School Board of Indian River County
Vero Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for fiscal year ended June 30, 2010

Harry J. La Cava, Ed.D.
Superintendent

A Drug-Free Workplace
An Equal Opportunity Employer

Front Cover: Mrs. Cheryl Conley, Indian River County and Florida
DOE/Macy's 2011 Teacher of the Year
Teaching 4th Grade Class
Dodgertown Elementary

The School Board of Indian River County, Florida

Vero Beach, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Prepared by:
Division of Business & Finance

SCHOOL DISTRICT OF

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Vero Beach, FL

INDIAN RIVER COUNTY

The School Board of Indian River County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2010

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School District of Indian River County

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Harry J. La Cava, Ed.D.
Superintendent

December 15, 2010

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, 2010, is hereby submitted. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

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

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

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

GENERAL INFORMATION

The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographical boundaries of the District are those of Indian River County. During the 2009-10 fiscal year, the District operated 25 schools, including 14 elementary schools, 4 middle schools, 2 high schools, and 5 charter schools. Additionally, the District operated 3 special centers for students and 1 separate adult education center. The District reported 17,516 unweighted full-time equivalent students for all locations; and is projecting 17,655 unweighted full-time equivalent students for the 2010-11 fiscal year.

GENERAL DESCRIPTION AND LOCATION

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

ECONOMIC CONDITIONS AND OUTLOOK

The County experienced steady population growth over the last decade, increasing 25 percent during the 1990s and another 21 percent since 2000 to a population of 141,475 for 2009. While the population growth has been steadily increasing so has the median age of the resident population as persons aged 35-54 make up the largest percentage of residents in the County. However, this population growth is projected to increase only an additional 0.4%

through 2010. Vero Beach, the largest city in the County had a 2000 Census population of 17,705, compared to the 1990 Census population of 17,350. In 2006 Indian River County ranked 30 out of 67 counties in Florida in terms of total population. As of June 30, 2010, the unemployment rate for the County was 14.2 percent, as compared to the statewide rate of 11.6 percent and national rate of 9.6 percent.

The economy of the County is based primarily on tourism, light industry, agriculture (citrus and cattle), and commercial fishing. Approximately 327,000 acres of the County are devoted to agriculture, with the largest percentage in pastures and ranges; followed by citrus groves, woodlands, row crops, and a variety of other uses. The County is at the center of the Indian River Citrus District. The Indian River Citrus District was fourth among the 5 districts in Florida in total citrus production and first in grapefruit production. Part of the citrus fruit is sold to the fresh fruit market, and there are 21 major packing houses and one citrus juice processing plant located within the County. According to a 2002 Census of Agriculture, there were 480 farms located within the County totaling 191,333 acres of which cropland covers 53.79%, improved pasture and rangelands cover 23.95%, forests and woodlands cover approximately 17.84%, and 4.42% for other uses.

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., John's Island Club Inc., Indian River Estates, and Wal-Mart.

MAJOR INITIATIVES

Class Size Reduction Amendment. In November 2002, the voters of Florida amended the State constitution to limit class size. Beginning with the 2010-11 school year, the amendment established the maximum number of students in core-curricular courses assigned to a teacher in each of the following three grade groupings: prekindergarten through grade 3 is a maximum of 18 students, grades 4 through 8 is a maximum of 22 students and grades 9 through 12 is a maximum of 25 students.

For the 2009-10 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at the school-level. Based on an annual review by the Florida Department of Education, the District complied with the constitutional maximums at all but one elementary school which was out of compliance by 0.44 in terms of student to teacher ratios. The Florida Legislature enacted Senate Bill 1676 to delay the classroom level requirements until the 2010-11 fiscal year. It is anticipated that the District will meet the constitutional maximums for the three grade groupings for the 2010-11 fiscal year.

Reading Intervention Programs. Fundation. All Kindergarten and First Grade teachers at Dodgertown Elementary School, Glendale Elementary School and Liberty Magnet School were trained in Fundations. Fundations is used as a core curriculum in grades Kindergarten and 1 at the three pilot schools. Fundations is a prevention program for all students (Tier 1) providing high-quality research-based instruction in a general education setting. It is implemented daily for 25-30 minutes as part of the word study block within the Tier 1 instruction. Identified students for Tier II receive additional Fundations instruction during a Double Dose lesson 3-5 times a week (Tier 2). Fundations is a research-based supplemental (Tier 1) and intervention (Tier 2) program that provides students a solid foundation for reading and spelling.

Technology: Apple iPod Touch 1:1 Initiative. As the role of technology in the classroom increases, digital devices have become valuable tools for improving both teaching and learning. Schools are strengthening student content and digital literacy through challenging and engaging learning activities that focus on Science, Technology, Engineering, and Mathematics (STEM) in an effort to help motivate and inspire students during and beyond the school day. In that spirit, the District is sponsoring the iPod Touch one-to-one initiative as a pilot in nine elementary through high school locations. To help ensure student development of critical thinking skills aligned to the Next Generation Sunshine State Standards, selected teachers will integrate technology-supported instructional activities. The District provided nine classrooms with a Mac Book and a set of iPod Touch hand-held devices. The intent of the project is to create an environment that puts access to knowledge in the hands of individual students.

Graduation Rate and Dropout Rate. According to the latest available data, for the 2009-10 school year, Indian River County had a graduation rate of 82.1 percent as compared with the State average of 79 percent. Of the 67 districts in the State, 25 districts had graduation rates higher than Indian River. The dropout rate for Indian River in 2009-10 was 1.7 percent as compared with the State average of 2.0 percent. Of the 67 districts in the State, 26 had dropout rates lower than Indian River.

Capital Outlay Program. With the end of the fiscal year ended June 30, 2010, the District completed six small projects and three large projects. The large projects were completion of Storm Grove Middle School (formerly Middle School "BB"), part IV (and the final part) of Vero Beach High School and the new cafeteria for the Wabasso school. In addition, the Facilities Department underwent two separate reviews of construction projects and processes. These included an operational audit performed by the Auditor General, and a cost attestation for the Vero Beach High School Part I construction projected completed in 2007 by Carr Riggs & Ingram, LLC. The results of all audits showed no major discrepancies. The Support Services

Council, formed last year to address issues related to Facilities, Purchasing, and Maintenance, continues to meet monthly. Several accomplishments are worth mentioning: improved results in the areas of communication, planning and budgeting, performance management, and meeting reporting requirements to the state.

Education Foundation. The Education Foundation of Indian River County (Foundation), an independent, self-funded organization, partners with the School District to sponsor the annual Indian River Regional Science and Engineering Fair for students in elementary, middle, and high school. Last year approximately $860,000 was raised by the Foundation and awarded in scholarships and academic awards at this annual event. The Foundation also spends $30,000 to purchase 2,000 backpacks filled with grade appropriate school supplies. All public and charter schools benefit from this program. In addition, the Sneaker Exchange Program, which is sponsored by private donations in the amount of $40,000, provides more than 2,200 students a pair of comfortable, appropriate school shoes and socks to participate in school activities. Last year, more than $46,000 in private and state funds were raised and distributed in the form of grants to the teachers and schools in Indian River County. The Foundation also invested more than $12,000 in providing and sponsoring professional development workshops. In all, the Foundation provided more than $320,000 for teachers and students in our community during the 2009-10 school year and the total contribution in the form of services and scholarships during the 2009-10 school year was in excess of $1 million dollars.

FINANCIAL INFORMATION

Internal Controls. Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled and recorded properly to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. Management believes that the internal controls of the District adequately meet the above objectives.

Single Audit. As a recipient of Federal and State financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the independent auditors.

Budgetary Controls. The District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and the Internal Service Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. Budgetary control is established at the object level of individual accounts or groups of accounts within each school or department.

Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances are re-appropriated as part of the subsequent year's budget. In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teaching positions based on student populations served. Additionally, support and administrative positions are allocated based on established criteria. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Cash Management and Investments. To maximize interest earnings on short-term investments, the cash balances of all funds are pooled, except where separate cash and investment accounts are maintained in accordance with legal requirements. Investment portfolios are designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

All temporary cash balances of the District are invested to ensure maximum interest earnings. The District has an agreement with a local financial institution that provides for all cash deposits which earn interest based upon a 90-day Treasury Bill. Other temporary cash balances are able to be invested in authorized investments, which could include United States Government securities, United States Government Agencies, Federal instrumentalities, Florida Local Government Surplus Funds Trust Fund (SBA), interest bearing time deposits, commercial paper, and bankers' acceptances.

Risk and Benefits Management. The District is exposed to a variety of accidental losses including destruction of assets and natural disasters among others. The District is a member of the South Central Educational Risk Management Program consortium (SCERMP). SCERMP, having several school district members, has established a combined limited self-insurance program for property, general liability, auto liability, workers compensation, money and securities, employee fidelity and faithful performance, boiler and machinery and other insurance as needed. SCERMP is self-sustaining through member district premiums and purchases coverage through commercial companies for claims in excess of a specified cap. The Board of Directors for the consortium is composed of representatives from all participating districts.

The District uses multiple third-party administrators to administer its employee health plan and prescription drug benefit plan. All medical benefit plans are self-insured to maximize effective cost control and to ensure adequate services are available to employees.

Retirement Plans. District employees participate in the Florida Retirement System, a multiple-employer, noncontributory, cost-sharing public employee retirement system. Generally, a member's retirement pension benefit vests after six years of service and members are eligible for normal retirement benefits at age 62 or at any age with thirty years of service.

OTHER INFORMATION

Student Performance. Indian River County students continue to perform very favorably as compared with other students in Florida based on the Florida Comprehensive Assessment Test (FCAT). The FCAT measures student progress toward mastery of benchmarks of the Sunshine State Standards for all Florida public school students in grades 3 through 10. In the School District of Indian River County, fourteen schools achieved an “A”. Five schools received a letter grade of “B” and four schools received a letter grade of “C”. There were no schools in the District with either a “D” or an “F. The School District of Indian River County received a letter grade of “A” for the 2009-10 school year. This is the third year in a row that the District has earned an “A.

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by independent certified public accountants. The Office of the Auditor General for the State of Florida conducted the audit for the fiscal year ended June 30, 2010. 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, 2009. 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, 2009. This award, valid for one year, certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

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

ACKNOWLEDGEMENT

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

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

Respectfully submitted,

Harry J. La Cava, Ed.D.
Superintendent of Schools

Carter Morrison
Assistant Superintendent for Finance / CFO

Eloise Simpson
Accounting Manager

Charlene Atkins
Accounting Manager

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - ELECTED

Mrs. Karen Disney – Brombach, Chair
Member from District 1
Member since November 2006
Current term expires November 2010

Mr. Matthew McCain, Vice Chair
Member from District 2
Member since November 2008
Current term expires November 2012

Mrs. Debbie J. MacKay
Member from District 5
Member since November 2006
Current term expires November 2010

Mrs. Carol Johnson
Member from District 3
Member since November 2006
Current term expires November 2010

Mrs. Claudia Jiménez
Member from District 4
Member since November 2008
Current term expires November 2012

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

Harry J. La Cava	Superintendent
Michael Degutis	Deputy Superintendent
Fran Adams	Assistant Superintendent for Curriculum
Carter Morrison	Assistant Superintendent for Finance Chief Financial Officer (CFO)
Robert Prizito	Chief Information Officer
Patricia Vasquez	Public Information Officer/ Community Relations
Kevin Browning	Director Human Resources
Sue Curtis	Executive Director Core Curriculum
Larry Harrah	Executive Director Exceptional Student Education
Denise Roberts	Executive Director Education Programs
Takeisha Harris	Director Staff Development
Bruce Green	Educational Accountability and Instructional Data Analyst

SCHOOL DISTRICT OF
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Vero Beach, FL
INDIAN RIVER COUNTY

