5,065,070)
2020	486,691
Thereafter	146,006
Total	\$ (19,627,583)

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Actuarial Assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		2.00%
Note: (1) As outlined in the Plan's investment policy.				

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	\$56,948,456	\$13,312,251	(\$22,976,269)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$820,784 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2015.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$1,097,325 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a net pension liability of \$27,468,794 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.293776221 percent, which was an increase of 0.012414944 from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$2,057,578 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources
Change of assumptions	\$ 977,449.00
Net difference between projected and actual earnings on HIS pension plan investments	13,186
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	930,761
District contributions subsequent to the measurement date	1,097,325
Total	\$ 3,018,721

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The deferred outflows of resources related to pensions, totaling \$1,097,325, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2016	\$ 311,072
2017	311,072
2018	311,072
2019	311,072
2020	307,776
Thereafter	369,332
Total	<u>\$ 1,921,396</u>

Actuarial Assumptions. The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	4.29 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 4.29 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.29 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated

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using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
District's proportionate share of the net pension liability	\$31,243,528	\$27,468,794	\$24,317,970

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$206,146 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2015.

2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

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Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$1,141,293 for the fiscal year ended June 30, 2015.

Payables to the Investment Plan. At June 30, 2015, the District reported a payable of \$265,504 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2015.

N. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and eligible dependents are eligible to participate in the District's self-funded health and

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hospitalization plan for medical and prescription drug coverage, along with the fully-insured life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, Medicare-eligible retirees receive insurance coverage at a lower premium rate than active employees 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 OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity.

Funding Policy. Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2014-15 fiscal year, 330 retirees received other postemployment healthcare benefits and 553 that received postemployment life insurance benefits. The District provided required contributions of \$617,406 toward the annual OPEB cost, net of retiree contributions totaling \$1,942,008 which represents 2.28 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB plan, and changes in the District's net OPEB obligation:

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Description	Fiscal Year Ended June 30, 2015
Normal Cost (service cost for one year)	\$ 634,274
Amortization of Unfunded Actuarial Accrued Liability	641,932
Interest on Normal Cost and Amortization	-
Annual Required Contribution	1,276,206
Interest on Net OPEB Obligation	663,025
Adjustment to Annual Required Contribution	(861,072)
Annual OPEB Cost (Expense)	1,078,159
Contribution Toward the OPEB Cost	617,406
Increase in Net OPEB Obligation	460,753
Net OPEB Obligation at beginning of year	18,943,574
Net OPEB Obligation, End of Year	<u>\$ 19,404,327</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2015, and the two preceding fiscal years, were as follows:

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012-13	\$ 1,814,895	\$ 317,357	17.5%	\$ 17,337,874
2013-14	1,948,209	342,509	17.6%	18,943,574
2014-15	1,078,159	617,406	57.3%	19,404,327

Funded Status and Funding Progress. As of January 1, 2015, the most recent valuation date, the actuarial accrued liability for benefits was \$13,881,671 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$13,881,671 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$85,048,755, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16.3 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

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June 30, 2015

Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of January 1, 2015, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2015, and to estimate the District's 2014-15 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.5 percent rate of return on invested assets, which is the District's long-term expectation of investment returns. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, and an annual healthcare cost trend rate of 6 percent initially for the 2014-15 fiscal year, reduced to an ultimate rate of 4.24 percent for the fiscal year ending June 30, 2040. The investment rate of return and payroll growth rate include a general price inflation of 2.5 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over a 30-year period. The remaining amortization period at June 30, 2015, was 22 years.

O. 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 SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2015

The following is a schedule of encumbrances at June 30, 2015:

Major Funds				
General	Capital Projects - Local Capital Improvement	Other Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 360,602	\$ 6,450,612	\$ -	\$ 1,966,594	\$ 8,777,808

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

Project	Contract Amount	Completed to Date	Balance Committed
School District Administrative Complex			
Architect	\$ 585,465	\$ 549,355	\$ 36,110
Contractor	6,634,173	1,910,459	4,723,714
Citrus Elementary Classroom Addition & Cafeteria			
Architect	502,234	212,118	290,116
Contractor	3,510,819	2,731,906	778,913
Total	\$ 11,232,691	\$ 5,403,838	\$ 5,828,853

P. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; third party injuries and/or property damage; and natural disasters. The 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 SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
Notes to the Basic Financial Statements
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The Board of Directors for SCERMP is composed of superintendents/finance directors or an authorized representative of all participating districts. Employers' Mutual, Inc. d.b.a. Ascension Benefits and Insurance Solutions of FL serves as the third-party administrator, insurance broker and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except wind/hail/flood), respectively. The named wind/hail/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence. The 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 during the 2014-15 fiscal year was \$100 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2014-15 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier which covers workers' compensation losses in excess of the self-insured retention. Employers Liability is included subject to \$2,000,000 per occurrence.

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

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

Fiscal Year	Beginning-of-Fiscal-Year Liability	Current-Year		Balance at Fiscal Year-End
		Claims and Changes in Estimates	Claims Payments	
2013-14	3,155,971	14,075,461	(13,669,740)	3,561,692
2014-15	3,561,692	16,624,963	(17,624,449)	2,562,206

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 years.

Q. 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.



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REQUIRED SUPPLEMENTARY INFORMATION

- ❖ Schedule of funding progress – Other Postemployment Benefits Plan
- ❖ Schedule of the District's proportionate share of the net pension liability – Florida Retirement System Pension Plan
- ❖ Schedule of the District's Contributions – Florida Retirement System Pension Plan
- ❖ Schedule of the District's Proportionate share of the net pension liability – Health Insurance Subsidy Pension Plan
- ❖ Schedule of the District's contributions – Health Insurance Subsidy Pension Plan

**DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2012	\$0	\$16,667,576	\$16,667,576	0%	\$79,693,279	20.9%
7/1/2013	\$0	\$16,185,989	\$16,185,989	0%	\$85,329,180	19.0%
1/1/2015	\$0	\$13,881,671 (2)	\$13,881,671	0%	\$85,048,755	16.3%

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

(2) The unfunded accrued liability decreased from \$16,185,989 at June 30, 2013, to \$13,881,671 at January 1, 2015. This decrease in liability of \$2,304,318 was due to changes in certain assumptions used as follows:

- (a) Increases in Premiums for Post-65 age coverage: Premiums for coverage for Medicare-eligible retirees under a Blue Wrap option increased by 15.5 % effective January 1, 2015, substantially more than anticipated increase of 7.5%. This is a continuation of District's effort to minimize and eventually eliminate liability attributable to this group of retirees. This premium increase had a significant decreasing effect on the costs and liabilities.
- (b) Initial Cost of Coverage: The average cost of coverage increased to \$693 per employee per month for year ending June 30, 2015 from an estimated \$641 per employee (based on premium certification for June 30, 2013). This growth appears to be slower than assumed in the prior valuation and as such had an effect of slowing down increases in costs and liabilities.
- (c) Medical Trend Assumption: Revisions were made in the assumed Medical/RX cost increases. In previous valuations, the assumed trends for costs and premiums is 9.5% beginning June 30, 2015; whereas revised trend rates for costs and premiums is 6% higher. Also, trend rates based on forecasting model used and sponsored by the Society of Actuaries were updated. This change had a decreasing effect on the costs and liabilities.
- (d) Reflecting Provisions of the Affordable Care Act: The District's Plan is not projected to be assessed the excise tax on high-cost employer until it becomes effective. Absent Plan changes, increases in cost of coverage (0.19%) and medical trend increases (4.84%) are assumed for plan year 2030 and subsequent years. This change had an increasing effect on Plan costs and liabilities.

**DISTRICT SCHOOL BOARD OF INDIAN RIVER COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of the District's Proportionate Share
of the Net Pension Liability
Florida Retirement System Pension Plan (1)**

	2014	2013
District's proportion of the FRS net Pension Liability	0.218181024%	0.210600558%
District proportionate share of the FRS net pension liability	\$ 13,312,251	\$ 36,253,729
District's covered employee payroll	\$ 75,427,460	\$ 73,085,296
Districts proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	17.65%	49.60%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	88.54%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions -
Florida Retirement System Pension Plan (1)**

	2015	2014
Contractually required FRS contribution	\$ 5,213,663	\$ 4,779,090
FRS contributions in relation to the contractually required contribution	\$ 5,213,663	\$ 4,779,090
FRS contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 75,704,841	\$ 75,427,460
FRS contributions as a percentage of covered-employee payroll	6.89%	6.34%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan (1)**

	2014	2013
District's proportion of the HIS net pension liability	0.293776221%	0.281361277%
District's proportionate share of the HIS net pension liability	\$ 27,468,794	\$ 24,496,199
District's covered-employee payroll	\$ 87,280,659	\$ 81,686,100
District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	31.47%	29.99%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	1.78%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions -
Health Insurance Subsidy Pension Plan (1)**

	2015	2014
Contractually required HIS contribution	\$ 1,097,325	\$ 1,089,722
HIS contributions in relation to the contractually required HIS contribution	\$ 1,097,325	\$ 1,089,722
HIS contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 86,485,842	\$ 87,280,659
HIS contributions as a percentage of covered-employee payroll	1.27%	1.25%

Note: (1) The amounts presented for each fiscal year were determined as of June 30.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**1. Schedule of Net Pension Liability And Schedule of Contributions –
Florida Retirement System Pension Plan**

Changes in Assumptions. As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.60 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent.

**2. Schedule of Net Pension Liability And Schedule Of Contributions –
Health Insurance Subsidy Pension Plan**

Changes in Assumptions. The municipal rate used to determine total pension liability decreased from 4.63 percent to 4.29 percent.

COMBINING AND INDIVIDUAL FUND
FINANCIAL 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.

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

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.

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The School Board of Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Special Revenue			
	Food Services	Contracted Programs	Federal Economic Stimulus Programs	Total Nonmajor Special Revenue
ASSETS				
Cash and Cash Equivalents	\$ 3,146	\$ 299	\$ 12	\$ 3,457
Investments	-	-	-	-
Due from Other Agencies	198	654	-	852
Inventories	89			89
Restricted Investments	-	-	-	-
Total Assets	<u>\$ 3,433</u>	<u>\$ 953</u>	<u>\$ 12</u>	<u>\$ 4,398</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Salaries and Benefits	\$ 99	\$ 696	\$ 2	\$ 797
Accounts Payable	81	124	1	206
Due to Other Agencies	50	132	1	183
Unearned Revenue	<u>22</u>	<u>1</u>	<u>8</u>	<u>31</u>
Total Liabilities	<u>252</u>	<u>953</u>	<u>12</u>	<u>1,217</u>
Fund Balances:				
Nonspendable	89	-	-	89
Restricted	<u>3,092</u>	<u>-</u>	<u>-</u>	<u>3,092</u>
Total Fund Balances	<u>3,181</u>	<u>-</u>	<u>-</u>	<u>3,181</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,433</u>	<u>\$ 953</u>	<u>\$ 12</u>	<u>\$ 4,398</u>