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, 2009

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

President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

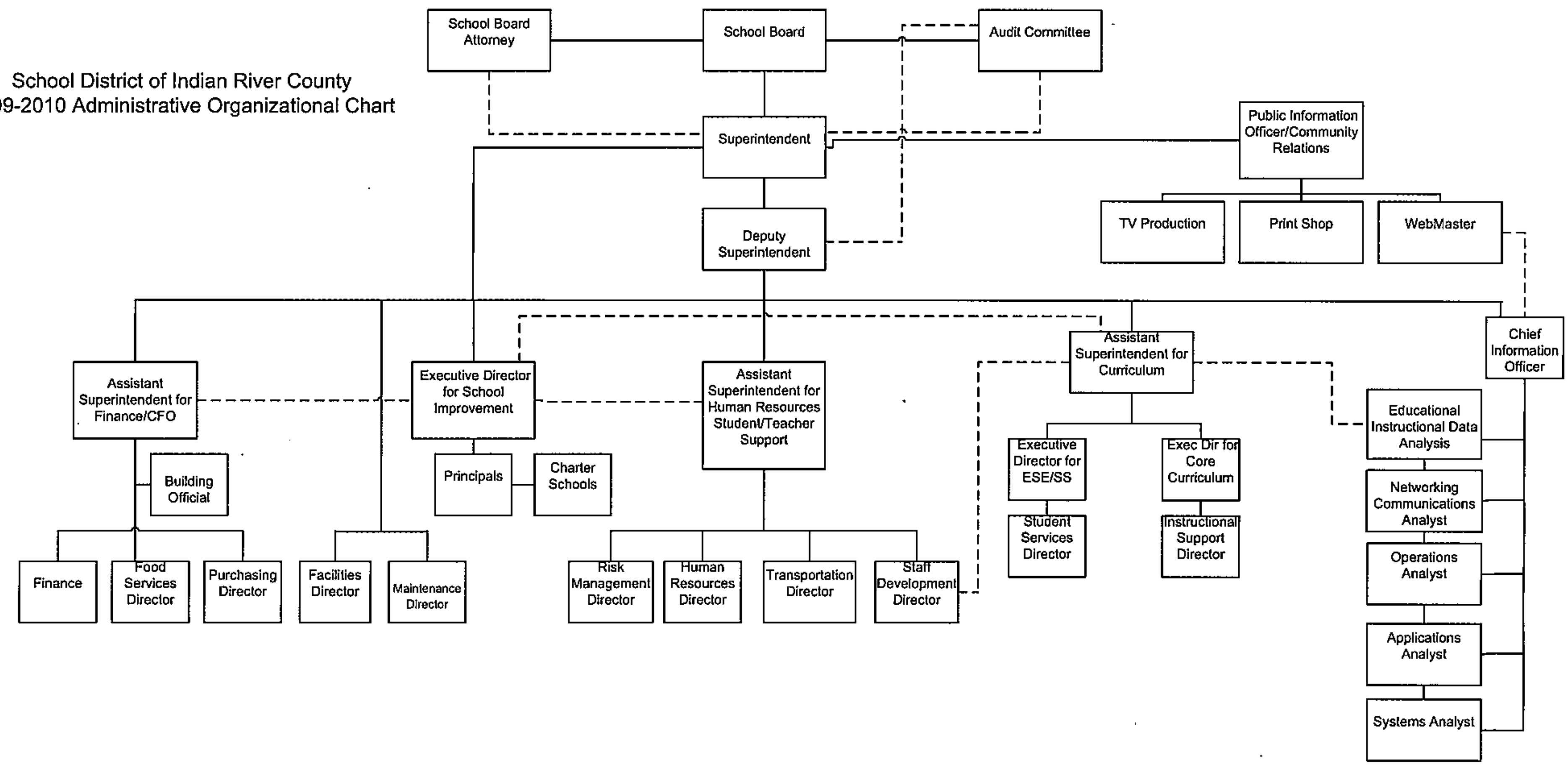
SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2009

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

President	Executive Director

School District of Indian River County
2009-2010 Administrative Organizational Chart



Approved April 14, 2009

Independent Auditor's Report on Financial Statements

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL
STATE OF FLORIDA

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

INDEPENDENT AUDITOR'S
REPORT ON 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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 7 percent of the assets and 15 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Indian River County District School Board as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund and major special revenue funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Indian River County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** (pages 7 through 16) and **OTHER REQUIRED SUPPLEMENTARY INFORMATION** (page 74) be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules (pages 78 through 105) and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements and schedules and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section (pages i through xiv) and the statistical section (pages 109 through 155) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

David W. Martin, CPA
December 15, 2010
Audit Report No. 2011-071

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

Management's Discussion and Analysis

SCHOOL DISTRICT OF

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Vero Beach, FL

INDIAN RIVER COUNTY

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, 2010. This information should be read in conjunction with the financial statements included in this report.

Financial Highlights

- The assets of the District exceed its liabilities at June 30, 2010, by $239 million. Of this amount, $195 million represents investments in capital assets (net of related debt), and $44 million represents restricted and unrestricted net assets of $55 million and ($11) million, respectively.
- The District's total net assets decreased by $4.4 million or 1.8 percent.
- Program revenues account for $11.4 million or 6.3 percent of total revenues, and general revenues account for $168.6 million or 93.7 percent.
- The governmental funds report combined fund balances of $70.3 million, a decrease of $12.6 million in comparison to the prior fiscal year.
- At the end of the fiscal year, the unreserved fund balance for the General Fund is $1.4 million, or 1.1 percent of General Fund revenues.

Overview of the Financial Statements

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

Reporting the District as a Whole

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

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

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's class size reduction and education finance programs provide most of the resources that support these activities.

- Business-type activities – The District charges fees to cover the cost of certain services it provides. These activities are for its Extended Day Care Program.

- Component units – The District presents five separate legal entities that operate as charter schools as discussed in the notes to the basic financial statements. Although these are legally separate organizations, the component units' activities are included in the financial statements since they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government. The Indian River County School Board Leasing Corporation, although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the leasing corporation, the leasing corporation has been included as an integral part of the District.

Reporting the District's Most Significant Funds

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

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

The District has several governmental fund types: the General Fund, the Debt Service Funds, the Special Revenue Funds (including the School Food Services Program), and the Capital Projects Funds. Within these funds, the District maintains 12 individual funds. Of those funds, the General Fund, Special Revenue - American Recovery and Reinvestments Act (ARRA) Fund, Debt Service – Other Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Fund are considered to be major funds.

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

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for its Extended Day Care program.

- Internal service funds are used to report activities that provide goods or services to support the District's other programs and functions through user fees. The District uses internal service funds to account for the self-insurance program activities, as well as the resources of the East Central Florida Management Training Institute, for which the District serves as fiscal agent. Since these services predominately benefit governmental functions rather than business-type functions, the internal service fund has been included within the governmental activities in the government-wide financial statements.

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

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

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

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

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

Government-wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 100,707	$ 118,137	$ 401	$ 312	$ 101,108	$ 118,449
Capital assets, net	312,510	307,396	-	-	312,510	307,396
Total assets	413,217	425,533	401	312	413,618	425,845
Current and other liabilities	19,074	21,969	25	32	19,099	22,001
Long-term liabilities	155,524	160,481	37	27	155,561	160,508
Total liabilities	174,598	182,450	62	59	174,660	182,509
Net assets:						
Invested in capital assets, net of related debt	194,967	192,693	-	-	194,967	192,693
Restricted	54,814	53,202	-	-	54,814	53,202
Unrestricted (Deficit)	(11,162)	(2,812)	339	253	(10,823)	(2,559)
Total net assets	$ 238,619	$ 243,083	$ 339	$ 253	$ 238,958	$ 243,336

The School Board of Indian River County, Florida
Condensed Statement of Net Assets
June 30, 2010 and 2009
(amounts expressed in thousands)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $239 million at the end of the fiscal year. The largest portion of the District's net assets, $195 million (81.6 percent), reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

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

An additional portion of the District's net assets, $55 million, represents resources subject to external restrictions on how they may be used. The remaining balance of net assets ($12.5 million after exclusion of $9.5 million in compensated absences payable and $13.9 million in other postemployment benefits obligations) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. Restricted net assets have increased $1.6 million from June 30, 2009, to June 30, 2010.

The School Board of Indian River County, Florida
Condensed Statement of Activities and Changes in Net Assets
June 30, 2010 and 2009
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 3,480	$ 3,529	$ 802	$ 872	$ 4,282	$ 4,401
Operating grants and contributions	5,834	9,320	-	-	5,834	9,320
Capital grants and contributions	1,246	7,984	-	-	1,246	7,984
General revenues:					-	-
Property taxes, levied for operational purposes	93,743	88,841	-	-	93,743	88,841
Property taxes, levied for debt service	4,850	4,954	-	-	4,850	4,954
Property taxes, levied for capital projects	24,275	31,012	-	-	24,275	31,012
Grants and contributions, non-restricted	42,236	37,706	-	-	42,236	37,706
Miscellaneous	1,618	10,672	-	-	1,618	10,672
Unrestricted investment earnings (losses)	1,877	(767)	1	2	1,878	(765)
Total revenue	179,159	193,251	803	874	179,962	194,125
Expenses:						
Instruction	101,193	100,824	-	-	101,193	100,824
Pupil personnel services	5,604	5,858	-	-	5,604	5,858
Instructional media services	2,512	2,461	-	-	2,512	2,461
Instruction and curriculum development services	5,632	6,712	-	-	5,632	6,712
Instructional staff training services	2,452	1,000	-	-	2,452	1,000
Instruction related technology	1,062	952	-	-	1,062	952
School Board	1,195	1,103	-	-	1,195	1,103
General administration	804	870	-	-	804	870
School administration	9,353	9,777	-	-	9,353	9,777
Facility services - non-capitalized	12,690	11,227	-	-	12,690	11,227
Fiscal services	1,301	1,298	-	-	1,301	1,298
Food services	8,754	8,848	-	-	8,754	8,848
Central services	2,631	2,638	-	-	2,631	2,638
Pupil transportation services	6,354	6,599	-	-	6,354	6,599
Operation of plant	12,341	13,883	-	-	12,341	13,883
Maintenance of plant	97	3,804	-	-	97	3,804
Administrative technology services	2,515	2,752	-	-	2,515	2,752
Community services	281	48	-	-	281	48
Unallocated interest on long-term debt	6,852	7,081	-	-	6,852	7,081
Extended Day Program	-	-	717	827	717	827
Total expenses	183,623	187,735	717	827	184,340	188,562
Change in net assets	(4,464)	5,516	86	47	(4,378)	5,563
Net assets, beginning	243,083	237,773	253	-	243,336	237,773
Adjustment to Beginning Assets	-	(206)	-	206	-	-
Net assets, ending	$ 238,619	$ 243,083	$ 339	$ 253	$ 238,958	$ 243,336

Governmental Activities

Governmental activities decreased the District's net assets by $4.5 million for the fiscal year ended June 30, 2010. Key components of this decline are as follows:

- ♦ Program revenues decreased $10.3 million primarily due to elimination of the transportation categorical in the FEFP of $4.0 million and drop in Classrooms for Kids capital State funding of $5.2 million.

- ♦ Unrestricted grants and contributions increased by $4.5 million primarily due to funding from the American Recovery and Reinvestment Act of 2009 of $9.4 million offset by a decrease in FEFP funding of $4 million.

- ♦ Miscellaneous revenue decreased by $9.1 million primarily due to a decrease in donated capital outlay of $2.9 million and recognition of unearned revenue on the full accrual basis of a note receivable in fiscal year 2009 but not in fiscal year 2010.

- ♦ Unrestricted investment earnings increased by $2.6 million primarily due to restoration of a portion of the previous write down to fair market value of investments.

- ♦ Property taxes levied for capital projects decreased by $6.7 million, primarily as a result of a decrease in the millage rate of .25 mills.

- ♦ Expenses decreased $4.1 million in an effort to offset decreases in revenue.

Business-Type Activities

The Extended Day Program business-type activities increased the District's net assets by $86 thousand for the fiscal year ended June 30, 2010. Key components of this growth are as follows:

- ♦ Charges for services and other income totaled $803 thousand, while Extended Day Program expenses totaled $717 thousand. The gross income decreased 8.1 percent due to the economic downturn, and the total expenses were down 13.3 percent as a result of staffing cuts and other cost curtailments. As a result, net income increased $39 thousand.

Financial Analysis of the District's Funds

The District's governmental funds reported a combined fund balance of $70.3 million, which is a decrease of $12.5 million over last year's total of $82.8 million. The following schedule indicates the fund balance and the total change in fund balance by major fund versus other governmental funds as reported in the basic financial statements for the fiscal years ended June 30, 2010, and 2009.

Fund Balance (in thousands)	2010	2009	Increase (Decrease)	Percentage Change
General Fund	$ 2,537	$ 4,845	$ (2,308)	(47.6)%
Debt Service - Other Fund	17	12	5	41.7%
Capital Projects Funds:				
Local Capital Improvement	38,108	36,718	1,390	3.8%
Other	26,325	35,327	(9,002)	(25.5)%
Other Governmental Funds	3,278	5,932	(2,654)	(44.7)%
Total	$ 70,265	$ 82,834	$ (12,569)	(15.2)%

General Fund

The District's General Fund balance decreased primarily due to the reduction in State funding. The tables that follow illustrate the financial activities and balance of the General Fund.

Revenues (in thousands)	2010	2009	Increase (Decrease)	Percentage Change
Taxes	$ 93,743	$ 88,841	$ 4,902	5.5%
Investment earnings	727	68	659	969.1%
State revenues	23,212	32,821	(9,609)	(29.3)%
Other revenues	2,943	2,992	(49)	(1.6)%
Total	$ 120,625	$ 124,722	$ (4,097)	(3.3)%

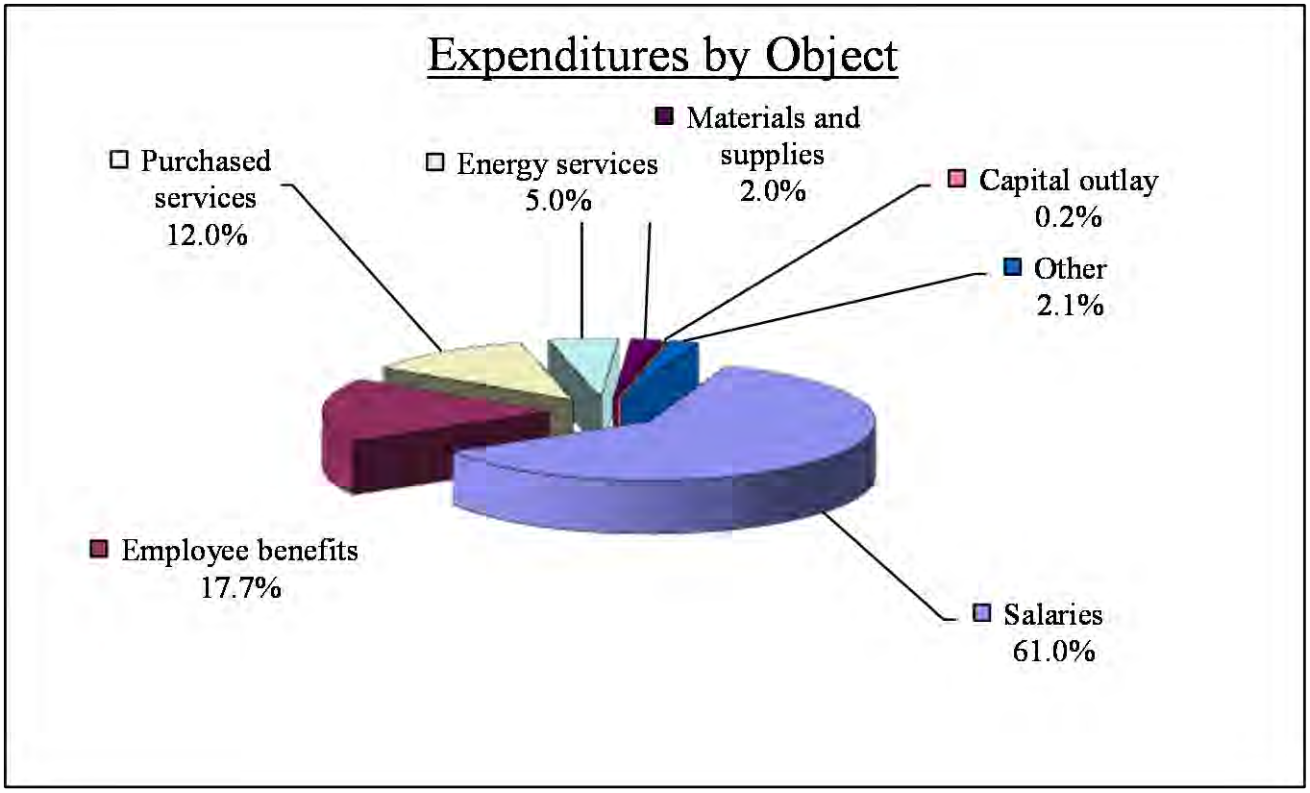
Property tax revenue increased by $4.9 million primarily due to the increase in the millage rates of approximately 15.7 percent as set by the Legislature, relative to the decline in taxable assessed valuations of 8.9 percent.

Investment earnings increased from the prior year due primarily to the increase in the fair market value of investments in the State Board of Administration Fund B Surplus Funds Trust Fund.

State revenue decreased by $9.6 million for the fiscal year ended June 30, 2010. This is primarily due to the decrease in FEFP funding compared to the fiscal year ended June 30, 2009.

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

Expenditures by Object (in thousands)	2010	2009	Increase (Decrease)	Percentage Change
Salaries	$ 73,830	$ 84,735	$ (10,905)	(12.9)%
Employee benefits	21,413	24,808	(3,395)	(13.7)%
Purchased services	14,532	13,917	615	4.4%
Energy services	6,001	6,267	(266)	(4.2)%
Materials & supplies	2,590	3,490	(900)	(25.8)%
Capital outlay	122	128	(6)	(4.7)%
Other	2,515	2,967	(452)	(15.2)%
Total	$ 121,003	$ 136,312	$ (15,309)	(11.2)%



Expenditures decreased $15.3 million, or 11.2 percent from the prior fiscal year. Salaries and Benefits decreased from the prior year primarily due to the elimination of 112 positions and the reclassification of 67 positions out of the General Fund to State Fiscal Stabilization and other Federal funds.

Expenditures for materials and supplies decreased over the prior year by $900 thousand or 25.8 percent primarily due to the delay in the adoption of textbooks for the current year, in addition to a reduction of non-labor discretionary funds allocated to departments and school sites.

Other expenditures decreased over the prior year by $452 thousand or 15.2 percent primarily due to a more efficient utilization of temporary personnel employed by the district as teaching substitutes.

Special Revenue – American Recovery and Reinvestment Act (ARRA) Fund.
The Special Revenue – ARRA Fund does not report fund balance because revenues are reported to the extent of expenditures. Revenues and expenditures increased by $9.4 million each from the previous year. This increase was due to new funds becoming available from the Federal Government in an effort to simulate the economy and to keep teachers employed.

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

Capital Projects – Local Capital Improvement Fund
The fund balance of the Capital Projects – Local Capital Improvement Fund increased by $1.4 million, or 3.8 percent during the fiscal year. This increase is due mainly to the reversal of a portion of the transfer from the Local Capital Improvement Fund to General Fund in fiscal year

2009 in the amount $2.7 million. It should be noted that $3.7 million of fund balance is encumbered for specific projects, and $2 million has been designated for charter schools.

Capital Projects - Other Fund
The fund balance of the Capital Projects - Other Fund decreased by $9 million, or 25.5 percent during the fiscal year. This decrease is due mainly to the spend down of construction funds on major certificates of participation projects during the current fiscal year. It should be noted that $7.2 million has been encumbered for specific projects.

Other Governmental Funds
The fund balance of the Other Governmental Funds decreased by $2.7 million, or 44.7 percent during the fiscal year. This decrease is due mainly to the spenddown of construction funds on the Dodgertown Elementary School and Wabasso School cafeteria renovations.

General Fund Budget Information

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

The District amended its revenue estimates to reflect the reduction in anticipated revenues from investment income and State sources due to the District's not meeting its student enrollment targets. State revenue was originally budgeted at $24.3 million and the actual was $23.2 million, or $1.1 million less than originally budgeted. Local revenue was originally budgeted at $97.7 million, and the actual local revenue was $99.7 million, or $2.0 million more than originally budgeted, mainly due to the receipt of property tax certificate redemptions. In addition, the District received other financing sources in the amount of $674 thousand as a transfer from the Capital Projects – Other Capital Fund for Charter School Capital Outlay distributions to charter schools.

The final budget for expenditures decreased by $677 thousand from the original budget primarily due the transfer of property casualty premium expenditures to the Capital Projects – Local Capital Improvement Fund. Other appropriations required changes in functional categories due to spending patterns.

Included in the transfers is an amount of $2.7 million which was a one-time expense for the restoration of funds to the Capital Projects – Local Capital Improvement Fund.

Capital Assets

The District investment in capital assets for its governmental activities as of June 30, 2010, amounts to $312.5 million (net of accumulated depreciation). This investment in capital assets includes: land; construction in process; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio-visual materials and computer software; and property under capital lease.

The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was approximately 1.7 percent. The majority of the acquisitions were for remodeling and renovations at various sites and buses, furniture, and computer equipment replacement throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

Long-Term Debt and Other Long-Term Liabilities

At the end of the current fiscal year, the District has total long-term liabilities outstanding of $155.6 million. Of this amount, $20.1 million represents bonds issued on behalf of the District, $109.6 million in certificates of participation, compensated absences payable in the amount of $9.5 million, other postemployment benefits payable in the amount of $13.9 million, $1.4 million in obligations under capital lease, and $1.1 million in unamortized premiums. During the fiscal year, the District made principal payments of $4.3 million on general obligation bonds, $4.4 million on certificates of participation, and $428 thousand on capital leases. The District reduced compensated absences by $2.9 million, other postemployment benefits by $706 thousand, and unamortized premiums by $71 thousand.

Fitch Ratings, in October 2010, downgraded the District's outstanding Certificates of Participation (COP), Series 2005 and Series 2007, from a rating of "A+" to "A" and an outlook of stable.

Detailed information regarding long-term debt activity is included in the notes to the basic financial statements, specifically Note 8, Obligations Under Capital Lease; Note 9, Certificates of Participation; Note 10, Bonds Payable, and Note 11, Changes in Long-Term Liabilities.