Debt Service				Capital Projects					Total Nonmajor Governmental Funds
SBE / COBI Bonds	District Bonds	ARRA Debt Service	Total Nonmajor Debt Service	SBE / COBI Bonds	Public Education Capital Outlay	Capital Outlay and Debt Service	Other Capital Projects	Total Nonmajor Capital Projects	
\$ -	\$ 38	\$ 59	\$ 97	\$ -	\$ -	\$ 34	\$ 3,975	\$ 4,009	\$ 7,563
108	-	-	108	-	-	-	-	-	108
-	-	-	-	-	-	112	70	182	1,034
-	-	-	-	-	-	-	-	-	89
-	-	5,893	5,893	-	-	-	-	-	5,893
\$ 108	\$ 38	\$ 5,952	\$ 6,098	\$ -	\$ -	\$ 146	\$ 4,045	\$ 4,191	\$ 14,687
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797
-	-	7	7	-	-	4	3	7	220
-	-	-	-	-	-	-	-	-	183
-	-	-	-	-	-	15	-	15	46
-	-	7	7	-	-	19	3	22	1,246
-	-	-	-	-	-	-	-	-	89
108	38	5,945	6,091	-	-	127	4,042	4,169	13,352
108	38	5,945	6,091	-	-	127	4,042	4,169	13,441
\$ 108	\$ 38	\$ 5,952	\$ 6,098	\$ -	\$ -	\$ 146	\$ 4,045	\$ 4,191	\$ 14,687

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, 2015
(amounts expressed in thousands)

	Special Revenue			Total Nonmajor Special Revenue
	Food Services	Contracted Programs	Federal Economic Stimulus Program	
Revenues:				
Federal Sources:				
Federal Direct	\$ -	\$ -	\$ -	\$ -
Food Service	6,469			6,469
Other Federal Through State Sources	-	10,241	644	10,885
Total Federal Sources	6,469	10,241	644	17,354
State Sources:				
Public Education Capital Outlay	-	-	-	-
Charter School Capital Outlay	-	-	-	-
Food Service	106	-	-	106
CO&DS Withheld for SBE/COBI Bond	-	-	-	-
CO&DS Distribution	-	-	-	-
Other Miscellaneous State Sources	-	-	-	-
Total State Sources	106	-	-	106
Local Sources:				
Ad Valorem Taxes	-	-	-	-
Impact Fees	-	-	-	-
Food Service	1,639	-	-	1,639
Investment Income	4	-	-	4
Other Local Sources	12	1	-	13
Total Local Sources	1,655	1	-	1,656
Total Revenues	8,230	10,242	644	19,116

Debt Service				Capital Projects				Total	
SBE / COBI Bonds	District Bonds	ARRA Debt Service	Total Nonmajor Debt Service	SBE / COBI Bonds	Public Education Capital Outlay	Capital Outlay and Debt Service	Other Capital Projects	Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,412	\$ 1,412	\$ -	\$ -	\$ -	\$ 38	\$ 38	\$ 1,450
-	-	-	-	-	-	-	-	-	6,469
-	-	1,412	1,412	-	-	-	38	38	10,885
-	-	-	-	-	-	-	-	-	18,804
-	-	-	-	-	321	-	-	321	321
-	-	-	-	-	-	-	847	847	847
-	-	-	-	-	-	-	-	-	106
565	-	-	565	-	-	-	-	-	565
-	-	-	-	-	-	97	-	97	97
-	-	-	-	-	-	-	36	36	36
565	-	-	565	-	321	97	883	1,301	1,972
-	2	-	2	-	-	-	-	-	2
-	-	-	-	-	-	-	1,149	1,149	1,149
-	-	-	-	-	-	-	-	-	1,639
-	-	61	61	-	-	-	5	5	70
-	-	-	-	-	-	-	192	192	205
-	2	61	63	-	-	-	1,346	1,346	3,065
565	2	1,473	2,040	-	321	97	2,267	2,685	23,841

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, 2015
(amounts expressed in thousands)

	Special Revenue			Total
	Food Services	Contracted Programs	Federal Economic Stimulus Program	Nonmajor Special Revenue
Expenditures:				
Current:				
Instruction	\$ -	\$ 5,876	\$ 91	\$ 5,967
Student Personnel Services	-	985	-	985
Instruction and Curriculum Development Services	-	2,080	54	2,134
Instructional Staff Training Services	-	620	177	797
Instruction-Related Technology	-	-	247	247
General Administration	-	507	1	508
Facilities Services - Non-Capitalized	-	-	-	-
Food Services	7,746	-	-	7,746
Central Services	-	-	4	4
Student Transportation Services	-	26	-	26
Community Services	-	15	-	15
Capital Outlay:				
Facilities Acquisition & Construction	-	-	-	-
Other Capital Outlay	123	133	70	326
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>7,869</u>	<u>10,242</u>	<u>644</u>	<u>18,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>361</u>	<u>-</u>	<u>-</u>	<u>361</u>
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Premium onto Refunded Bond Escrow Agents	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>361</u>	<u>-</u>	<u>-</u>	<u>361</u>
Fund Balances, Beginning	<u>2,820</u>	<u>-</u>	<u>-</u>	<u>2,820</u>
Fund Balances, Ending	<u>\$ 3,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,181</u>

Debt Service				Capital Projects					Total Nonmajor Governmental Funds
SBE / COBI Bonds	District Bonds	ARRA Debt Service	Total Nonmajor Debt Service	SBE / COBI Bonds	Public Education Capital Outlay	Capital Outlay Debt Service	Other Capital Projects	Total Nonmajor Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,967
-	-	-	-	-	-	-	-	-	985
-	-	-	-	-	-	-	-	-	2,134
-	-	-	-	-	-	-	-	-	797
-	-	-	-	-	-	-	-	-	247
-	-	-	-	-	-	-	-	-	508
-	-	-	-	5	297	78	132	512	512
-	-	-	-	-	-	-	-	-	7,746
-	-	-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	-	-	26
-	-	-	-	-	-	-	-	-	15
-	-	-	-	-	24	37	455	516	516
-	-	-	-	-	-	-	53	53	379
369	-	-	369	-	-	-	-	-	369
168	-	1,564	1,732	-	-	-	-	-	1,732
537	-	1,564	2,101	5	321	115	640	1,081	21,937
28	2	(91)	(61)	(5)	-	(18)	1,627	1,604	1,904
-	-	1,624	1,624	-	-	-	-	-	1,624
-	-	-	-	-	-	-	(847)	(847)	(847)
(4,175)	-	-	(4,175)	-	-	-	-	-	(4,175)
(4,175)	-	1,624	(2,551)	-	-	-	(847)	(847)	(3,398)
(4,147)	2	1,533	(2,612)	(5)	-	(18)	780	757	(1,494)
4,255	36	4,412	8,703	5	-	145	3,262	3,412	14,935
\$ 108	\$ 38	\$ 5,945	\$ 6,091	\$ -	\$ -	\$ 127	\$ 4,042	\$ 4,169	\$ 13,441

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Other Local Sources	\$ 2	\$ 2	\$ 3	\$ (1)
Total Local Sources	2	2	3	(1)
Total Revenues	2	2	3	(1)
Expenditures:				
Principal	5,270	5,880	5,880	-
Interest and Fiscal Charges	4,266	4,908	4,905	3
Total Expenditures	9,536	10,788	10,785	3
Excess (Deficiency) of Revenues Over Expenditures	(9,534)	(10,786)	(10,782)	4
Other Financing Sources:				
Transfers In	9,536	8,425	8,425	-
Issuance of Refunding Bonds	-	45,455	45,455	-
Premium on Refunding Bonds	-	7,177	7,178	1
Payments to Refunded Bond Escrow	-	(51,013)	(51,013)	-
Total Other Financing Sources	9,536	10,044	10,045	1
Net Change in Fund Balance	\$ 2	\$ (742)	(737)	\$ 5
Fund Balance, Beginning			1,014	
Fund Balance, Ending			<u>\$ 277</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 20,653	\$ 20,673	\$ 20,774	\$ 101
Investment Income	31	30	30	-
Total Revenues	<u>20,684</u>	<u>20,703</u>	<u>20,804</u>	<u>101</u>
Expenditures:				
Facilities Services - Non Capitalized	22,067	14,735	3,705	11,030
Capital Outlay				
Facilities Acquisition and Construction		8,071	8,071	-
Other Capital Outlay		960	960	-
Total expenditures	<u>22,067</u>	<u>23,766</u>	<u>12,736</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,383)</u>	<u>(3,063)</u>	<u>8,068</u>	<u>11,131</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(14,639)</u>	<u>(13,028)</u>	<u>(13,029)</u>	<u>(1)</u>
Total Other Financing Sources (Uses)	<u>(14,639)</u>	<u>(13,028)</u>	<u>(13,029)</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ (16,022)</u>	<u>\$ (16,091)</u>	<u>(4,961)</u>	<u>\$ 11,130</u>
Fund Balance, Beginning			16,022	
Fund Balance, Ending			<u>\$ 11,061</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue - Food Services Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over
				(Under)
Revenues:				
Federal Sources:				
Food Service	\$ 6,396	\$ 6,229	\$ 6,469	\$ 240
Total Federal Sources	<u>6,396</u>	<u>6,229</u>	<u>6,469</u>	<u>240</u>
State Sources:				
Food Service	<u>116</u>	<u>116</u>	<u>106</u>	<u>(10)</u>
Total State Sources	<u>116</u>	<u>116</u>	<u>106</u>	<u>(10)</u>
Local Sources:				
Food Service	1,886	1,763	1,639	(124)
Investment Income	2	2	4	2
Other Local Sources	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
Total Local Sources	<u>1,888</u>	<u>1,765</u>	<u>1,655</u>	<u>(110)</u>
Total Revenues	<u>8,400</u>	<u>8,110</u>	<u>8,230</u>	<u>120</u>
Expenditures:				
Food Services:				
Salaries	2,681	2,740	2,570	170
Employee Benefits	1,011	991	789	202
Purchased Services	149	142	92	50
Energy Services	305	344	302	42
Materials and Supplies	3,920	3,936	3,707	229
Capital Outlay	81	64	32	32
Other Expenditures	<u>317</u>	<u>276</u>	<u>254</u>	<u>22</u>
Total Food Service	<u>8,464</u>	<u>8,493</u>	<u>7,746</u>	<u>747</u>
Capital Outlay:				
Other Capital Outlay	<u>131</u>	<u>168</u>	<u>123</u>	<u>45</u>
Total Expenditures	<u>8,595</u>	<u>8,661</u>	<u>7,869</u>	<u>792</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(195)</u>	<u>(551)</u>	<u>361</u>	<u>912</u>
Net Change in Fund Balance	<u>\$ (195)</u>	<u>\$ (551)</u>	<u>361</u>	<u>\$ 912</u>
Fund Balance, Beginning			<u>2,820</u>	
Fund Balance, Ending			<u>\$ 3,181</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over
				(Under)
Revenues:				
Federal Sources:				
Other Federal Through State Sources	\$ 11,122	\$ 11,326	\$ 10,241	\$ (1,085)
Total Federal Sources	11,122	11,326	10,241	(1,085)
Local Sources:				
Other Local Sources	-	-	1	1
Total Local Sources	-	-	1	1
Total Revenues	11,122	11,326	10,242	(1,084)
Expenditures:				
Instruction:				
Salaries	4,344	4,373	4,059	314
Employee Benefits	1,247	1,202	1,111	91
Purchased Services	205	204	182	22
Materials and Supplies	259	506	355	151
Capital Outlay	252	99	72	27
Other Expenditures	48	97	97	-
Total Instruction	6,355	6,481	5,876	605
Student Personnel Services:				
Salaries	709	731	711	20
Employee Benefits	183	175	174	1
Purchased Services	17	7	5	2
Materials and Supplies	114	120	93	27
Other Expenditures	4	2	2	-
Total Student Personnel Services	1,027	1,035	985	50
Instruction and Curriculum Development Services:				
Salaries	1,577	1,676	1,650	26
Employee Benefits	395	409	374	35
Purchased Services	51	61	39	22
Capital Outlay	31	26	15	11
Other Expenditures	3	3	2	1
Total Instruction and Curriculum Development Services	2,057	2,175	2,080	95
Instructional Staff Training Services:				
Salaries	364	430	285	145
Employee Benefits	73	75	61	14
Purchased Services	338	290	228	62
Materials and Supplies	41	43	16	27
Capital Outlay	6	6	-	6
Other Expenditures	112	53	30	23
Total Instructional Staff Training Services	934	897	620	277