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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 2010-11 fiscal year is projected to be 5.422 mills (an increase of .374 mills); the discretionary millage is projected to be .748 mills; discretionary critical needs – operating is projected to be .250 mills; and capital outlay millage is projected to be 1.50 mills. General Fund revenues and other financing sources are projected to be $123.9 million, and expenditures are expected to be $119.5 million.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

The School Board of Indian River County, Florida
Statement of Net Assets
June 30, 2010
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Charter Schools
ASSETS				
Cash and Cash Equivalents	$ 66,230	$ 401	$ 66,631	$ 2,385
Investments	21,750	-	21,750	-
Receivables	106	-	106	36
Due From Other Agencies	5,755	-	5,755	61
Notes Receivable	5,048	-	5,048	-
Due From Primary Government	-	-	-	1,663
Inventories	485	-	485	-
Prepaid Items	2	-	2	62
Deferred Charges	1,331	-	1,331	51
Deposits	-	-	-	1
Capital Assets:				
Non-Depreciable	29,003	-	29,003	709
Depreciable (Net)	283,507	-	283,507	9,136
Total Assets	413,217	401	413,618	14,104
LIABILITIES				
Accrued Salaries and Benefits	2,535	17	2,552	276
Accounts Payable	1,419	6	1,425	139
Accrued Expenses	-	-	-	178
Construction Contracts Payable	1,282	-	1,282	-
Retainage Payable on Contracts	213	-	213	-
Due to Other Agencies	875	2	877	-
Matured Debt Payable	4,360	-	4,360	-
Matured Interest Payable	2,585	-	2,585	-
Unearned Revenue	1,175	-	1,175	148
Accrued Interest Payable	163	-	163	-
Estimated Insurance Claims Payable	4,467	-	4,467	-
Noncurrent Liabilities:				
Portion Due Within One Year	11,433	12	11,445	526
Portion Due In More Than One Year	144,091	25	144,116	5,130
Total Liabilities	174,598	62	174,660	6,397
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	194,967	-	194,967	4,404
Restricted for:				
Food Service	493	-	493	-
Capital Projects	52,765	-	52,765	1,430
Debt Service	974	-	974	-
Charter School State Capital Outlay	582	-	582	
Unrestricted	(11,162)	339	(10,823)	1,873
Total Net Assets	$ 238,619	$ 339	$ 238,958	$ 7,707

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

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

The School Board of Indian River County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			Component Units
			Operating	Capital				
		Charges for	Grants and	Grants and	Governmental	Business-Type		Charter
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Schools
Primary Government:								
Governmental Activities:								
Instruction	$ 101,193	$ 496	$ -	$ -	$ (100,697)	$ -	$ (100,697)	
Pupil Personnel Services	5,604	-	-	-	(5,604)	-	(5,604)	
Instructional Media Services	2,512	-	-	-	(2,512)	-	(2,512)	
Instruction and Curriculum Development Services	5,632	-	-	-	(5,632)	-	(5,632)	
Instructional Staff Training Services	2,452	-	-	-	(2,452)	-	(2,452)	
Instruction Related Technology	1,062	-	-	-	(1,062)	-	(1,062)	
School Board	1,195	-	-	-	(1,195)	-	(1,195)	
General Administration	804	-	-	-	(804)	-	(804)	
School Administration	9,353	-	-	-	(9,353)	-	(9,353)	
Facilities Services - Non-Capitalized	12,690	-	-	666	(12,024)	-	(12,024)	
Fiscal Services	1,301	-	-	-	(1,301)	-	(1,301)	
Food Services	8,754	2,953	5,834	-	33	-	33	
Central Services	2,631	-	-	-	(2,631)	-	(2,631)	
Pupil Transportation Services	6,354	31	-	-	(6,323)	-	(6,323)	
Operation of Plant	12,341	-	-	-	(12,341)	-	(12,341)	
Maintenance of Plant	97	-	-	-	(97)	-	(97)	
Administrative Technology Services	2,515	-	-	-	(2,515)	-	(2,515)	
Community Services	281	-	-	-	(281)	-	(281)	
Unallocated Interest on Long-Term Debt	6,852	-	-	580	(6,272)	-	(6,272)	
Total Governmental Activities	$ 183,623	$ 3,480	$ 5,834	$ 1,246	$ (173,063)	$ -	$ (173,063)	
Business-Type Activities:								
Extended Day Program	717	802	-	-	-	85	85	
Total Primary Government	$ 184,340	$ 4,282	$ 5,834	$ 1,246	$ (173,063)	$ 85	$ (172,978)	
Component Units:								
Charter Schools	$ 12,104	$ 374	$ 598	$ 219				(10,913)
General Revenues:								
Taxes:								
Property Taxes, Levied for Operational Purposes					93,743	-	93,743	-
Property Taxes, Levied for Debt Service					4,850	-	4,850	-
Property Taxes, Levied for Capital Projects					24,275	-	24,275	-
Grants and Contributions not Restricted to Specific Programs					42,236	-	42,236	11,593
Unrestricted Investment Earnings					1,877	1	1,878	10
Miscellaneous					1,618	-	1,618	864
Total General Revenues					168,599	1	168,600	12,467
Changes in Net Assets					(4,464)	86	(4,378)	1,554
Net Assets - Beginning					243,083	253	243,336	6,153
Net Assets - Ending					$ 238,619	$ 339	$ 238,958	$ 7,707

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

The School Board of Indian River County, Florida
Balance Sheet - Governmental Funds
June 30, 2010
(amounts expressed in thousands)

	General Fund	Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund	Debt Service - Other Fund
ASSETS			
Cash and Cash Equivalents	$ 3,645	$ 80	$ 17
Investments	733	-	6,945
Receivables	18	-	-
Due from Other Agencies	988	175	-
Notes Receivable	5,048	-	-
Inventories	335	-	-
Prepaid Items	2	-	-
Total Assets	$ 10,769	$ 255	$ 6,962
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	$ 2,051	$ 97	$ -
Accounts Payable	427	125	-
Construction Contracts Payable	-	-	-
Due to Other Agencies	693	33	-
Deferred Revenue	5,061	-	-
Matured Bonds Payable	-	-	4,360
Matured Interest Payable	-	-	2,585
Retainage Payable on Contracts	-	-	-
Total Liabilities	8,232	255	6,945
Fund Balances (Deficit):			
Reserved for:			
Encumbrances	258	-	-
Inventory	335	-	-
Debt Service	-	-	17
Charter School State Capital Outlay	582		
Unreserved, Designated, Reported in:			
Capital Projects Funds, Charter School F. S. 1011.71 (2) Allocation	-	-	-
Unreserved, Reported in:			
General Fund	1,362	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Total Fund Balances	2,537	-	17
Total Liabilities and Fund Balances	$ 10,769	$ 255	$ 6,962

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

Capital Projects: Local Capital Improvement Fund	Capital Projects: Other Fund	Other Governmental Funds	Total Governmental Funds
$ 38,700	$ 10,800	$ 2,860	$ 56,102
242	13,429	172	21,521
-	-	88	106
-	3,303	864	5,330
-	-	-	5,048
		150	485
-	-	-	2
$ 38,942	$ 27,532	$ 4,134	$ 88,594
$ -	$ -	$ 387	$ 2,535
569	125	172	1,418
238	896	148	1,282
-	-	149	875
-	-	-	5,061
-	-	-	4,360
-	-	-	2,585
27	186	-	213
834	1,207	856	18,329
3,654	7,171	545	11,628
-	-	150	485
-	-	1,120	1,137
			582
-	-	-	-
2,002	-	-	2,002
-	-	-	1,362
-	-	272	272
32,452	19,154	1,191	52,797
38,108	26,325	3,278	70,265
$ 38,942	$ 27,532	$ 4,134	$ 88,594

SCHOOL DISTRICT OF

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Vero Beach, FL

INDIAN RIVER COUNTY

The School Board of Indian River County, Florida
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds			$	70,265
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.				312,510
Debt issuance costs are not expensed in the government-wide statements, but are reported as deferred charges and amortized over the life of the related debt.				1,331
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.				5,152
Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unearned revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the governmental funds.				5,048
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.				(163)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:				
Estimated Long-Term Claims Payable	$	5		
Obligations Under Capital Leases		1,421		
Bonds Payable		20,065		
Certificates of Participation Payable		110,721		
Compensated Absences Payable		9,458		
Other Postemployment Benefits Obligation		13,854		
Total long-term liabilities				(155,524)
Total Net Assets - Governmental Activities			$	238,619

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	General Fund	Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund	Debt Service - Other Fund
REVENUES			
Federal Direct Sources:			
Reserve Officer Training Corps (ROTC)	$ 133	$ -	$ -
Total Federal Direct	133	-	-
Federal Through State Sources:			
Food Service	-	-	-
Other Federal Through State Sources	247	9,407	-
Total Federal through State	247	9,407	-
State Sources:			
Florida Education Finance Program	1,726	-	-
Categorical - Class Size Reduction	18,851	-	-
District Discretionary Lottery Funds	49	-	-
Food Service	-	-	-
CO&DS Withheld for SBE/COBI Bond	10	-	-
CO&DS Distribution	-	-	-
Public Education Capital Outlay	-	-	-
Other State Sources	2,576	-	-
Total State Sources	23,212	-	-
Local Sources:			
Ad Valorem Taxes	93,743	-	-
Impact Fees	-	-	-
Food Service	-	-	-
Investment Income	727	-	-
Other Local Sources	2,563	-	-
Total Local Sources	97,033	-	-
Total Revenues	$ 120,625	$ 9,407	$ -

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

Capital Projects		Other	Total
Local Capital Improvement Fund	Other Fund	Governmental Funds	Governmental Funds
$ -	$ -	$ -	$ 133
-	-	-	133
-	-	5,694	5,694
-	-	8,524	18,178
-	-	14,218	23,872
-	-	-	1,726
-	-	-	18,851
-	-	-	49
-	-	140	140
-	-	580	590
-	-	83	83
-	-	295	295
-	703	-	3,279
-	703	1,098	25,013
24,275	-	4,850	122,868
-	279	-	279
-	-	2,953	2,953
299	696	19	1,741
-	15	32	2,610
24,574	990	7,854	130,451
$ 24,574	$ 1,693	$ 23,170	$ 179,469

Continued on next page.

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	General Fund	Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund	Debt Service - Other Fund
EXPENDITURES			
Current:			
Instruction	$ 80,469	$ 5,139	$ -
Pupil Personnel Services	3,767	131	-
Instructional Media Services	1,385	582	-
Instruction and Curriculum Development Services	2,423	1,211	-
Instructional Staff Training Services	213	1,352	-
Instruction Related Technology	838	111	-
School Board	1,078	-	-
General Administration	435	41	-
School Administration	8,262	8	-
Facilities Services - Non-Capitalized	37	277	-
Fiscal Services	1,118	29	-
Food Services	41	1	-
Central Services	2,085	-	-
Pupil Transportation Services	4,998	69	-
Operation of Plant	11,175	-	-
Maintenance of Plant	-	-	-
Administrative Technology Services	2,237	-	-
Community Services	34	3	-
Capital Outlay:			
Facilities Acquisition & Construction	-	-	-
Other Capital Outlay	-	453	-
Debt Service:			
Principal	-	-	4,788
Unallocated Interest and Fiscal Charges	408	-	5,244
Total Expenditures	121,003	9,407	10,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(378)	-	(10,032)
OTHER FINANCING SOURCES (USES)			
Transfers In	674	-	10,037
Transfers Out	(2,664)	-	-
Sale of Capital Assets	57	-	-
Loss Recoveries	3	-	-
Total Other Financing Sources (Uses)	(1,930)	-	10,037
Net Change in Fund Balances	(2,308)	-	5
Fund Balances, Beginning	4,845	-	12
Fund Balances, Ending	$ 2,537	$ -	$ 17

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

Capital Projects: Local Capital Improvement Fund	Capital Projects: Other Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 4,397	$ 90,005
-	-	1,073	4,971
-	-	271	2,238
-	-	1,552	5,186
-	-	550	2,115
-	-	-	949
-	-	-	1,078
-	-	253	729
-	-	-	8,270
9,078	1,749	591	11,732
-	-	-	1,147
-	-	7,817	7,859
-	-	-	2,085
-	-	141	5,208
-	-	-	11,175
-	-	-	-
-	-	-	2,237
-	-	241	278
3,837	7,566	3,317	14,720
2,896	703	54	4,106
-	-	4,340	9,128
-	3	1,227	6,882
15,811	10,021	25,824	192,098
8,763	(8,328)	(2,654)	(12,629)
2,664	-	-	13,375
(10,037)	(674)	-	(13,375)
-	-	-	57
-	-	-	3
(7,373)	(674)	-	60
1,390	(9,002)	(2,654)	(12,569)
36,718	35,327	5,932	82,834
$ 38,108	$ 26,325	$ 3,278	$ 70,265

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

The School Board of Indian River County, Florida
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
June 30, 2010
(amounts expressed in thousands)

Net Change in Fund Balances - Governmental Funds		$ (12,569)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlays and donations in excess of depreciation/amortization expense and loss on sale of capital assets in the current period.		
Capital Outlay - Facilities and Construction - Governmental Funds	14,720	
Capital Outlay - Other Capital Outlay - Governmental Funds	4,106	
Donated Items	41	
Undepreciated Cost of Assets Sold	(204)	
Less: Depreciation/Amortization Expense	(13,548)	
		5,115
Debt issuance costs are reported in the year the debt is issued as an expenditure in governmental funds; these costs are reported in the government-wide statement of activities as an asset and are amortized over the life of the associated debt. This is the amount of deferred charges at year-end ($1,331), less the amount accrued in the prior year ($1,415).		(84)
Premiums are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements.		71
Debt financing provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period.		
Capital Lease Repayments	428	
Certificates of Participation Repayments	4,360	
Bond Repayments	4,340	
		9,128
The net change in estimated long-term claims payable for retiree life insurance is reported in the statement of activities, but not in the governmental funds statement.		1
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as an expense when interest accrues in the statement of activities. This is the amount of accrued interest at year-end ($163), less the amount accrued in the prior year ($206).		43
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.		(4,934)
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid ($2,845) in excess of the amount earned ($2,155) in the current period.		690
Notes receivable are accrued as revenue in the government-wide statements because they are earned, but are considered unearned revenue in the governmental funds because the repayments do not provide current financial resources and are not available to liquidate liabilities in the government funds. This is the amount recognized in the current year in governmental funds, whereas the entire amount was recognized in the prior year in the government-wide statements.		(572)
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.		(1,353)
Change in Net Assets - Governmental Activities		$ (4,464)

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	$ 115	$ 133	$ 133	$ -
Total Federal Direct	115	133	133	-
Federal Through State Sources:				
Other Federal Through State Sources	200	247	247	-
Total Federal through State	200	247	247	-
State Sources:				
Florida Education Finance Program	2,788	1,726	1,726	-
Categorical - Class Size Reduction	19,035	18,851	18,851	-
District Discretionary Lottery Funds	-	49	49	-
CO&DS Withheld for SBE/COBI Bond	11	10	10	-
Other State Sources	2,464	2,576	2,576	-
Total State Sources	24,298	23,212	23,212	-
Local Sources:				
Ad Valorem Taxes	94,384	96,433	93,743	(2,690)
Investment Income	300	727	727	-
Other Local Sources	3,043	2,563	2,563	-
Total Local Sources	97,727	99,723	97,033	(2,690)
Total Revenues	122,340	123,315	120,625	(2,690)
EXPENDITURES				
Current:				
Instruction:				
Salaries	52,682	51,100	51,090	10
Employees Benefits	14,054	14,373	14,328	45
Purchased Services	10,889	11,737	11,681	56
Energy Services	2	2	2	-
Materials and Supplies	4,134	1,918	1,858	60
Capital Outlay	72	72	19	53
Other Expenditures	160	1,493	1,491	2
Total Instruction	81,993	80,695	80,469	226
Pupil Personnel Services:				
Salaries	2,664	2,860	2,857	3
Employees Benefits	782	830	830	-
Purchased Services	49	26	23	3
Energy Services	6	4	4	-
Materials and Supplies	21	30	30	-
Capital Outlay	6	-	-	-
Other Expenditures	2	24	23	1
Total Pupil Personnel Services	3,530	3,774	3,767	7
Instructional Media Services:				
Salaries	986	963	963	-
Employees Benefits	330	295	295	-
Purchased Services	6	4	3	1
Materials and Supplies	9	16	15	1
Capital Outlay	96	101	100	1
Other Expenditures	-	9	9	-
Total Instructional Media Services	$ 1,427	$ 1,388	$ 1,385	$ 3

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
Current (continued)				
Instruction and Curriculum Development Services:				
Salaries	$ 1,834	$ 1,854	$ 1,851	$ 3
Employees Benefits	388	488	487	1
Purchased Services	58	40	38	2
Materials and Supplies	15	5	5	-
Capital Outlay	14	-	-	-
Other Expenditures	33	42	42	-
Total Instruction and Curriculum Development Services	2,342	2,429	2,423	6
Instructional Staff Training Services:				
Salaries	75	111	111	-
Employees Benefits	13	25	25	-
Purchased Services	125	46	44	2
Materials and Supplies	12	14	14	-
Other Expenditures	14	19	19	-
Total Instructional Staff Training Services	239	215	213	2
Instruction Related Technology:				
Salaries	541	515	515	-
Employees Benefits	163	167	149	18
Purchased Services	285	170	170	-
Energy Services	-	4	4	
Total Instruction Related Technology	989	856	838	18
School Board:				
Salaries	188	211	211	-
Employees Benefits	53	435	435	-
Purchased Services	549	371	371	-
Materials and Supplies	3	-	-	-
Other Expenditures	29	61	61	-
Total School Board	822	1,078	1,078	-
General Administration:				
Salaries	261	275	275	-
Employees Benefits	83	66	66	-
Purchased Services	39	28	28	-
Materials and Supplies	11	4	4	-
Other Expenditures	11	62	62	-
Total General Administration	405	435	435	-
School Administration:				
Salaries	5,848	6,373	6,373	-
Employees Benefits	1,683	1,746	1,745	1
Purchased Services	50	62	58	4
Energy Services	1	1	1	-
Materials and Supplies	58	58	58	-
Capital Outlay	11	1	-	1
Other Expenditures	8	27	27	-
Total School Administration	$ 7,659	$ 8,268	$ 8,262	$ 6

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
Current (continued)				
Facilities Services Non-Capitalized:				
Salaries	$ -	$ 23	$ 23	$ -
Employees Benefits	-	86	3	83
Purchased Services	-	7	6	1
Energy Services	-	4	4	-
Materials and Supplies	-	1	1	-
Capital Outlay	-	12	-	12
Total Facilities Services Non-Capitalized	-	133	37	96
Fiscal Services:				
Salaries	858	772	772	-
Employees Benefits	242	251	207	44
Purchased Services	85	128	128	-
Materials and Supplies	16	5	5	-
Other Expenditures	5	6	6	-
Total Fiscal Services	1,206	1,162	1,118	44
Food Services:				
Salaries	-	38	38	-
Employees Benefits	-	3	3	-
Total Food Services	-	41	41	-
Central Services:				
Salaries	1,393	1,452	1,452	-
Employees Benefits	496	416	351	65
Purchased Services	244	221	218	3
Energy Services	8	10	10	-
Materials and Supplies	47	70	26	44
Capital Outlay	25	4	2	2
Other Expenditures	17	26	26	-
Total Central Services	2,230	2,199	2,085	114
Pupil Transportation Services:				
Salaries	2,492	3,074	2,698	376
Employees Benefits	975	1,027	1,026	1
Purchased Services	270	380	375	5
Energy Services	710	769	612	157
Materials and Supplies	162	115	110	5
Other Expenditures	-	177	177	-
Total Pupil Transportation Services	4,609	5,542	4,998	544
Operation of Plant:				
Salaries	2,817	3,342	3,342	-
Employees Benefits	1,132	1,161	1,134	27
Purchased Services	2,258	752	740	12
Energy Services	5,797	5,364	5,364	-
Materials and Supplies	350	439	431	8
Capital Outlay	2	-	-	-
Other Expenditures	27	164	164	-
Total Operation of Plant	$ 12,383	$ 11,222	$ 11,175	$ 47

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
Current (continued)				
Maintenance of Plant:				
Salaries	$ -	$ -	$ -	$ -
Employees Benefits	-	-	-	-
Purchased Services	-	2	-	2
Energy Services	-	-	-	-
Materials and Supplies	-	53	-	53
Capital Outlay	-	-	-	-
Total Maintenance of Plant	-	55	-	55
Administrative Technology Services:				
Salaries	1,281	1,258	1,258	-
Employees Benefits	351	367	329	38
Purchased Services	821	625	619	6
Materials and Supplies	32	30	30	-
Capital Outlay	75	3	1	2
Total Administrative Technology Services	2,560	2,283	2,237	46
Community Services:				
Salaries	-	1	1	-
Purchased Services	-	30	30	-
Materials and Supplies	-	3	3	-
Total Community Services	-	34	34	-
Debt Service:				
Interest and Fiscal Charges	500	408	408	-
Total Debt Service	500	408	408	-
Total Expenditures	122,894	122,217	121,003	1,214
Excess (Deficiency) of Revenues Over Expenditures	(554)	1,098	(378)	(1,476)
OTHER FINANCING SOURCES (USES)				
Transfers In	722	674	674	-
Transfers Out	-	(2,664)	(2,664)	-
Sale of Capital Asset	110	57	57	-
Loss Recoveries	-	3	3	-
Total Other Financing Sources (Uses)	832	(1,930)	(1,930)	-
Net Change in Fund Balance	278	(832)	(2,308)	(1,476)
Fund Balance, Beginning	4,845	4,845	4,845	-
Fund Balance, Ending	$ 5,123	$ 4,013	$ 2,537	$ (1,476)

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Federal Through State Sources:				
Other Federal Through State Sources	$ 11,196	$ 12,721	$ 9,407	$ (3,314)
Total Federal through State	11,196	12,721	9,407	(3,314)
Total Revenues	11,196	12,721	9,407	(3,314)
EXPENDITURES				
Current:				
Instruction:				
Salaries	5,095	3,105	2,733	372
Employees Benefits	617	628	502	126
Purchased Services	35	126	125	1
Materials and Supplies	2,222	2,250	154	2,096
Capital Outlay	52	1,551	1,544	7
Other Expenditures	71	81	81	-
Total Instruction	8,092	7,741	5,139	2,602
Pupil Personnel Services:				
Salaries	43	92	87	5
Employees Benefits	12	17	16	1
Purchased Services	2	2	-	2
Materials and Supplies	12	42	28	14
Total Pupil Personnel Services	69	153	131	22
Instructional Media Services:				
Salaries	-	460	460	-
Employees Benefits	-	121	121	-
Other Expenditures	-	1	1	-
Total Instructional Media Services	-	582	582	-
Instruction and Curriculum Development Services:				
Salaries	906	961	958	3
Employees Benefits	248	252	252	-
Purchased Services	-	1	1	-
Total Instruction and Curriculum Development Services	1,154	1,214	1,211	3
Instructional Staff Training Services:				
Salaries	639	1,343	929	414
Employees Benefits	173	346	240	106
Purchased Services	169	181	122	59
Materials and Supplies	16	14	3	11
Other Expenditures	146	73	58	15
Total Instructional Staff Training Services	1,143	1,957	1,352	605
Instructional Related Technology:				
Purchased Services	-	37	37	-
Capital Outlay	111	74	74	-
Total Instruction Related Technology	$ 111	$ 111	$ 111	$ -

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Major Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
Current (continued)				
General Administration:				
Other Expenditures	$ 41	$ 60	$ 41	$ 19
Total General Administration	41	60	41	19
School Administration:				
Salaries	-	7	7	-
Other Expenditures	-	1	1	-
Total School Administration	-	8	8	-
Facilities Services Non-Capitalized:				
Purchased Services	-	50	50	-
Capital Outlay	15	227	227	-
Total Facilities Services Non-Capitalized	15	277	277	-
Fiscal Services:				
Salaries	-	23	23	-
Employees Benefits	-	6	6	-
Total Fiscal Services	-	29	29	-
Food Services:				
Salaries	-	21	1	20
Employees Benefits	-	4	-	4
Capital Outlay	-	-	-	-
Other Expenditures	-	32	-	32
Total Food Services	-	57	1	56
Pupil Transportation Services:				
Other Expenditures	179	69	69	-
Total Pupil Transportation Services	179	69	69	-
Community Services:				
Purchased Services	-	3	3	-
Total Community Services	-	3	3	-
Capital Outlay:				
Other Capital Outlay	392	460	453	7
Total Capital Outlay	392	460	453	7
Total Expenditures	11,196	12,721	9,407	3,314
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

The School Board of Indian River County, Florida
Statement of Net Assets
Proprietary Funds
June 30, 2010
(amounts expressed in thousands)