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over
				(Under)
Expenditures (continued):				
General Administration:				
Other Expenditures	475	528	507	21
Total General Administration	475	528	507	21
School Administration:				
Salaries	44	-	-	-
Employee Benefits	18	-	-	-
Total School Administration	62	-	-	-
Student Transportation Services:				
Other Expenditures	174	62	26	36
Total Student Transportation Services	174	62	26	36
Community Services:				
Salaries	27	10	10	-
Employee Benefits	7	2	2	-
Purchased Services	-	-	-	-
Materials and Supplies	4	3	3	-
Total Community Services	38	15	15	-
Capital Outlay				
Other Capital Outlay		133	133	-
Total Expenditures	11,122	11,326	10,242	1,084
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			\$ -	

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue - Federal Economic Stimulus Fund
For the Fiscal Year Ended June 30, 2015
(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	\$ 647	\$ 662	\$ 644	\$ (18)
Total Federal through State	647	662	644	(18)
Total Revenues	647	662	644	(18)
EXPENDITURES				
Current:				
Instruction:				
Purchased Services	14	-	-	-
Materials and Supplies	3	17	17	-
Capital Outlay	216	75	74	1
Total Instruction	233	92	91	1
Student Personnel Services:				
Purchased Services	5	-	-	-
Total Student Personnel Services	5	-	-	-
Instruction and Curriculum Development Services:				
Salaries	56	43	42	1
Employees Benefits	17	11	11	-
Purchased Services	8	1	1	-
Total Instruction and Curriculum Development Services	81	55	54	1
Instructional Staff Training Services:				
Salaries	40	29	16	13
Employees Benefits	5	3	3	-
Purchased Services	166	125	125	-
Materials and Supplies	33	17	13	4
Other Expenditures	30	20	20	-
Total Instructional Staff Training Services	274	194	177	17
Instructional Related Technology:				
Capital Outlay	-	247	247	-
Total Instructional Related Technology	-	247	247	-
General Administration:				
Other Expenditures	-	1	1	-
Total General Administration	-	1	1	-
Central Services:				
Purchased Services	39	3	4	(1)
Total Central Services	39	3	4	(1)
Administrative Technology Services:				
Purchased Services	15	-	-	-
Total Administrative Technology Services	15	-	-	-
Capital Outlay:				
Other Capital Outlay	-	70	70	-
Total Expenditures	642	662	644	18
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
State Sources:				
CO&DS Withheld for SBE/COBI Bond	\$ 201	\$ 565	\$ 565	\$ -
Total State Sources	201	565	565	-
Total Revenues	201	565	565	-
Expenditures:				
Principal	49	369	369	-
Interest and Fiscal Charges	152	168	168	-
Total Expenditures	201	537	537	-
Other Financing Sources:				
Premium onto Refunded Bond Escrow Agents	-	4,175	(4,175)	8,350
Total Other Financing Sources	-	4,175	(4,175)	8,350
Net Change in Fund Balance	\$ -	\$ 4,203	(4,147)	\$ 8,350
Fund Balance, Beginning			4,255	
Fund Balance, Ending			<u>\$ 108</u>	

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Local sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ 2	\$ 2
Total Local Sources	-	-	2	2
Total Revenues	-	-	2	2
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	\$ 2	<u>\$ 2</u>
Fund Balance, Beginning			36	
Fund Balance, Ending			<u>\$ 38</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
Federal Sources:				
Miscellaneous Federal Direct	\$ 1,414	\$ 1,414	\$ 1,412	\$ 2
Local Sources:				
Investment Income	2	2	61	(59)
Total Revenues	<u>1,416</u>	<u>1,416</u>	<u>1,473</u>	<u>(57)</u>
Expenditures:				
Interest and Fiscal Charges	<u>1,557</u>	<u>1,576</u>	<u>1,564</u>	<u>12</u>
Total Expenditures	<u>1,557</u>	<u>1,576</u>	<u>1,564</u>	<u>12</u>
Other Financing Sources				
Transfers In	<u>1,602</u>	<u>1,623</u>	<u>1,624</u>	<u>1</u>
Total Other Financing Sources	<u>1,602</u>	<u>1,623</u>	<u>1,624</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ 1,461</u>	<u>\$ 1,463</u>	1,533	<u>\$ (68)</u>
Fund Balance, Beginning			<u>4,412</u>	
Fund Balance, Ending			<u>\$ 5,945</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
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Expenditures:				
Facilities Services - Non-Capitalized	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total Expenditures	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (5)</u>	<u>\$ (5)</u>	(5)	<u>\$ -</u>
Fund Balance, Beginning			<u>5</u>	
Fund Balance, Ending			<u>\$ -</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Public Education Capital Outlay
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 321	\$ 321	\$ 321	\$ -
Total Revenues	<u>321</u>	<u>321</u>	<u>321</u>	<u>-</u>
Expenditures:				
Facilities Services Non-Capitalized	321	297	297	-
Facilities Acquisitions and Construction	-	24	24	-
Total Expenditures	<u>-</u>	<u>321</u>	<u>321</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 321</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning			<u>-</u>	
Fund Balance, Ending			<u>\$ -</u>	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Capital Outlay & Debt Service Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State Sources:				
CO&DS Distribution	\$ 69	\$ 97	\$ 97	\$ -
Total Revenues	<u>69</u>	<u>97</u>	<u>97</u>	<u>-</u>
Expenditures:				
Facilities Services - Non-Capitalized	213	78	78	-
Facilities Acquisitions & Construction		37	37	-
Total Expenditures	<u>213</u>	<u>115</u>	<u>115</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (144)</u>	<u>\$ (18)</u>	(18)	<u>\$ -</u>
Fund Balance, Beginning			145	
Fund Balance, Ending			<u>\$ 127</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Federal Sources:				
Other	\$ -	\$ 38	\$ 38	\$ -
Total Federal Sources	-	38	38	-
State Sources:				
Charter School Capital Outlay	\$ 1,026	\$ 847	847	-
Other	30	35	36	1
Total State Sources	1,056	882	883	1
Local Sources:				
Impact Fees	-	1,148	1,149	1
Investment Income	-	5	5	-
Other Local Sources	-	193	192	(1)
Total Local Sources	-	1,346	1,346	1
Total Revenues	1,056	2,266	2,267	2
Expenditures:				
Facilities Services - Non-Capitalized	3,292	4,172	132	4,040
Capital Outlay				
Facilities Acquisition & Construction		455	455	-
Other Capital Outlay	-	53	53	-
Total Expenditures	-	4,680	640	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,056	(2,414)	1,627	2
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	1,026	(847)	(847)	-
Sale of Capital Assets	-	-	-	-
Loss Recoveries	-	-	-	-
Total Other Financing Sources (Uses)	1,026	(847)	(847)	-
Net Change in Fund Balance	\$ 2,082	\$ (3,261)	780	\$ 2
Fund Balance, Beginning			3,262	
Fund Balance, Ending			\$ 4,042	

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, 2015
(amounts expressed in thousands)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash and Cash Equivalents	\$ 1,392	\$ 3,175	\$ 3,320	\$ 1,247
Accounts Receivable	7	3	8	2
Inventory	60	54	60	54
	<u>60</u>	<u>54</u>	<u>60</u>	<u>54</u>
Total Assets	<u>\$ 1,459</u>	<u>\$ 3,232</u>	<u>\$ 3,388</u>	<u>\$ 1,303</u>
LIABILITIES				
Accounts Payable	\$ 55	\$ 26	\$ 55	\$ 26
Internal Accounts Payable	1,404	3,206	3,333	1,277
	<u>1,404</u>	<u>3,206</u>	<u>3,333</u>	<u>1,277</u>
Total Liabilities	<u>\$ 1,459</u>	<u>\$ 3,232</u>	<u>\$ 3,388</u>	<u>\$ 1,303</u>

The School Board of Indian River County, Florida
Combining Statement of Net Position
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2015
(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	\$ 1,320	\$ 231	\$ 99	\$ 890	\$ 1,400	\$ 3,940
Receivables	95	-	35	7	14	151
Due from Other Agencies	-	10	-	-	55	65
Prepaid Items	55	5	2	-	58	120
Capital Assets (Net of Accumulated Depreciation):						
Land	-	181	-	599	-	780
Improvements Other than Buildings	265	-	3	48	-	316
Buildings and Fixed Equipment	4,554	2,991	1,315	4,333	19	13,212
Furniture, Fixtures and Equipment	295	127	20	98	116	656
Motor Vehicles	-	-	4	-	-	4
Property Under Capital Leases	-	3	-	-	-	3
Audio Visual Materials	-	-	-	-	9	9
Computer Software	6	-	-	1	-	7
Total Assets	6,590	3,548	1,478	5,976	1,671	19,263
LIABILITIES						
Accrued Salaries and Benefits Payable	184	-	-	-	328	512
Accounts Payable	26	8	11	-	158	203
Unearned Revenue	166	-	-	-	39	205
Long-Term Liabilities:						
Portion Due Within One Year:						
Notes Payable	336	149	30	196	-	711
Obligations Under Capital Leases	-	7	-	-	-	7
Portion Due After One Year:						
Notes Payable	643	2,461	337	3,066	-	6,507
Obligations Under Capital Leases	-	8	-	-	-	8
Total Liabilities	1,355	2,633	378	3,262	525	8,153
NET POSITION						
Net Investment in Capital Assets	4,140	676	975	1,816	144	7,751
Restricted for:						
Food Service	-	-	14	-	141	155
Capital Projects	2	-	-	57	-	59
Unrestricted	1,093	239	111	841	861	3,145
Total Net Position	\$ 5,235	\$ 915	\$ 1,100	\$ 2,714	\$ 1,146	\$ 11,110

The School Board of Indian River County, Florida
Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2015
(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 at South Vero, LLC	Total Charter Schools
Expenses:						
Instruction	\$ 2,610	\$ 900	\$ 651	\$ 996	\$ 3,181	\$ 8,338
Student Personnel Services	287	-	-	-	-	287
Health Services	-	-	-	-	23	23
Instructional Media Services	66	-	-	-	-	66
Instruction and Curriculum Development Services	-	-	-	-	52	52
Instructional Staff Training Services	51	1	-	1	-	53
School Board	-	6	-	1	20	27
General Administration	-	-	17	-	-	17
School Administration	600	325	187	255	1,233	2,600
Facilities Services - Non-Capitalized	80	-	-	7	-	87
Fiscal Services	-	22	10	12	-	44
Food Services	1	94	84	128	395	702
Central Services	-	-	-	-	13	13
Student Transportation Services	-	52	60	25	-	137
Operation of Plant	494	100	167	156	1,758	2,675
Maintenance of Plant	21	16	-	18	195	250
Administrative Technology	113	-	-	-	-	113
Community Services	-	-	-	-	105	105
Unallocated Interest on Long-Term Debt	35	169	18	128	-	350
Depreciation/Amortization - Unallocated	455	-	-	105	-	560
Total Expenses	<u>4,813</u>	<u>1,685</u>	<u>1,194</u>	<u>1,832</u>	<u>6,975</u>	<u>16,499</u>
Program Revenues:						
Charges for Services	77	-	-	88	593	758
Operating Grants and Contributions	-	135	179	145	509	968
Capital Grants and Contributions	-	98	18	87	-	203
Total Program Revenues	<u>77</u>	<u>233</u>	<u>197</u>	<u>320</u>	<u>1,102</u>	<u>1,929</u>
Net Program Expense	<u>(4,736)</u>	<u>(1,452)</u>	<u>(997)</u>	<u>(1,512)</u>	<u>(5,873)</u>	<u>(14,570)</u>
General Revenues:						
Grants and Contributions not Restricted to Specific Programs	4,187	1,583	974	1,931	5,926	14,601
Unrestricted Investment Earnings	5	-	-	-	-	5
Miscellaneous	643	63	-	-	-	706
Total General Revenues	<u>4,835</u>	<u>1,646</u>	<u>974</u>	<u>1,931</u>	<u>5,926</u>	<u>15,312</u>
Changes in Net Position	99	193	(23)	419	53	742
Net Position - Beginning	5,137	722	1,122	2,294	1,093	10,368
Net Position - Ending	<u>\$ 5,236</u>	<u>\$ 915</u>	<u>\$ 1,099</u>	<u>\$ 2,713</u>	<u>\$ 1,146</u>	<u>\$ 11,110</u>