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Program	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 401	$ 10,128
Investments	-	229
Due from Other Agencies	-	425
Total Current Assets	401	10,782
Total Assets	401	10,782
LIABILITIES		
Current Liabilities:		
Accrued Salaries and Benefits	17	-
Accounts Payable	6	1
Due to Other Agencies	2	-
Unearned Revenue	-	1,162
Estimated Insurance Claims Payable	-	4,467
Compensated Absences Payable	12	-
Total Current Liabilities	37	5,630
Long-Term Liabilities:		
Compensated Absences Payable	8	-
OPEB Payable	17	-
Total Long-Term Liabilities	25	-
Total Liabilities	62	5,630
NET ASSETS		
Unrestricted	339	5,152
Total Net Assets	$ 339	$ 5,152

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

The School Board of Indian River County, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Program	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for Services	$ 802	$ 62
Premium Revenues	-	15,899
Other Operating Revenues	-	337
Total Operating Revenues	802	16,298
OPERATING EXPENSES		
Insurance Claims	-	13,407
Insurance Premiums	-	2,555
Service Agent Fees	-	1,912
Professional and Technical Services	34	65
Salaries and Benefits	590	80
Materials and Supplies	56	-
Other Expenses	37	-
Total Operating Expenses	717	18,019
Operating Income (Loss)	85	(1,721)
NONOPERATING REVENUES		
Loss Recovery	-	232
Investment Earnings (Loss)	1	136
Total Nonoperating Revenues	1	368
Change in Net Assets	86	(1,353)
Total Net Assets, Beginning	253	6,505
Total Net Assets, Ending	$ 339	$ 5,152

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

The School Board of Indian River County, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Business-Type Activities – Nonmajor Enterprise Fund – Extended Day Program	Governmental Activities – Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Premiums	$ -	$ 15,976
Cash Received for Other Operating Revenues	802	252
Cash Payments for Insurance Premiums	-	(2,555)
Cash Payments to Employees for Services	(585)	(80)
Cash Payments for Other Fees	-	(1,912)
Cash Payments for Insurance Claims	-	(12,950)
Cash Payments for Other	(135)	(71)
Net Cash Provided (Used) by Operating Activities	82	(1,340)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loss Recovery	-	232
Net Cash Provided by Noncapital Financing Activities	-	232
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	-	98
Interest on Investments	1	34
Net Cash Provided by Investing Activities	1	132
Net Change in Cash and Cash Equivelents	83	(976)
Cash and Cash Equivalents, Beginning	318	11,104
Cash and Cash Equivalents, Ending	$ 401	$ 10,128
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ 85	$ (1,721)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Increase in Due From Other Agencies	-	(40)
Decrease in Accrued Salaries and Benefits	(4)	-
Decrease in Account Payable	(2)	-
Decrease in Due to Other Funds	(6)	(5)
Decrease in Unearned Revenue	-	(30)
Increase in Estimated Insurance Claims Payable	-	456
Increase in Compensated Absences Payable	3	-
Increase in Other Postemployment Benefits Payable	6	-
Total Adjustments	(3)	381
Net Cash Provided (Used) by Operating Activities	$ 82	$ (1,340)
Noncash Investing Activity		
Increase in Fair Value of Investments		$ 102

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

The School Board of Indian River County, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010
(amounts expressed in thousands)

	Private-Purpose Trust Fund	
	Waldo Schraubstader Scholarship Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 29	$ 1,144
Investments	46	-
Inventory	-	32
Total Assets	75	$ 1,176
LIABILITIES		
Internal Accounts Payable	-	$ 1,176
Total Liabilities	-	$ 1,176
NET ASSETS		
Assets Held in Trust for Scholarships and Other Purposes	$ 75	

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

The School Board of Indian River County, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Private-Purpose Trust Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

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

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

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➢ Reporting Entity

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Indian River County School District is considered part of the Florida system of public education. The governing body of the school district is the Indian River County District School Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the School 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 District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

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

- <u>Blended Component Unit</u>. The Indian River County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 9. Due to the substantive economic relationship between the Indian River County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

- <u>Discretely Presented Component Units</u>. The component units columns in the government-wide financial statements include the financial data of the District's other component units. Per Florida Statute, charter schools operate under charters approved by their sponsor. Charter schools listed below are sponsored by the Indian River County District School board and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them. 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 will provide an educational environment where students will have learning opportunities that set high expectations for academic growth, foster individual achievement, and stress 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 6, 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, 2010. Audits of the charter schools for the fiscal year ended June 30, 2010, were conducted by independent accounting firms and are on file at the District Administrative Office.

- **Basis of Presentation**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for each segment of business activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense for the District has been allocated based upon a percentage of functional expenditures to total expenditures with direct allocation for some expenses in pupil transportation, food service and maintenance of plant functions.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

- Special Revenue - American Recovery and Reinvestment Act (ARRA) Fund – to account for certain Federal grant program resources provided for operations and other programs as set out in the American Recovery and Reinvestment Act of 2009.

- Debt Service – Other Fund – to account for financial resources generated for debt principal and interest for the Series 2005 and Series 2007, Certificates of Participation.

- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, payments on operating leases, motor vehicle purchases, equipment purchases, costs of environmental compliance, and payment of property and casualty insurance premiums.

- Capital Projects – Other Fund – to account for other financial resources generated by the Series 2005 and Series 2007, Certificates of Participation, Impact Fees, and Class Size Reduction Construction funds to be used for capital projects.

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

- Internal Service Funds – to account for the District's individual self-insurance programs and to account for the resources of the East Central Florida Management Training Institute (MTI) consortium, for which the School Board of Indian River County acted as fiscal agent for the 2009-10 fiscal year.

- Enterprise Fund - Extended Day Program − to account for the financial resources of the District's Extended Day Program. This program provides before and after school care to students.

- Private-Purpose Trust Fund – to account for resources of the Estate of Waldo Schraubstader Scholarship Fund.

- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

➢ Basis of Accounting

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

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

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

Proprietary Funds are accounted for under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds and enterprise fund are charges for employee health insurance premiums, services related to the Management Training Institute, and fees for child care services. Operating expenses include insurance premiums, claims, administrative expense, salaries and benefits, training expense and other related expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

- **<u>Deposits and Investments</u>**

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

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

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

The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2010, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The District's investments in Fund B are accounted for as a fluctuating net asset value pool, with a Fair Value factor of 0.67353149 at June 30, 2010. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within Florida PRIME.

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

- **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost based on the last invoice, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

- **Capital Assets**

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

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

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

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

- **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Premiums and discounts on debt issuance, as well as issuance costs, are deferred and amortized using a straight-line method over the life of the related debt. Bonds and other long-term debt payable are reported net of the applicable bond premium or discount. In the governmental fund financial statements, bonds and other long term obligations are not recognized as liabilities until due.

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.

- **State Revenue Sources**

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

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

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

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

- **District Property Taxes**

The School 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 School Board adopted the 2009 tax levy on September 3, 2009. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

- **Educational Impact Fees**

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

- **Federal Revenue Sources**

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

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

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

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

- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders and other contract commitments are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

3. INVESTMENTS

As of June 30, 2010, the District has the following investments and maturities:

Investments	Maturities	Fair Value
State Board of Administration (SBA):		
Florida PRIME (1) (2)	46 Day Average	$ 51,600,674
Fund B Surplus Funds Trust Fund (Fund B) (3)	8.05 Years Average	2,965,535
Debt Service Accounts	6 Months	154,780
Mutual Funds:		
Morgan Stanley U.S. Government Securities Trust (4)	3.8 Years Average	45,760
First American Money Market Fund (5) (6)	38 Day Average	6,966,586
Total Investments, Primary Government	`	$ 61,733,335

Notes:
(1) Includes $39,936,782 considered cash equivalents for financial statement reporting purposes.
(2) Includes $11,684,239 held under a trust agreement for Certificates of Participation financing arrangements.
(3) Includes $1,638,619 held under a trust agreement for Certificates of Participation financing arrangements.
(4) The U.S. Government Securities Trust invests exclusively in U.S. Government securities.
(5) Held under a trust agreement for Certificates of Participation financing arrangements.
(6) First American Money Market Fund invests exclusively in short-term U.S. Government Securities and repurchase agreements secured by U.S. Government Securities.

Interest Rate Risk

- District policies limit the maturity to a maximum of 24 months for investments of current operating funds. In no event shall the investments of non-operating funds exceed a maturity of 5 years in order to manage the District's exposure to fair value losses arising from increasing interest rates.
- Florida PRIME had a weighted average days to maturity (WAM) of 46 days at June 30, 2010. 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. Fund B had a weighted average life (WAL) of 8.05 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL, which also measures the sensitivity of the portfolio to interest rate changes, is based on legal final maturity dates for Fund B as of June 30, 2010. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. The District's participation in Fund B is involuntary.

Credit Risk

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy. The District has an investment policy, which permits investments in the State Board of Administration (SBA) Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund (LGIP), direct obligations of the U.S. Treasury, U.S. Federal Government Agency Securities, U.S. Government Sponsored Agencies, Securities and Exchange Commision registered mutual and money market funds with the highest credit rating from a nationally recognized rating agency, certificates of deposit or saving accounts with banks organized under the laws of Florida or doing business in the State of Florida as a qualified public depository and which is not listed with any recognized credit watch service, repurchase agreements fully collateralized at 102 percent of fair value by U.S. Treasuries, U.S. Government Agencies, or U.S. Government Sponsored Agencies or Federal Instrumentalities, commercial paper rated Prime-1 or A-1, bankers' acceptances rated P-1 or A-1, State or local government debt, and corporate securities rated at least AA or A2.

- The District's investments held in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued at the state level for the benefit of the District. The District relies on policies developed by the State Board of Administration for managing interest rate risk and credit risk for this account.
- As of June 30, 2010, the District's investment in Florida PRIME is Rated AAAm by Standard & Poor's. Fund B is unrated.
- As of June 30, 2010, the District's investment in the First American Money Market Fund was rated AAAm by Standard & Poor's, Aaa by Moody's Investors Service, and AAA by Fitch's Rating Agency.
- As of June 30, 2010, the District's investment in the Morgan Stanley U.S. Government Securities Trust mutual fund is unrated. However, the rated securities held by the fund are rated AAA by Standard & Poor's.

4. NOTE RECEIVABLE

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

The note receivable at June 30, 2010 is $5,047,672 as shown in the schedule below:

Fiscal Year Ending June 30	Total	Principal	Interest
2011	$ 897,039	$ 605,469	$ 291,570
2012	897,039	640,443	256,596
2013	897,039	677,437	219,602
2014	897,039	716,568	180,471
2015	897,039	757,960	139,079
2016-17	1,794,078	1,649,795	144,283
Total	$ 6,279,273	$ 5,047,672	$ 1,231,601

5. DUE FROM AND TO COMPONENT UNITS - CHARTER SCHOOLS

Pursuant to Section 1013.62, Florida Statutes, the State provides charter school capital outlay funds to the District. The District then reimburses the charter schools for capital outlay purchases. Four charter school component units recorded a due from primary government for this funding, which totals $581,712. The District does not deem this amount a payable until the charter schools claim the funding as a reimbursement of expenses incurred. Therefore, a corresponding payable was not recorded in its financial statements. In the fund balance of the General Fund, the District reserved capital outlay money provided by the State for the benefit of the charter schools. Detailed information regarding fund balance reserves and designations is included in Note 13, Reservations and Designations.

In addition, pursuant to Section 1011.71(2), Florida Statutes, the Board approved an allocation of a portion of local capital improvement tax revenue to each charter school. This allocation is also payable upon each charter school's claim of reimbursable expenses. The Indian River Charter High School has included a due from primary government of $1,081,128 for their portion of the local capital improvement tax revenue allocation. The District does not deem the allocation totaling $2,002,089 payable until the expenses have been incurred and has not shown a corresponding payable in its financial statements. However, it is designated in fund balance of the Capital Projects – Local Capital Improvement Fund. Detailed information regarding fund balance reserves and designations is included in Note 13, Reservations and Designations.

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-09	Additions	Deletions	Balance 6-30-10
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 23,271,147	$ -	$ -	$ 23,271,147
Improvements Other Than Buildings	188,739	-	-	188,739
Construction in Progress	41,061,830	5,323,471	40,842,323	5,542,978
Total Capital Assets Not Being Depreciated	64,521,716	5,323,471	40,842,323	29,002,864
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	18,016,191	1,928,140	8,685	19,935,646
Buildings and Fixed Equipment	293,664,558	48,309,956	-	341,974,514
Furniture, Fixtures, and Equipment	20,638,398	1,270,819	1,499,121	20,410,096
Motor Vehicles	10,056,387	2,389,507	1,380,371	11,065,523
Property Under Capital Leases	2,356,691	-	415,000	1,941,691
Audio Visual Materials and Computer Software	3,688,859	902,370	252,118	4,339,111
Total Capital Assets Being Depreciated/Amortized	348,421,084	54,800,792	3,555,295	399,666,581
Less Accumulated Depreciation/Amortization for:				
Improvements Other Than Buildings	9,577,405	901,183	5,687	10,472,901
Buildings and Fixed Equipment	72,905,982	9,404,650	-	82,310,632
Furniture, Fixtures, and Equipment	14,522,695	1,889,765	1,455,255	14,957,205
Motor Vehicles	5,119,877	878,701	1,226,235	4,772,343
Property Under Capital Leases (1)	360,840	97,085	352,751	105,174
Audio Visual Materials and Computer Software (1)	3,059,928	729,408	248,323	3,541,013
Total Accumulated Depreciation/Amortization	105,546,727	13,900,792	3,288,251	116,159,268
Total Capital Assets Being Depreciated/Amortized Net	242,874,357	40,900,000	267,044	283,507,313
Governmental Activities Capital Assets, Net	$ 307,396,073	$ 46,223,471	$ 41,109,367	$ 312,510,177

Note (1) Includes an adjustment of $352,751 accumulated amortization related to the reclassification of software from capital lease to computer software capital asset.

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

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	Amount
Function	
Instruction	$ 7,406,427
Pupil Personnel Services	409,094
Instructional Media Services	184,166
Instruction and Curriculum Development Services	426,852
Instructional Staff Training Services	173,972
Instruction Related Technology	78,077
School Board	88,671
General Administration	59,964
School Administration	680,487
Facility Services - Non-Capitalized	965,474
Fiscal Services	94,374
Food Services	655,920
Central Services	171,583
Pupil Transportation Services	929,205
Operation of Plant	919,561
Maintenance of Plant	120,140
Administrative Technology Services	184,074
Total Depreciation/Amortization Expense- Governmental Activities	$ 13,548,041

7. CHANGES IN SHORT-TERM DEBT

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

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
GOVERNMENTAL ACTIVITIES				
Tax Anticipation Notes	$ -	$ 28,000,000	$ 28,000,000	$ -
Total Governmental Activities	$ -	$ 28,000,000	$ 28,000,000	$ -

The Tax Anticipation Notes, Series 2009, with an interest rate of 2 percent and a net interest cost of 0.54 percent, were issued on October 8, 2009, for $28,000,000 and matured on June 30, 2010. The proceeds were utilized for payment of operating expenses incurred for the District's schools for 2009-10 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year.

8. OBLIGATIONS UNDER CAPITAL LEASE

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

Asset under lease	Asset Cost
Telephone System	$ 1,941,691
Total	$ 1,941,691

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

Fiscal Year Ending June 30	Total	Principal	Interest
2011	408,777	358,567	50,210
2012	408,778	373,139	35,639
2013	408,777	388,302	20,475
2014	306,582	301,547	5,035
Total Minimum Lease Payments	$ 1,532,914	$ 1,421,555	$ 111,359

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

9. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements on November 1, 2005 (Series 2005) and on August 1, 2007 (Series 2007), characterized as lease-purchase agreements, with the Indian River School Board Leasing Corporation whereby the District secured financing for construction of educational facilities and the purchase of land. The financings were accomplished through the issuance of certificates of participation, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangements, the District has given a ground lease on District property to the Indian River School Board Leasing Corporation with a rental fee of $10 per year. The initial terms of the lease agreements are 20 years commencing on November 1, 2005 (Series 2005), and August 1, 2007 (Series 2007). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease agreements and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for the remaining terms of the lease agreements.

Certificates of Participation at June 30, 2010, are as follows:

Series	Issued Amount	Amount Outstanding	Interest Rates (Percent)	Maturity
Series 2005	$ 80,050,000	$ 67,830,000	3.70 - 5.00	2025
Series 2007	45,020,000	41,775,000	4.00 - 5.00	2027
Total Certificates of Participation	$ 125,070,000	$ 109,605,000		

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

<u>Series 2005 Certificates of Participation</u>
Vero Beach High School renovations
Alternative Education Center
Sebastian River Middle School Music Addition
152 acres of land for future educational facilities

<u>Series 2007 Certificates of Participation</u>
Storm Grove Middle School

The lease payments for the 2005 and 2007 Series Certificates are payable by the District, semiannually, on July 1 and January 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:

Certificates of Participation Outstanding Fiscal Year Ending June 30	Total	Principal	Interest
2011	$ 9,531,413	$ 4,520,000	$ 5,011,413
2012	9,530,603	4,690,000	4,840,603
2013	9,529,903	4,870,000	4,659,903
2014	9,528,613	5,065,000	4,463,613
2015	9,526,400	5,270,000	4,256,400
2016-2020	47,642,305	29,885,000	17,757,305
2021-2025	47,636,950	37,585,000	10,051,950
2026-2027	19,059,750	17,720,000	1,339,750
Total Minimum Lease Payments	161,985,937	109,605,000	52,380,937
Plus: Unamortized Premium	1,115,544	1,115,544	-
Total Certificates of Participation	$ 163,101,481	$ 110,720,544	$ 52,380,937

10. BONDS PAYABLE

Bonds payable at June 30, 2010, are as follows:

Bond Type	Issued Amount	Amount Outstanding	Interest Rates (Percent)
State School Bonds:			
Series 2005A	$ 6,405,000	$ 5,400,000	4.00 - 5.00
Series 2008A	1,210,000	1,145,000	3.50 - 5.00
District General Obligations Bonds:			
Series 2002, Refunding	24,805,000	11,055,000	3.60 - 5.50
Series 2003, Refunding	17,605,000	2,465,000	3.75
Total Bonds Payable	$ 50,025,000	$ 20,065,000	

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

- **State School Bonds**

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

- **District General Obligation Bonds**

General Obligation Bonds, Series 2002 and Series 2003, are authorized by Indian River County School Board and secured by a pledge of property taxes levied, pursuant to Chapters 1010 and 1011, Florida Statutes.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2010, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2011	$ 587,738	$ 295,000	$ 292,738
2012	588,588	310,000	278,588
2013	588,763	325,000	263,763
2014	588,188	340,000	248,188
2015	591,863	360,000	231,863
2016-2020	2,947,913	2,065,000	882,913
2021-2025	2,960,479	2,555,000	405,479
2026-2028	323,675	295,000	28,675
Total State School Bonds	9,177,207	6,545,000	2,632,207
General Obligation Bonds:			
2011	4,893,948	4,250,000	643,948
2012	5,007,250	4,520,000	487,250
2013	5,011,250	4,750,000	261,250
Total General Obligation Bonds	14,912,448	13,520,000	1,392,448
Total	$ 24,089,655	$ 20,065,000	$ 4,024,655

11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-09	Additions	Deductions	Balance 6-30-10	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	$ 113,965,000	$ -	$ 4,360,000	$ 109,605,000	$ 4,520,000
Unamortized Premiums	1,186,530	-	70,986	1,115,544	70,986
Total Certificates of Participation Payable	115,151,530	-	4,430,986	110,720,544	4,590,986
Estimated Long-term Claims Payable	6,596	-	1,429	5,167	1,512
Obligations Under Capital Lease	1,849,599		428,044	1,421,555	358,567
Bonds Payable	24,405,000	-	4,340,000	20,065,000	4,545,000
Compensated Absences Payable	10,148,183	2,154,681	2,845,071	9,457,793	1,936,958
Other Postemployment Benefits Payable	8,919,850	5,639,254	705,177	13,853,927	-
Total Governmental Activities	$ 160,480,758	7,793,935	$ 12,750,707	$ 155,523,986	$ 11,433,023
BUSINESS-TYPE ACTIVITIES					
Compensated Absences Payable	$ 17,295	$ 11,847	$ 9,783	$ 19,359	$ 11,526
Other Postemployment Benefits Payable	10,811	7,168	896	17,083	-
Total Business-Type Activities	$ 28,106	$ 19,015	$ 10,679	$ 36,442	$ 11,526

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

12. INTERFUND TRANSFERS

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

Funds	Interfund Transfers In	Interfund Transfers Out
Major:		
General	$ 673,642	$ 2,663,948
Capital Projects:		
Local Capital Improvement	2,663,948	10,036,815
Other	-	673,642
Debt Service - Other	10,036,815	-
Total	$ 13,374,405	$ 13,374,405

Interfund transfers represent permanent transfers between funds. The transfers out of the General Fund into Capital Projects – Local Capital Improvement Fund were to adjust for expenses that were deemed non-capital in nature. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments in the Debt Service – Other Fund. The transfers from Capital Projects - Other Fund were to provide for payments to charter schools for capital expenses.

13. RESERVATIONS AND DESIGNATIONS

Reserve for 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 Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the fiscal year 2010-11 budget as a result of purchase orders outstanding at June 30, 2010.

Because revenues of grants accounted for in the Special Revenue – ARRA Economic Stimulus Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no reserve for encumbrances is reported for grant funds. However, purchase orders outstanding for grants accounted for in the Special Revenue – ARRA Economic Stimulus Fund total $18,185 at June 30, 2010.

Reserve for Charter School Capital Outlay—Pursuant to Section 1013.62 Florida Statutes, the State provides charter school capital outlay funds to the District. The District then reimburses the charter schools for capital outlay purchases. At June 30, 2010 the District reserved $581,712 in the fund balance of the General Fund for capital outlay money provided by the State for the benefit of the charter schools.

Designated for Charter Schools in Local Capital Improvement Fund—Pursuant to Section 1011.71, Florida Statutes, the Board approved an allocation of a portion of the local capital improvement tax revenue to each charter school. The allocation was based upon full time equivalent student counts. At June 30, 2010, the District designated $2,002,089 in the unreserved portion of fund balance in the Capital Projects – Local Capital Improvement fund for charter schools.

14. SCHEDULE OF STATE REVENUE SOURCES

Accounting policies relating to certain State revenue sources are described in Note 1. The following is a schedule of the District's State revenue for the 2009-10 fiscal year:

Source		Amount
Florida Education Finance Program	$	1,725,976
Categorical Educational Programs - Class size reduction		18,851,123
School Recognition		1,010,002
Workforce Development Program		905,021
Charter School Capital Outlay		673,642
Motor Vehicle License Tax (Capital Outlay and Debt Service)		672,672
Voluntary Prekindergarten		465,473
Gross Receipts Tax (Public Education Capital Outlay)		294,965
Mobile Home License Tax		145,809
Food Service Supplement		139,575
Discretionary Lottery Funds		48,659
Miscellaneous		80,213
Total	$	25,013,130

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2009 tax roll for the 2009-10 fiscal year:

GENERAL FUND	Millages		Taxes Levied
Nonvoted School Tax:			
Required Local Effort	5.048	$	84,310,809
Basic Discretionary Local Effort	0.748		12,492,965
Total General Fund Taxes Levied			96,803,774
DEBT SERVICE FUNDS			
Voted Tax:			
Special Tax School District No. 1	0.300		5,010,547
CAPITAL PROJECTS FUNDS			
Nonvoted Tax:			
Local Capital Improvements	1.500		25,052,737
Total	7.596	$	126,867,058

16. FLORIDA RETIREMENT SYSTEM

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

Employees in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits, and annual cost of living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest after one year of service. There were 332 District participants during the 2009-10 fiscal year. Required contributions made to PEORP totaled $1,189,320.