STATISTICAL SECTION

This part of the School Board of Indian River County, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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

Table 1

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

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 153,266	\$ 168,013	\$ 178,107	\$ 192,693	\$ 194,967	\$ 204,036	\$ 212,594	\$ 209,060	\$ 208,351	\$ 214,667
Restricted	37,121	51,577	56,935	53,202	54,814	44,120	33,743	37,900	38,435	32,811
Unrestricted	10,717	8,125	2,731	(2,812)	(11,162)	(909)	(2,175)	(6,262)	(8,159)	(61,649)
Total Governmental Activities Net Position	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,083	\$ 238,619	\$ 247,247	\$ 244,162	\$ 240,698	\$ 238,627	\$ 185,829
Business-Type Activities:										
Unrestricted	\$ -	\$ -	\$ -	\$ 253	\$ 339	\$ 401	\$ 520	\$ 566	\$ 618	\$ 422
Primary Government:										
Net Investment in Capital Assets	\$ 153,266	\$ 168,013	\$ 178,107	\$ 192,693	\$ 194,967	\$ 204,036	\$ 212,594	\$ 209,060	\$ 208,351	\$ 214,667
Restricted	37,121	51,577	56,935	53,202	54,814	44,120	33,743	37,900	38,435	32,811
Unrestricted	10,717	8,125	2,731	(2,559)	(10,823)	(508)	(1,655)	(5,696)	(7,541)	(61,227)
Total Primary Government Net Position	\$ 201,104	\$ 227,715	\$ 237,773	\$ 243,336	\$ 238,958	\$ 247,648	\$ 244,682	\$ 241,264	\$ 239,245	\$ 186,251

Note: (a) Net Position has increased significantly over the past nine years 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. Net position decreased in 2015 due to the implementation of GASB 68

Source: District Records

Table 2

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

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses:										
Governmental Activities:										
Instruction	\$ 73,352	\$ 82,995	\$ 91,695	\$ 100,824	\$ 101,193	\$ 97,419	\$ 93,440	\$ 93,379	\$ 100,814	\$ 99,322
Student Personnel Services	4,255	5,146	5,344	5,858	5,604	4,784	4,714	4,604	5,012	4,913
Instructional Media Services	1,994	2,082	2,116	2,461	2,512	2,172	2,048	2,079	2,174	2,154
Instruction and Curriculum										
Development Services	6,155	6,342	6,854	6,712	5,632	4,862	4,569	5,351	5,580	5,704
Instructional Staff Training Services	1,086	1,217	1,186	1,000	2,452	2,235	2,226	1,970	2,530	2,345
Instruction Related Technology	424	599	955	952	1,062	1,006	1,375	941	1,255	2,817
School Board	926	911	978	1,103	1,195	1,031	835	797	945	969
General Administration	801	848	705	870	804	843	922	1,030	901	1,565
School Administration	6,841	9,214	9,529	9,777	9,353	8,425	7,875	8,632	8,747	8,739
Facilities Services - Non-Capitalized	6,731	12,240	13,352	11,227	12,690	14,809	5,785	6,775	4,015	4,915
Fiscal Services	996	1,324	1,257	1,298	1,301	1,429	1,220	1,586	1,312	1,304
Food Services	7,622	7,890	8,315	8,848	8,754	8,102	9,257	8,725	8,608	8,476
Central Services	2,189	2,438	2,666	2,638	2,631	2,138	2,154	2,167	2,506	2,122
Student Transportation Services	4,083	5,162	6,689	6,599	6,354	6,106	6,361	6,425	6,683	6,351
Operation of Plant	12,156	14,087	14,906	13,883	12,341	11,634	13,080	13,418	13,430	13,132
Maintenance of Plant	3,676	3,864	3,638	3,804	97	412	3,218	3,455	3,427	3,392
Administrative Technology Services (a)	1,625	1,927	2,352	2,752	2,515	2,496	2,042	2,357	3,756	4,088
Community Services	961	1,010	1,030	48	281	281	255	250	251	-
Unallocated Interest on Long-Term Debt	3,745	5,062	6,575	7,081	6,852	7,339	7,344	6,840	6,281	5,743
Depreciation - Unallocated	8,892	10,088	9,688	-	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	327	-	-	-	-	2,367	2,091	-	-
Extraordinary Item:										
Claims Settlement	222	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	148,732	174,773	189,830	187,735	183,623	177,523	171,087	172,872	178,227	178,051
Business-Type Activities:										
Extended Day Program	-	-	-	827	717	709	650	663	663	751
Total Business-Type Activities Expenses	-	-	-	827	717	709	650	663	663	751
Total Primary Government Expenses	148,732	174,773	189,830	188,562	184,340	178,232	171,737	173,535	178,890	178,802

Source: District Records

(Continued)

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

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Program Revenues:										
Governmental Activities:										
Charges for Services										
Instruction	\$ 159	\$ 1,454	\$ 1,461	\$ 475	\$ 496	\$ 285	\$ 345	\$ 334	\$ 304	\$ 225
Food Services	2,670	2,951	3,138	3,025	2,953	2,842	2,491	2,087	1,722	1,639
Student Transportation Services	10	10	11	29	31	22	33	44	57	75
Community	1,174	-	-	-	-	183	182	170	173	191
Operating Grants and Contributions	8,280	8,012	8,442	9,320	5,834	5,765	6,331	6,354	6,493	6,575
Capital Grants and Contributions	3,058	11,940	4,342	7,984	1,246	2,523	2,212	2,853	3,068	3,592
Total Government Activities Program Revenues	15,351	24,367	17,394	20,833	10,560	11,620	11,594	11,842	11,817	12,297
Business Type Activities:										
Extended Day Program - Charges for Services	-	-	-	872	802	769	767	708	714	794
Total Primary Government Program Revenues	15,351	24,367	17,394	21,705	11,362	12,389	12,361	12,550	12,531	13,091
Net (Expenses) / Revenues										
Governmental Activities	(133,381)	(150,406)	(172,436)	(166,902)	(173,063)	(165,903)	(159,493)	(161,030)	(166,410)	(165,754)
Business-Type Activities	-	-	-	45	85	60	117	45	51	43
Total Primary Government Net (Expenses) / Revenues	(133,381)	(150,406)	(172,436)	(166,857)	(172,978)	(165,843)	(159,376)	(160,985)	(166,359)	(165,711)
General Revenues and Other Changes in Net Position:										
General Revenues:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	81,182	89,194	94,914	88,841	93,743	93,342	86,569	83,819	87,941	89,942
Levied for Debt Service	4,969	4,828	4,861	4,954	4,850	4,794	4,727	5,085	19	2
Levied for Capital Projects	27,590	34,531	36,012	31,012	24,275	21,816	20,509	19,583	19,887	20,774
Grants and Contributions										
Not Restricted to Specific Programs	30,315	37,796	37,938	37,706	42,236	51,432	41,342	46,746	53,933	54,124
Restricted Investment Earnings	1,518	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	2,808	7,537	5,158	(767)	1,877	1,309	931	1,063	294	305
Miscellaneous	15,348	3,034	3,611	10,672	1,618	1,838	2,330	2,432	2,265	2,535
Total Governmental Activities General Revenues	163,730	176,920	182,494	172,418	168,599	174,531	156,408	158,728	164,339	167,682
Business-Type Activities:										
Extended Day Care Program - Investment Earnings	-	-	-	2	1	2	2	1	1	1
Total Business-Type Activities Revenues	-	-	-	2	1	2	2	1	1	1
Total Primary Government General Revenues and Other Changes in Net Position	163,730	176,920	182,494	172,420	168,600	174,533	156,410	158,729	164,340	167,683
Changes in Net Position										
Governmental Activities	30,349	26,514	10,058	5,516	(4,464)	8,628	(3,085)	(2,302)	(2,071)	1,928
Business-Type Activities	-	-	-	47	86	62	119	46	52	44
Total Primary Government	<u>\$ 30,349</u>	<u>\$ 26,514</u>	<u>\$ 10,058</u>	<u>\$ 5,563</u>	<u>\$ (4,378)</u>	<u>\$ 8,690</u>	<u>\$ (2,966)</u>	<u>\$ (2,256)</u>	<u>\$ (2,019)</u>	<u>\$ 1,972</u>

Source: District Records

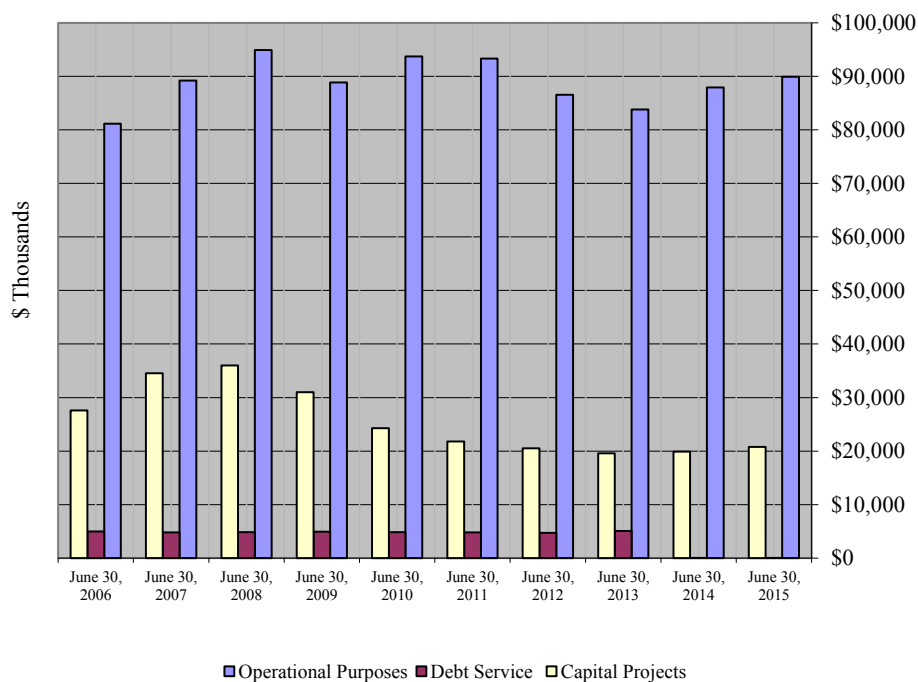
Table 3

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

Fiscal Year Ending	Property Tax			Total
	Operational Purposes	Debt Service	Capital Projects	
June 30, 2015	\$ 89,942	\$ 2	\$ 20,774	\$ 110,718
June 30, 2014	87,941	19	19,887	107,847
June 30, 2013	83,819	5,085	19,583	108,487
June 30, 2012	86,569	4,727	20,509	111,805
June 30, 2011	93,342	4,794	21,816	119,952
June 30, 2010	93,743	4,850	24,275	122,868
June 30, 2009	88,841	4,954	31,012	124,807
June 30, 2008	94,914	4,861	36,012	135,787
June 30, 2007	89,194	4,828	34,531	128,553
June 30, 2006	81,182	4,969	27,590	113,741

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, 2006	Restated (1) June 30, 2007	Restated (1) June 30, 2008	Restated (1) June 30, 2009	Restated (1) June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General Fund										
Nonspendable	\$ 433	\$ 397	\$ 474	\$ 429	\$ 335	\$ 330	\$ 916	\$ 685	\$ 417	\$ 310
Restricted	567	1,259	193	-	582	2,208	2,754	4,303	6,520	8,032
Assigned	642	511	551	355	258	6,539	3,489	2,783	6,070	8,002
Unassigned	11,109	9,207	8,663	4,061	1,362	5,495	9,129	9,191	7,517	7,582
Total General Fund	<u>\$ 12,751</u>	<u>\$ 11,374</u>	<u>\$ 9,881</u>	<u>\$ 4,845</u>	<u>\$ 2,537</u>	<u>\$ 14,572</u>	<u>\$ 16,288</u>	<u>\$ 16,962</u>	<u>\$ 20,524</u>	<u>\$ 23,926</u>
All Other Governmental Funds										
Nonspendable	\$ 295	\$ -	\$ -	\$ -	\$ 150	\$ 208	\$ 1,802	\$ 1,028	\$ 318	\$ 89
Restricted	92,442	95,394	113,922	78,490	67,578	73,408	45,153	39,827	31,653	24,690
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned: (2)										
Special Revenue Fund	-	(336)	(849)	(501)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 92,737</u>	<u>\$ 95,058</u>	<u>\$ 113,073</u>	<u>\$ 77,989</u>	<u>\$ 67,728</u>	<u>\$ 73,616</u>	<u>\$ 46,955</u>	<u>\$ 40,855</u>	<u>\$ 31,971</u>	<u>\$ 24,779</u>

Notes:

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

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

Source: District Records

Table 5

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

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Revenues:										
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 105	\$ 92	\$ 116	\$ 121	\$ 133	\$ 101	\$ 167	\$ 146	\$ 152	\$ 153
Other Federal Direct Sources	366	128	291	62	-	694	1,523	1,457	1,451	1,450
Total Federal Direct	471	220	407	183	133	795	1,690	1,603	1,603	1,603
Federal Through State Sources:										
Food Service	3,879	3,734	4,343	5,202	5,694	5,645	6,215	6,243	6,384	6,469
Donated Foods	292	145	-	-	-	-	-	-	-	-
Other Federal Through State Grants	7,638	7,993	7,866	7,987	18,178	22,254	9,607	9,766	10,805	11,255
Total Federal Through State Sources:	11,809	11,872	12,209	13,189	23,872	27,899	15,822	16,009	17,189	17,724
Federal Through Local Sources:										
Other Federal Through Local Grants	14	48	-	-	-	-	-	-	-	-
Total Federal Through Local Sources:	14	48	-	-	-	-	-	-	-	-
State Sources:										
Florida Education Finance Program (FEFP)	6,581	8,326	4,575	5,732	1,726	6,164	8,141	13,252	20,125	20,302
Categorical Programs - Class Size Reduction	16,866	19,652	23,096	25,476	18,851	19,449	19,742	19,806	19,323	19,310
District Discretionary Lottery Funds	797	672	831	425	49	66	58	-	175	64
CO&DS Distribution	100	100	193	96	83	72	69	79	75	97
CO&DS Withheld for SBE/COBI Bonds	500	565	489	592	590	601	603	603	602	575
Public Education Capital Outlay	2,386	3,082	3,660	1,829	295	825	-	-	-	321
Food Service	159	171	126	113	140	122	119	115	109	106
Other State Sources	1,970	12,144	4,239	7,084	3,279	3,397	3,228	3,771	3,350	3,040
Total State Sources	29,359	44,712	37,209	41,347	25,013	30,696	31,960	37,626	43,759	43,815
Local Sources:										
Ad Valorem Taxes	113,741	128,553	135,787	124,807	122,868	119,952	111,805	108,487	107,847	110,718
Impact Fees	5,409	1,055	1,186	291	279	332	409	713	940	1,149
Food Service	2,953	2,466	2,775	3,025	2,953	2,842	2,491	2,087	1,722	1,639
Investment Income	4,689	6,995	4,776	(739)	1,741	1,228	729	875	283	294
Other Local Sources	3,593	3,932	4,442	2,801	2,610	2,632	3,259	3,607	3,065	3,657
Total Local Sources	130,385	143,001	148,966	130,185	130,451	126,986	118,693	115,769	113,857	117,457
Total Revenues	\$ 172,038	\$ 199,853	\$ 198,791	\$ 184,904	\$ 179,469	\$ 186,376	\$ 168,165	\$ 171,007	\$ 176,408	\$ 180,599

Source: District Records

(Continued)

Table 5

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenditures:										
Current:										
Instruction	\$ 73,938	\$ 82,218	\$ 89,240	\$ 90,317	\$ 90,005	\$ 89,556	\$ 84,976	\$ 84,134	\$ 90,852	\$ 91,382
Student Personnel Services	4,298	5,089	5,179	5,124	4,971	4,447	4,238	4,149	4,469	4,531
Instructional Media Services	2,012	2,065	2,060	2,173	2,238	1,991	1,841	1,851	1,951	1,975
Instruction and Curriculum Development Services	6,203	6,202	6,664	5,852	5,186	4,627	4,183	4,716	5,022	5,262
Instructional Staff Training Services	1,086	1,197	1,161	955	2,115	2,040	1,958	1,821	2,274	2,160
Instruction Related Technology (a)	429	591	934	832	949	921	1,246	830	1,176	2,587
School Board	1,371	1,060	1,040	1,013	1,078	954	763	724	866	911
General Administration	806	826	686	816	729	795	717	944	806	1,451
School Administration	6,918	8,851	9,275	9,060	8,270	7,868	7,185	7,835	7,809	7,989
Facilities Services-Non-Capitalized	6,831	12,222	13,372	10,530	11,732	13,677	5,360	6,207	3,712	4,847
Fiscal Services	1,061	1,307	1,218	1,141	1,147	1,318	1,097	1,427	1,181	1,209
Food Service	7,700	7,896	8,158	8,056	7,859	7,446	8,440	7,915	7,796	7,758
Central Services	2,445	2,571	2,519	2,080	2,085	2,024	1,942	2,005	2,253	1,936
Student Transportation Services	4,137	5,175	6,060	5,468	5,208	4,958	5,048	5,011	5,202	4,939
Operation of Plant	12,225	14,030	14,726	12,721	11,175	10,766	11,953	12,217	12,217	12,046
Maintenance of Plant	3,702	3,827	3,428	3,323	-	299	2,800	3,006	2,932	2,996
Administrative Technology Services (a)	1,639	1,908	2,318	2,473	2,237	2,506	1,845	2,137	3,359	3,760
Community Services	962	1,012	1,006	46	278	277	248	233	245	15
Capital Outlay:										
Facilities Acquisition and Construction	48,896	25,642	42,802	43,701	14,720	20,710	28,062	10,570	17,988	9,588
Other Capital Outlay	3,617	3,750	2,990	5,400	4,106	1,034	2,166	2,170	3,035	1,859
Debt Service:										
Principal	13,912	6,947	8,089	8,475	9,128	9,429	9,898	10,338	5,712	6,249
Interest and Fiscal Charges	5,028	5,085	7,273	7,100	6,882	7,376	7,387	6,976	6,344	6,637
Total Expenditures	209,216	199,471	230,198	226,656	192,098	195,019	193,353	177,216	187,201	182,087
Excess of Revenues over (under) Expenditures	(37,178)	382	(31,407)	(41,752)	(12,629)	(8,643)	(25,188)	(6,209)	(10,793)	(1,488)
Other Financing Sources (Uses)										
Transfers In	13,451	9,403	14,692	16,303	13,375	10,846	15,649	12,795	16,490	13,895
Transfers Out	(13,451)	(9,403)	(14,692)	(16,303)	(13,375)	(10,846)	(15,649)	(12,795)	(16,490)	(13,895)
Sale of Capital Assets	44	24	13	99	57	88	68	291	1,063	244
Loss Recoveries	6,814	538	1,134	16	3	43	175	492	250	9
Bonds Payable	-	-	1,210	-	-	160	-	-	-	-
Issuance of Refunding Debt	-	-	-	-	-	-	-	-	3,603	45,455
Certificates of Participation	80,050	-	45,020	-	-	26,261	-	-	-	-
Premiums on Issuance of Long-Term Debt	912	-	552	-	-	14	-	-	555	7,178
Payment to Refunding Escrow Agent	-	-	-	-	-	-	-	-	-	(55,188)
Capital Lease Inception	-	-	-	1,766	-	-	-	-	-	-
Total Other Financing Sources (Uses)	87,820	562	47,929	1,881	60	26,566	243	783	5,471	(2,302)
Net Change in Fund Balances	\$ 50,642	\$ 944	\$ 16,522	\$ (39,871)	\$ (12,569)	\$ 17,923	\$ (24,945)	\$ (5,426)	\$ (5,322)	\$ (3,790)
Debt Service as a percentage of non-capital expenditures	12.09%	7.07%	8.33%	8.77%	9.24%	9.70%	10.60%	10.53%	7.25%	7.55%

Note:

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

Source: District Records

Table 6

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

Fiscal Year		Real Property Just Value	Personal Property Just Value	Total Just Value (1)	Total Taxable Value	Percent of Total Taxable Value To Total Just Value	Total Direct Rate
2014-15	\$	17,837,771	\$ 696,659	\$ 18,570,210	\$ 14,298,612	77.0%	7.995
2013-14		16,819,746	697,295	17,530,475	13,687,584	78.1%	8.116
2012-13		16,551,936	635,119	17,199,280	13,492,590	78.4%	8.313
2011-12		17,279,268	644,206	17,937,953	14,009,273	78.1%	8.244
2010-11		17,312,036	652,541	17,979,056	14,990,362	83.4%	8.250
2009-10		21,257,277	761,011	22,033,451	16,698,857	75.8%	7.596
2008-09		24,122,081	739,468	24,881,556	18,328,612	73.7%	7.040
2007-08		25,141,885	782,529	25,938,182	18,620,780	71.8%	7.538
2006-07		25,447,211	755,187	26,214,228	17,885,105	68.2%	7.443
2005-06		19,253,495	712,012	19,977,046	14,279,413	71.5%	8.240

Note:

(1) Includes Centrally Assessed Property

Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book, 2006-2015

Table 7

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

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
District School Board:										
Local Required Effort	5.2440	4.5510	4.6570	4.4100	5.0480	5.4220	5.3960	5.4250	5.2680	5.1470
Discretionary Local	0.5100	0.5100	0.5100	0.4980	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.1260	0.1020	0.1010	0.1020	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Critical Operating Needs	0.0000	0.0000	0.0000	0.0000	0.0000	0.2500	0.2500	0.2500	0.6000	0.6000
Debt Service	0.3600	0.2800	0.2700	0.2800	0.3000	0.3300	0.3500	0.3900	0.0000	0.0000
Capital Improvement	2.0000	2.0000	2.0000	1.7500	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board	8.2400	7.4430	7.5380	7.0400	7.5960	8.2500	8.2440	8.3130	8.1160	7.9950
Other County-Wide:										
Board of County Commissioners	4.9173	4.3250	4.1037	4.1493	4.1666	4.1625	4.1625	4.1625	5.2419	5.3174
St. John River Water Management	0.4620	0.4620	0.4158	0.4158	0.4158	0.4158	0.3313	0.3313	0.3164	0.3164
Total County-Wide	13.6193	12.2300	12.0575	11.6051	12.1784	12.8283	12.7378	12.8068	13.6743	13.6288
Municipalities:										
Fellsmere	5.7500	5.7500	4.4301	4.4300	4.4300	4.4300	5.2455	5.4999	5.6190	5.5309
Indian River Shores	1.4730	1.4730	1.3923	1.3923	1.3923	1.4105	1.4731	1.4731	1.4731	1.6786
Sebastian	3.9325	3.0519	2.9917	3.3456	3.3456	3.3041	3.3041	3.7166	3.7166	3.8556
Orchid	0.6900	0.4525	0.4494	0.4550	0.4550	0.4550	0.4550	0.5000	0.4864	0.5188
Vero Beach	2.2925	2.1425	1.9367	1.9367	1.9367	1.9367	2.0336	2.0336	2.0336	2.0336

Source: Indian River County Tax Collector

Table 8

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

Taxpayer	Type of Business	Rank	Fiscal Year	
			2014-2015	
			Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	Electrical Utility	1	\$ 112,933,476	0.79%
Disney Vacation Dev., Inc.	Resort	2	77,340,700	0.54%
Windsor Properties	Land Development	3	40,149,993	0.28%
John's Island Club, Inc.	Land Development	4	39,786,080	0.28%
Adult Community Services, Inc.	Retirement Community	5	37,143,645	0.26%
AT&T	Telephone Utility	6	36,518,283	0.26%
Well's Fargo	Banking	7	28,977,860	0.20%
Piper	Manufacturing	8	23,356,342	0.16%
MHC Village Green	Mobile Home Community	9	22,358,570	0.16%
Walmart	Retail	10	21,562,877	0.15%
Total			\$ 440,127,826	3.08%
Total County Taxable Valuation			\$ 14,298,612	

Taxpayer	Type of Business	Rank	Fiscal Year	
			2005-2006	
			Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	Electric Utility	1	\$ 92,231,068	0.65%
Disney Vacation Dev., Inc.	Resort	2	86,741,240	0.61%
Bellsouth Telecommunications, Inc.	Telephone Utility	3	60,000,000	0.42%
IR Mall Associates LTD	Retail	4	57,482,520	0.40%
Windsor Properties	Land Development	5	44,680,417	0.31%
John's Island Club, Inc.	Club & Golf Course	6	42,579,065	0.30%
Adult Community Total Services	Retirement Community	7	34,203,480	0.24%
New Piper Aircraft, Inc.	Aircraft Manufacturer	8	31,326,724	0.22%
Wal-Mart Stores, Inc.	Retail	9	30,939,490	0.22%
Fellsmere Joint Venture	Agricultural	10	27,547,984	0.19%
Total			\$ 507,731,988	3.56%
Total County Taxable Valuation			\$ 14,279,413	

Source: Indian River County Property Appraiser

Table 9

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

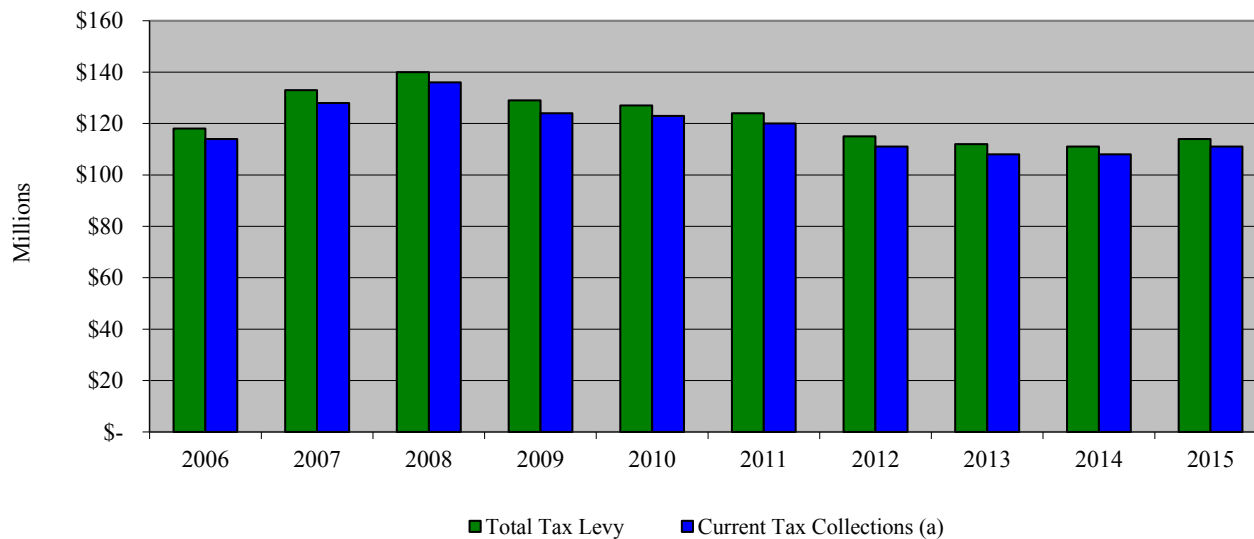
Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections (a)	Percent of Levy		Amount	Percent of Levy
2014-15	\$ 114,246,507	\$ 110,659,129	96.86%	\$ -	\$ 110,659,129	96.86%
2013-14	111,086,921	107,716,313	96.97%	58,478	107,774,791	97.02%
2012-13	112,162,883	108,355,535	96.61%	130,937	108,486,472	96.72%
2011-12	115,490,776	111,658,599	96.68%	129,465	111,788,064	96.79%
2010-11	123,732,637	119,596,795	96.66%	147,355	119,744,150	96.78%
2009-10	126,867,058	122,523,901	96.58%	354,944	122,878,845	96.86%
2008-09	129,610,986	124,807,833	96.29%	344,273	125,152,106	96.56%
2007-08	140,360,409	135,787,419	96.74%	123,000	135,910,419	96.83%
2006-07	133,125,836	127,641,674	95.88%	12,803	127,654,477	95.89%
2005-06	117,644,386	113,740,009	96.68%	11,332	113,751,341	96.69%

Note:

(a) Net of allowable discounts

Source: Indian River County Tax Collector and District Records

Property Tax Levies and Collections



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

Fiscal Year	Governmental Activities ⁽¹⁾					Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	State Board of Education Bonds	Certificates Of Participation ⁽²⁾	Capital Leases	Total Primary Government		
2005-06	28,985,000	6,370,000	80,916,607	329,818	116,601,425	1.665%	862
2006-07	25,310,000	6,090,000	77,970,996	237,974	109,608,970	1.403%	784
2007-08	21,505,000	7,090,000	119,427,516	163,043	148,185,559	1.932%	1,046
2008-09	17,580,000	6,825,000	115,151,530	1,849,599	141,406,129	1.858%	1,000
2009-10	13,520,000	6,545,000	110,720,543	1,421,555	132,207,098	1.914%	978
2010-11	9,270,000	6,405,000	132,390,557	1,062,988	149,128,545	3.273%	1,080
2011-12	4,750,000	6,090,000	127,629,571	689,849	139,159,420	1.791%	1,008
2012-13	-	5,760,000	122,688,585	301,547	128,750,132	1.807%	921
2013-14	-	9,573,011	117,552,599	-	127,125,610	1.694%	895
2014-15	\$ -	\$ 4,664,000	\$ 113,923,171	\$ -	\$ 118,587,171	1.297%	819

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

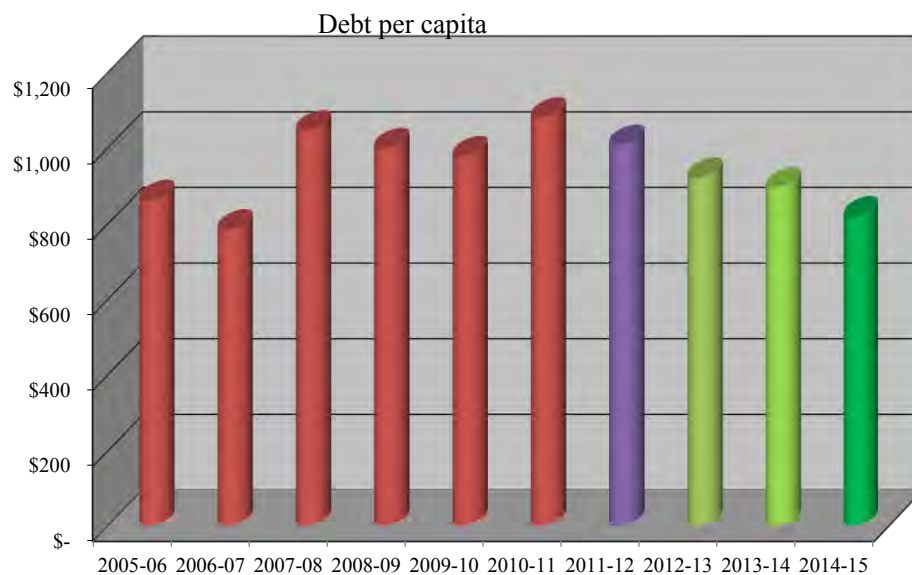
⁽¹⁾ Source: District Records

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

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

⁽²⁾ Source: District Records

Restatement of Certificate of Participation balances to include premiums and discounts



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

Fiscal Year	Estimated Population (a)	Net Taxable Assessed Value (b)	Gross Bonded Debt (c)	Less Debt Service Funds (d)	Net Bonded Debt	Percentage of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2014-15	144,755	\$ 17,837,771	\$ -	\$ -	\$ -	0.000%	\$ -
2013-14	141,994	16,819,746	-	-	-	0.000%	-
2012-13	139,760	16,551,936	-	-	-	0.000%	-
2011-12	138,028	17,279,268	4,750,000	419,786	4,330,214	0.025%	31
2010-11	138,028	17,312,036	9,270,000	776,002	8,493,998	0.049%	62
2009-10	135,167	21,257,277	13,520,000	964,606	12,555,394	0.059%	93
2008-09	141,475	24,122,081	17,580,000	1,081,591	16,498,409	0.068%	117
2007-08	141,667	25,141,885	21,505,000	1,093,205	20,411,795	0.081%	144
2006-07	139,757	25,447,211	25,310,000	1,159,579	24,150,421	0.095%	173
2005-06	135,262	19,253,495	28,985,000	1,190,421	27,794,579	0.144%	205

Notes:

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

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

(c) Includes General Obligation Bonds only.

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

Table 12

The School Board of Indian River County, Florida
Direct and Overlapping Governmental Activities Debt
June 30, 2015
(Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt ⁽³⁾⁽⁴⁾	
			Percentage Applicable to This Governmental Unit	Amount Applicable to This Governmental Unit	Percentage Applicable to Indian River County	Amount Applicable to Indian River County
Indian River County Board of County Commissioners ⁽¹⁾						
Series 2001-Revenue Bonds	\$ 7,700,000	\$ -	0%	\$ -	100%	\$ 7,700,000
Series 2006-Limited GO Bonds	<u>26,639,265</u>	-	0%	-	100%	<u>26,639,265</u>
Subtotal, Overlapping Debt	\$ 34,339,265					\$ 34,339,265
School Board of Indian River County ⁽²⁾						
Series 2008A State School Bonds	-	\$ 930,000	100%	\$ 930,000	100%	\$ 930,000
Series 2010A State School Bonds	-	135,000	100%	135,000	100%	135,000
Series 2014A State School Bonds	-	3,599,000	100%	3,599,000	100%	3,599,000
2007 Certificates of Participation ^(a)	-	35,335,000	100%	35,335,000	100%	35,335,000
2014A Certificates of Participation ^(a)	-	44,845,000	100%	44,845,000	100%	44,845,000
2010 Certificates of Participation ^{(a)/(b)}	<u>-</u>	<u>26,261,000</u>	100%	<u>26,261,000</u>	100%	<u>26,261,000</u>
Indian River School Board Direct Debt	-	111,105,000		111,105,000		111,105,000
Total Direct and Overlapping Debt	\$ 34,339,265	\$ 111,105,000		\$ 111,105,000		\$ 145,444,265
Total Direct Debt of the School Board				<u>\$ 111,105,000</u>		
Total Direct and Overlapping Debt						<u>\$ 145,444,265</u>

Notes:

(1) Source: Indian River County, Florida Comprehensive Annual Financial Report dated September 30, 2014.

(2) Source: District Records

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

(b) Qualified School Construction Bond- \$5,893,276 available in sinking fund for repayment of outstanding debt.

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

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

Table 13

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

Fiscal Year	Principal	Interest	Total Debt Service (c)	Total General Governmental Non-Capital Expenditures (a) (b)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2014-15	\$ -	\$ -	\$ -	\$ -	0.000
2013-14	-	-	-	-	0.000
2012-13	4,750,000	261,250	5,011,250	164,476	0.030
2011-12	4,520,000	487,250	5,007,250	163,125	0.031
2010-11	4,250,000	643,948	4,893,948	173,275	0.028
2009-10	4,060,000	821,223	4,881,223	173,272	0.028
2008-09	3,925,000	952,898	4,877,898	177,555	0.027
2007-08	3,805,000	1,072,560	4,877,560	184,406	0.026
2006-07	3,675,000	1,187,810	4,862,810	157,857	0.031
2005-06	3,535,000	1,328,560	4,863,560	149,872	0.032

Notes:

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

(b) Amounts expressed in thousands.

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

Source: District Records

Table 14

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

Fiscal Year	Tax Year	Taxable Assessed Valuation (5)	Principal Payments (2)(3)	Interest Payments (4)	Total Annual Lease Payments	Millage Levy to Provide 1.00x Coverage (1)
2014-15	2014	\$ 14,298,612,080	\$ 7,707,944	\$ 5,186,456	\$ 12,894,400	.799 mills
2013-14	2013	13,687,584,000	6,523,944	4,602,166	11,126,110	.847 mills
2012-13	2012	13,492,590,000	6,328,944	4,755,046	11,083,990	.856 mills
2011-12	2011	14,009,273,000	6,148,944	4,869,490	11,018,434	.819 mills
2010-11	2010	14,990,362,000	4,520,000	5,024,572	9,544,572	.663 mills
2009-10	2009	16,698,857,000	4,360,000	5,169,738	9,529,738	.601 mills
2008-09	2008	18,328,612,000	4,205,000	5,322,413	9,527,413	.547 mills
2007-08	2007	18,620,780,000	4,000,000	5,167,744	9,167,744	.518 mills
2006-07	2006	17,885,105,000	2,900,000	3,494,286	6,394,286	.376 mills
2005-06	2005	14,279,413,000	-	2,135,397	2,135,397	.157 mills

Notes:

- (1) Millage rate calculated using 95% of the taxable assessed valuation; 96% beginning in fiscal year 2010-11.
- (2) The District first issued COPs in November 2005, with the first payment due during the 2006-07 fiscal year.
- (3) Includes \$1,458,944 payment to the Qualified School Construction Bond sinking fund for repayment of outstanding debt.
- (4) Interest amounts are net of Qualified School Construction Bond Federal interest subsidy.
- (5) See Assessed and Estimated Actual Value of Taxable Property Table 6.

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

Source: District Records

Table 15

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

Fiscal Year	Population (1)(2)(5)	Personal Income (1)(2)(4)	Per Capita Personal Income (1)(2)(5)	Median Age (1)(5)	Unemployment Rate (3)(5)	Education Level (5)			School Enrollment (6)	Government-Wide Governmental Activities Expenses (4)	Cost per Student
						High School	Bachelors	Graduate			
2014-15	144,755	\$ 9,139,902	63,140	49.7	8.7%	23.3%	14.5%	16.0%	17,658	178,051	\$ 10,083
2013-14	141,994	7,505,093 *	52,855	49.1	7.1%	80.1%	26.5%	9.6%	17,614	178,227	10,118
2012-13	139,760	7,124,545 *	50,977	48.6	9.7%	86.3%	26.7%	9.8%	17,790	172,872	9,717
2011-12	138,028	7,771,390 *	56,303	49.1	12.5%	n/a	n/a	n/a	17,722	171,087	9,654
2010-11	138,028	4,556,856 *	33,014	49.4	13.7%	n/a	n/a	n/a	17,561	177,523	10,109
2009-10	135,167	6,908,274	49,963	n/a	14.4%	87.6%	26.5%	9.6%	17,516	183,623	10,483
2008-09	141,475	7,610,327	56,303	48.9	13.0%	86.4%	26.5%	9.6%	17,398	187,735	10,791
2007-08	141,667	7,669,062	57,107	48.4	8.0%	86.7%	26.7%	9.6%	17,481	189,830	10,859
2006-07	139,757	7,810,408	59,419	n/a	5.8%	n/a	n/a	n/a	17,365	174,773	10,065
2005-06	135,262	7,002,160	51,767	48.1	4.3%	82.1%	23.1%	7.9%	16,942	148,732	8,779

Sources:

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

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

(3) Florida Agency for Workforce Innovation

(4) Amounts Expressed in Thousands

(5) Indian River County Chamber of Commerce

(6) District Records

'n/a' = not available.

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

Table 16

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

	Fiscal Year		
	2014-2015		
Employer	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	2,113	1	3.51%
Indian River Medical Center	1,753	2	2.91%
Indian River County	1,328	3	2.21%
Publix Supermarkets	1,250	4	2.08%
Piper Aircraft, Inc. ^(b)	850	5	1.41%
Wal-Mart	693	6	1.15%
Sebastian River Medical Center	569	7	0.95%
John's Island	526	8	0.87%
City of Vero Beach	424	9	0.70%
Visiting Nurse Association	399	10	0.66%
	9,905		12.95%
Total MSA Workforce	60,177		

	Fiscal Year		
	2005-2006		
Employer	Employees	Rank	Percentage of Total MSA Employment
School District of Indian River County	2,106	1	3.41%
Indian River Medical Center ^(a)	1,549	2	2.51%
Indian River County	1,528	3	2.48%
The New Piper Aircraft, Inc. ^(b)	1,100	4	1.78%
Publix Supermarkets	950	5	1.54%
City of Vero Beach	600	6	0.97%
Sebastian River Medical Center	525	7	0.85%
John's Island	475	8	0.77%
Hale Indian River Groves	470	9	0.76%
Wal-Mart	462	10	0.75%
	9,765		15.83%
Total MSA Workforce	61,703		

Notes:

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.

Table 17

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

	Placed in	Square	Portables	Capacity	Full-Time Equivalent Enrollment Data									
	Service (1)	Footage (2)			2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 ^(d)	2014-15
Elementary Schools														
Beachland Elementary	1957	97,178	3	601	522	540	561	564	584	575	598	612	588	519
Citrus Elementary	1967	94,872	12	826	585	560	633	602	577	659	691	675	673	709
Dodgertown Elementary	1967	118,553	1	584	705	654	584	495	490	488	431	441	433	477
Fellsmere Elementary	1982	105,345	-	787	631	568	525	563	599	621	667	668	679	668
Glendale Elementary	1987	76,089	5	691	662	652	600	466	487	562	502	513	491	541
Highlands Elem/Indian River Academy	1987	65,867	-	619	462	535	562	457	429	444	467	465	465	483
Liberty Magnet Elementary	2002 ^(a)	105,793	-	666	537	542	538	541	534	542	549	549	545	546
Osceola Magnet Elementary ^(c)	1958	-	-	-	543	546	537	526	535	535	563	-	-	-
Pelican Island Elementary	1981	70,492	5	591	696	453	491	467	452	428	514	503	482	456
Rosewood Magnet Elementary	1957	84,042	-	543	551	548	539	526	538	556	553	547	547	552
Sebastian Elementary	1984	85,825	-	637	687	639	545	554	562	509	516	505	534	501
J.A. Thompson Elementary/Osceola ^(b)	1982	82,617	-	557	413	422	436	355	322	35	40	530	533	534
Treasure Coast Elementary	2006 ^(a)	108,516	-	799	-	673	783	706	622	645	637	636	648	647
Vero Beach Elementary	1971	110,460	-	796	584	556	506	517	547	576	598	662	693	706
Total Elementary				8,697	7,578	7,888	7,840	7,339	7,278	7,175	7,326	7,306	7,311	7,339
Middle Schools														
Gifford Middle	1951	135,033	-	1,136	1,263	1,298	1,268	1,326	970	1,033	951	884	862	814
Oslo Middle	1994	152,045	-	1,140	1,147	1,140	1,142	1,076	961	921	899	915	909	878
Sebastian River Middle	1977	170,368	7	1,261	1,318	1,367	1,393	1,415	969	992	963	919	847	876
Storm Grove	2009	167,794	-	1,382	-	-	-	-	883	819	815	876	918	912
Total Middle Schools				4,919	3,728	3,805	3,803	3,817	3,783	3,765	3,628	3,594	3,536	3,480

Source: District Records

(Continued)

Notes:

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

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

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

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

Table 17

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

	Place in	Square			Full-Time Equivalent Enrollment Data									
	Service (1)	Footage (2)	Portables	Capacity	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (3)	2014-15
High Schools														
Sebastian River High School	1993	346,926	3	2,440	1,848	1,925	2,014	1,939	1,933	1,882	1,850	1,863	1,809	1,771
Vero Beach Senior High School	1964	511,811	-	3,072	2,644	2,637	2,652	2,632	2,646	2,678	2,753	2,767	2,653	2,711
Total High Schools				5,512	4,492	4,562	4,666	4,571	4,579	4,560	4,603	4,630	4,462	4,482
Specialty Schools														
Adult Education	1951	9,074	-	-										
Alternative Education	2005	44,430	-	328	119	116	150	155	127	96	64	52	49	45
Exceptional Student Education	n/a	n/a	-	-	22	-	-	24	48	49	58	60	61	39
Teen Parent	n/a	n/a	-	-	18	17	17	42	19	25	25	13	14	9
Wabasso	1925	37,739	1	81	62	62	55	56	55	48	45	46	46	53
Florida Virtual				-	-	-	-	-	15	14	20	40	44	50
Total Specialty Schools				409	221	195	222	277	264	232	212	211	214	196
Charter Schools														
Imagine School at South Vero, LLC	n/a	n/a	n/a	-	-	-	-	434	577	742	813	854	895	903
Indian River Academy	n/a	n/a	n/a	-	11	-	-	-	-	-	-	-	-	-
Indian River Charter High School, Inc.	n/a	n/a	n/a	-	585	576	620	621	635	634	624	653	617	606
North County Charter High School, Inc.	n/a	n/a	n/a	-	103	102	100	94	135	149	201	225	256	272
Sebastian Charter Junior High, Inc.	n/a	n/a	n/a	-	127	131	131	132	141	156	176	185	202	260
St. Peters Academy, Inc.	n/a	n/a	n/a	-	97	106	99	113	124	148	139	132	121	120
Total Charter Schools				-	923	915	950	1,394	1,612	1,829	1,953	2,049	2,091	2,161
Departments														
Administrative Building	1989	26,755	-	-	-	-	-	-	-	-	-	-	-	-
Support Service Complex	2012	68,478	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	1951	25,530	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Sites				-	-	-	-	-	-	-	-	-	-	-
Total District				19,537	16,942	17,365	17,481	17,398	17,516	17,561	17,722	17,790	17,614	17,658

Notes:

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

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

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

Source: District Records

Table 18

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

Fiscal Year	(a) Instructional	(b) Administrative	(c) Support Services	(d) Total	(e) Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
2014-15	1,102	73	879	2,054	16.02	15.10
2013-14	1,106	73	921	2,100	15.93	15.15
2012-13	1,098	71	874	2,043	16.20	15.46
2011-12	1,074	66	845	1,985	16.50	16.27
2010-11	1,092	65	838	1,995	16.08	16.80
2009-10	1,094	77	871	2,042	16.01	14.21
2008-09	1,086	82	897	2,065	16.02	13.24
2007-08	1,112	86	976	2,174	15.72	12.93
2006-07	1,072	98	958	2,128	16.20	10.94
2005-06	1,027	74	894	1,995	16.50	13.88

Notes:

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

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

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

(d) Includes all full and part-time positions

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

Source: District Records

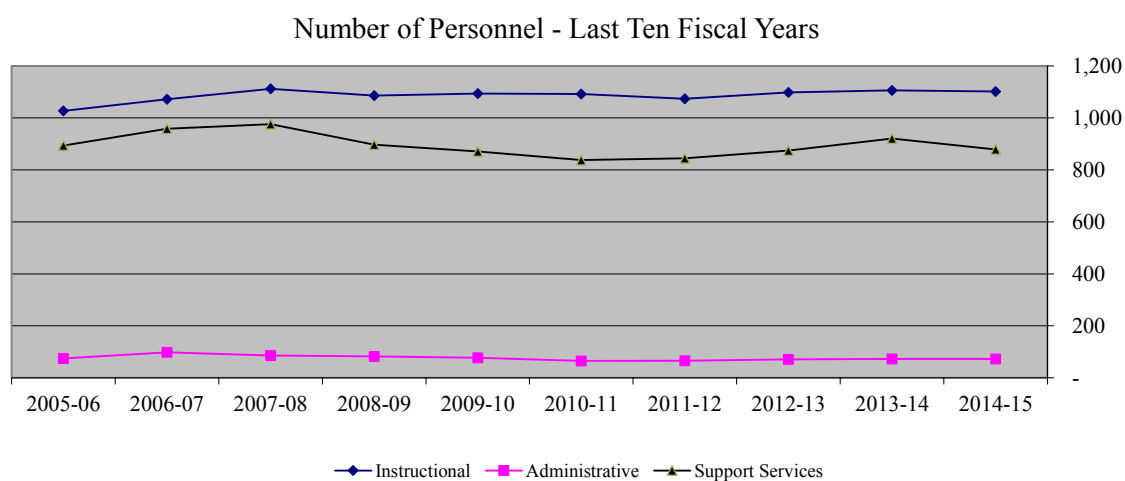


Table 19

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

Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	Indian River Average Salary ⁽²⁾	Statewide Average Salary ⁽²⁾
2005-06	\$ 32,000	\$ 56,109	\$ 40,756	\$ 42,702
2006-07	34,240	59,258	43,162	45,296
2007-08	35,500	61,009	43,427	46,922
2008-09	35,500	61,009	45,030	46,938
2009-10	35,500	61,009	46,356	46,696
2010-11	35,500	61,974	45,449	45,723
2011-12	35,500	61,974	45,653	46,479
2012-13	35,500	61,974	44,824	46,583
2013-14	38,000	60,200	44,750	47,780
2014-15	38,000	60,200	46,473	47,950

10 Month Teachers

Sources:

⁽¹⁾ District Records

⁽²⁾ Florida Department of Education Bureau of Education Information & Accountability Services. Survey 3 Data

Average Teacher Salary

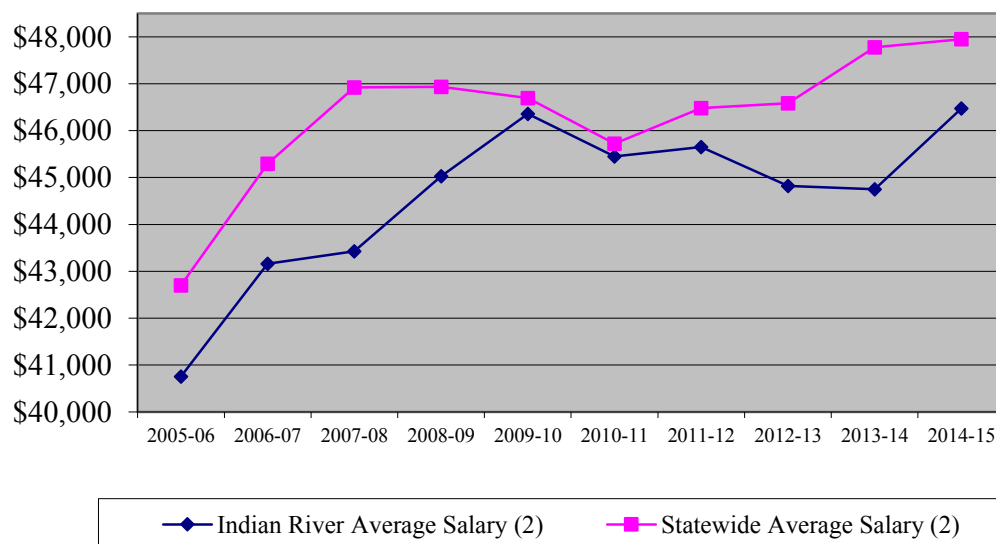


Table 20

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

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Days Meals were Served	180	180	180	179 (a)	180	180	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	11,409	8,623	9,326	10,005	11,109	11,357	11,579	11,207	11,350	11,114
Number of Free and Reduced Meals Served	2,053,627	1,552,215	1,678,680	1,790,833	1,999,609	2,044,233	2,084,236	2,017,348	2,042,955	2,000,510
Average Daily Subsidy Received	\$ 25,890	\$ 21,549	\$ 24,126	\$ 29,063	\$ 31,635	\$ 32,035	\$ 35,186	\$ 35,319	\$ 35,468	\$ 36,525
Total Subsidy Received	\$ 4,660,210	\$ 3,878,876	\$ 4,342,612	\$ 5,202,288	\$ 5,694,339	\$ 5,766,294	\$ 6,333,543	\$ 6,357,397	\$ 6,384,216	\$ 6,574,513
Average Number of Meals Served Daily	16,947	13,648	13,952	13,630	14,183	14,113	14,463	13,018	13,105	12,595
Number of Meals Served	3,050,457	2,456,569	2,511,415	2,439,791	2,552,938	2,540,300	2,603,325	2,343,159	2,358,973	2,267,052
Percentage of Free and Reduced Meals Served to Total Meals Served	67%	63%	67%	73%	78%	80%	80%	86%	87%	88%
Average Daily Revenues	\$ 41,747	\$ 38,914	\$ 42,261	\$ 46,636	\$ 48,997	\$ 47,905	\$ 49,084	\$ 46,987	\$ 45,700	\$ 45,720
Total Revenues	\$ 7,514,491	\$ 7,004,535	\$ 7,606,961	\$ 8,347,783	\$ 8,819,402	\$ 8,622,822	\$ 8,835,068	\$ 8,457,652	\$ 8,226,006	\$ 8,229,575
Average Daily Costs	\$ 42,675	\$ 43,720	\$ 45,112	\$ 44,689	\$ 43,476	\$ 41,329	\$ 47,743	\$ 43,769	\$ 43,909	\$ 43,714
Total Costs	\$ 7,681,532	\$ 7,869,558	\$ 8,120,103	\$ 7,999,364	\$ 7,825,667	\$ 7,439,183	\$ 8,593,734	\$ 7,878,425	\$ 7,903,586	\$ 7,868,543

Source: District Records

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

Federal Reports and Schedules

- Schedule of Expenditures of Federal Awards
- 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 for each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings – Federal Awards

SCHOOL BOARD OF INDIAN RIVER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass- Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	14002	\$ 1,183,617.68	
National School Lunch Program	10.555 (2)	14001, 14003	4,585,326.82	
Summer Food Service Program for Children	10.559	14006	199,017.05	
Total Child Nutrition Cluster			<u>5,967,961.55</u>	<u>-</u>
Indirect:				
Florida Department of Education:				
Child and Adult Care Food Program	10.558	302	268,120.32	
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	14004	<u>235,952.43</u>	
Total United States Department of Agriculture			<u>6,472,034.30</u>	<u>-</u>
United States Department of Education:				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027 (3)	263	4,373,209.71	30,004.29
Special Education - Preschool Grants	84.173	267	98,672.63	
St. Lucie County District School Board:				
Special Education - Grants to States	84.027 (3)	None	18,933.00	
University of South Florida:				
Special Education - Grants to States	84.027 (3)	None	<u>1,480.45</u>	
Total Special Education Cluster			<u>4,492,295.79</u>	<u>30,004.29</u>
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	164,951.51	
Title I Grants to Local Educational Agencies	84.010	212,226	4,620,398.47	55,760.45
Migrant Education State Grant Program	84.011	217	57,420.55	
Career and Technical Education - Basic Grants to States	84.048	161	195,282.72	
Twenty-First Century Community Learning Centers	84.287	244	16,437.74	
English Language Acquisition Grants	84.365	102	182,139.83	5,187.37
Improving Teacher Quality State Grants	84.367	224	463,343.57	
ARRA - State Fiscal Stabilization Fund (SFSF) -				
Race-to-the-Top Incentive Grants, Recovery Act	84.395	RA111, RG311, RG 411, RL111	<u>644,400.94</u>	
United States Department of Health and Human Services				
Indirect:				
Florida Developmental Disabilities Council, Inc:				
Developmental Disabilities Basic Support and Advocacy Grant	93.630	896CD14B	<u>50,000</u>	
Total Indirect			<u>10,886,671.12</u>	<u>90,952.11</u>
Total United States Department of Education			<u>10,886,671.12</u>	<u>90,952.11</u>
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	<u>153,345.94</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 17,512,051.36</u>	<u>\$ 90,952.11</u>

Notes:

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

(2) Noncash Assistance: National School Lunch Program - Includes \$303,817.54 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) Special Education - Grants to States. Expenditures total \$4,393,623.16 for CFDA No. 84.027.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Indian River County District School Board, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 26, 2016, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination

of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

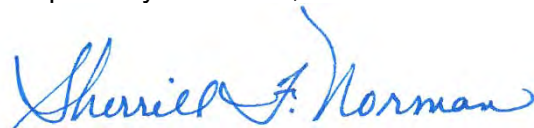
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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. 2016-077.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS** is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 26, 2016
Audit Report No. 2016-099



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for the Major Federal Program

We have audited the Indian River County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2015. The District's major Federal program is identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the District's major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a middle initial.

Sherrill F. Norman, CPA
Tallahassee, Florida
February 26, 2016
Audit Report No. 2016-099

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
Identification of major Federal program:	
CFDA Number: 84.010	Name of Federal Program or Cluster: Title I Grants to Local Educational Agencies
Dollar threshold used to distinguish between Type A and Type B programs:	\$525,361
Auditee qualified as low-risk auditee?	Yes

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

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.	Warrants no further action.	It has been more than 2 years since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse. The grantor is not currently following up with the District on the audit finding and a management decision has not been issued.

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. Mark J. Rendell	Mr. Andrew Rynberg	Dr. Edwina Suit	Dr. Michael Ferrentino
Superintendent	Assistant Superintendent	Executive Director	Executive Director
Indian River County Public Schools	Curriculum and Instruction	Human Resources	Exceptional Student Education/Student Services

School District of Indian River County

6500, 57th Street Vero Beach, Florida

32967-3395

(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:

Dr. Edwina Suit
Executive Director
Division of Human Resources

School District of Indian River County

6500, 57th Street

Vero Beach, Florida 32967-3395

(772) 564-3000

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