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of the FRS. During the 2009-10 fiscal year, contribution rates were as follows:

Retirement Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Florida Retirement System, Senior Management Service	0.00	13.12
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plans	0.00	10.91
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .05 percent for administrative costs of PEORP.
(B) Contribution rates are dependent upon retirement class in which reemployed.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions for the fiscal years ended June 30, 2008, June 30, 2009, and June 30, 2010, totaled \$7,792,142, \$7,783,110, and \$7,430,600, respectively, which were equal to the required contributions for each fiscal year.

The financial statements and other supplementary information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

17. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The District’s Postemployment Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the District may continue to participate in the District’s self-funded health and hospitalization plan for medical and prescription drug coverage, along with the fully-insured life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Additionally, Medicare-eligible retirees receive insurance coverage at a lower premium rate than active employees and do not pay deductibles and copayments. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

The postemployment benefit plan does not issue a stand-alone report and is not included in the report of another entity.

Funding Policy – For the Postemployment Benefits Plan, contribution requirements of the District are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. As of June 30, 2010, there were 375 retirees and 102 eligible dependents receiving postemployment health care benefits. For the 2009-10 fiscal year the District provided required contributions of $706,073 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance payments, and net of retiree contributions totaling $1,534,273, which represents 1.8 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 Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Other Post Employment Benefits		
	Fiscal Year Ending	
Description	June 30, 2009	June 30, 2010
Normal Cost (service cost for one year)	$ 3,682,824	3,250,861
Amortization of Unfunded Actuarial Accrued Liability	2,329,069	2,141,595
Interest on Normal Cost and Amortization	240,476	215,698
Annual Required Contribution	6,252,369	5,608,154
Interest on Net OPEB Obligation	155,286	357,226
Adjustment to Annual Required Contribution	(138,650)	(318,958)
Annual OPEB Cost (Expense)	6,269,005	5,646,422
Contribution Toward the OPEB Cost	(1,220,488)	(706,073)
Increase in Net OPEB Obligation	5,048,517	4,940,349
Net OPEB Obligation, Beginning of Year	3,882,144	8,930,661
Net OPEB Obligation, End of Year	$ 8,930,661	$ 13,871,010

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2010, and the two preceding years, are as follows:

Fiscal Year	Annual OPEB Cost	Contribution Toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Beginning Balance, 7-01-07				
2007-08	$5,150,872	$1,268,728	24.6%	$3,882,144
2008-09	6,269,005	1,220,488	19.5%	8,930,661
2009-10	5,646,422	706,073	12.5%	13,871,010

Funded Status and Funding Progress. As of June 30, 2010, the actuarial accrued liability for benefits was $60,371,109, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $60,371,109. The covered payroll (annual payroll for active participating employees) was $85,459,099 for the 2009-10 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 70.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to the basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

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

The District's OPEB liability was determined on the entry age normal cost actuarial method. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, and an annual healthcare cost trend rate of 10.5 percent initially for the 2009-10 fiscal year, reduced by 1 percent per year, to an ultimate rate of 5.5 percent for the fiscal year ending June 30, 2018. In calculating the District's 2009-10 fiscal year annual required contribution the initial unfunded actuarial accrued liability, actuarial gains and actuarial losses were amortized over a closed 30 year period as a level percentage of projected payroll. The remaining amortization period at June 30, 2010, was 27 years.

18. CONSTRUCTION CONTRACT COMMITMENTS

The following is a summary of major construction contract commitments remaining at fiscal year-end June 30, 2010:

Project	Contract Amount	Completed to Date	Balance Committed
Vero Beach Senior High Remodel and Renovations:			
Architect	$ 322,500	$ 214,200	$ 108,300
Contractor (Phase 3)	3,082,800	2,732,876	349,924
Contractor (Phase 4)	3,052,500	1,998,356	1,054,144
Dodgertown Elementary Cafeteria			
Architect	331,000	259,991	71,009
Contractor	2,934,400	1,433,089	1,501,311
Vero Beach Freshman Learning Center			
Gymnasium Renovations			
Contractor	1,004,640	184,000	820,640
Cafeteria Renovations			
Contractor	806,792	80,100	726,692
Total	$ 11,534,632	$ 6,902,612	$ 4,632,020

19. CONSORTIUM

The District is a member of, and the fiscal agent for, the East Central Florida Management Training Institute (MTI). The Institute provides training for administrators in the participating districts. The Institute is governed by a Board of Directors composed of the superintendents of the participating school districts. During the 2009-10 fiscal year, MTI had five full members. MTI also provides training on a fee basis to other nonmember districts and individual schools throughout central Florida.

20. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; 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 pool for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, 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 assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board

The Board of Directors for SCERMP is composed of superintendents of all participating districts. Employers' Mutual, Inc. serves as the third-party administrator and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of reinsurance policies or excess property coverage through commercial insurance carriers for property loss claims in excess of $100,000 (except wind/hail/flood), respectively. The named wind or named flood deductible is 5 percent of replacement cost value with a minimum of $250,000 per occurrence. Deductibles for unnamed wind or flood events are $100,000 plus $100,000 time element for any one occurrence. Special hazard flood area deductibles are $500,000 per building and $500,000 contents. SCERMP's purchased reinsurance property loss limit substantially reduced during the 2009-10 fiscal year to $ 75 million compared to $132 million during the 2008-09 fiscal year.

Workers' compensation claims are limited based on specific self-insured retention limits for each claim year. The limit for the 2009-10 fiscal year was $1,000,000. SCERMP purchases excess reinsurance coverage through commercial insurance carriers covering aggregate group workers' compensation loss claims in up to $2,000,000.

The District is covered by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of individual School Boards to individual claims of $100,000 per person and $200,000 per accident for all claims relating to the same incident for property casualty claims.

The District self-insures its health care coverage for employees and retired former employees. Blue Cross Blue Shield of Florida acts as the third-party administrator for the health insurance program. The program includes excess coverage of claim amounts above $175,000 per insured per year, with a maximum lifetime benefit of $1,825,000 per insured. Premiums received for, and claims (and other expenses) paid on behalf of, Indian River County School Board employees and their dependents are reported in the District's Internal Service Fund.

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

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2008-09	$ 3,676,854	$ 13,277,864	$ (12,943,785)	$ 4,010,933
2009-10	4,010,933	13,406,620	(12,950,157)	4,467,396

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

21. LITIGATION

The District is a defendant in various lawsuits arising in the normal course of business, including claims for property damage, personnel 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.

22. SUBSEQUENT EVENTS

- On October 7, 2010, the School Board issued Tax Anticipation Notes in the amount of $30 million. The note proceeds will provide the District with interim funds for the payment of operating expenditures for the 2010-11 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year. The notes were issued with an interest rate of 2 percent.

- In May 2010 the District applied for funding under the Qualified School Construction Bond program (QSCB) of the American Reinvestment and Recovery Act. The QSCB program provides financing for school districts at low interest rates through a Federal subsidy of the interest costs. The program awards are being administered in the State of Florida by the Department of Education. In October and November 2010, the District was awarded QSCB allocations totaling $26,261,841 to construct one replacement elementary school and to partially fund another replacement elementary.

The School Board of Indian River County, Florida
Required Supplementary Information
Schedule of Funding Progress
Single-Employer Postemployment Benefits Plan
June 30, 2010
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
6/30/2008	$ -	$ 63,310	$ 63,310	0.00%	$ 88,216	71.8%
6/30/2009	$ -	$ 68,428	$ 68,428	0.00%	$ 88,372	77.4%
6/30/2010	$ -	$ 60,371	$ 60,371	0.00%	$ 85,459	70.6%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

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 and 2003, which are payable from the District's millage levy that was originally voted on by the District's electorate.

Capital Projects Funds

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

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

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

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

The School Board of Indian River County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(amounts expressed in thousands)

	Special Revenue		
	Food Services	**Contracted Programs**	**Total Nonmajor Special Revenue**
ASSETS			
Cash and Cash Equivalents	$ 428	$ 220	$ 648
Investments	-	-	-
Receivables	88	-	88
Due from Other Agencies	103	188	291
Inventories	150	-	150
Total Assets	$ 769	$ 408	$ 1,177
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	$ 94	$ 293	$ 387
Accounts Payable	114	34	148
Construction Contracts Payable	-	-	-
Due to Other Agencies	68	81	149
Total Liabilities	276	408	684
Fund Balances:			
Reserved for:			
Encumbrances	71	-	71
Inventory	150	-	150
Debt Service	-	-	-
Unreserved, Reported In:			
Special Revenue Funds	272	-	272
Capital Projects Funds	-	-	-
Total Fund Balances	493	-	493
Total Liabilities and Fund Balances	$ 769	$ 408	$ 1,177

Debt Service			Capital Projects				Total
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Public Education Capital Outlay	Total Nonmajor Capital Projects	Nonmajor Governmental Funds
$ -	$ 951	$ 951	$ 360	$ 401	$ 500	$ 1,261	$ 2,860
155	14	169	-	3	-	3	172
-	-	-	-	-	-	-	88
-	-	-	-	-	573	573	864
-	-	-	-	-	-	-	150
$ 155	$ 965	$ 1,120	$ 360	$ 404	$ 1,073	$ 1,837	$ 4,134
$ -	$ -	-	$ -	$ -	$ -	$ -	387
-	-	-	7	-	17	24	172
-	-	-	-	-	148	148	148
-	-	-	-	-	-	-	149
-	-	-	7	-	165	172	856
-	-	-	10	4	460	474	545
-	-	-	-	-	-	-	150
155	965	1,120	-	-	-	-	1,120
-	-	-	-	-	-	-	272
-	-	-	343	400	448	1,191	1,191
155	965	1,120	353	404	908	1,665	3,278
$ 155	$ 965	$ 1,120	$ 360	$ 404	$ 1,073	$ 1,837	$ 4,134

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, 2010
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Revenues:			
Local Sources:			
Food Service	$ 2,953	$ -	$ 2,953
Investment Income	-	-	-
Ad Valorem Taxes	-	-	-
Other	32	-	32
Total Local Sources	2,985	-	2,985
State Sources:			
Public Education Capital Outlay	-	-	-
Food Service	140	-	140
CO&DS Withheld for SBE/COBI Bond	-	-	-
CO&DS Distribution	-	-	-
Total State Sources	140	-	140
Federal Sources:			
Federal Direct	-	-	-
Other Federal Through State Sources	-	8,524	8,524
Food Service	5,694	-	5,694
Total Federal Sources	5,694	8,524	14,218
Total Revenues	8,819	8,524	17,343

Debt Service			Capital Projects				Total
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Public Education Capital Outlay	Total Nonmajor Capital Projects	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,953
-	14	14	3	1	1	5	19
	4,850	4,850	-	-	-	-	4,850
-	-	-	-	-	-	-	32
-	4,864	4,864	3	1	1	5	7,854
-	-	-	-	-	295	295	295
-	-	-	-	-	-	-	140
580	-	580	-	-	-	-	580
-	-	-	-	83	-	83	83
580	-	580	-	83	295	378	1,098
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,524
-	-	-	-	-	-	-	5,694
-	-	-	-	-	-	-	14,218
580	4,864	5,444	3	84	296	383	23,170

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, 2010
(amounts expressed in thousands)

	Special Revenue		
	Food Services	**Contracted Programs**	**Total Nonmajor Special Revenue**
Expenditures:			
Current:			
Instruction	$ -	$ 4,397	$ 4,397
Pupil Personnel Services	-	1,073	1,073
Instructional Media Services	-	271	271
Instruction and Curriculum Development Services	-	1,552	1,552
Instructional Staff Training Services	-	550	550
School Board	-	-	-
General Administration	-	253	253
Facilities Services - Non-Capitalized	-	-	-
Food Services	7,817	-	7,817
Pupil Transportation Sevices	-	141	141
Community Services	-	241	241
Capital Outlay:			
Facilities Acquisition & Construction	-	-	-
Other Capital Outlay	8	46	54
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	7,825	8,524	16,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	994	-	994
Other Financing Sources:			
Issuance of Long-Term Debt	-	-	-
Premium on Issuance of Long-Term Debt	-	-	-
Total Other Financing Sources:	-	-	-
Net Change in Fund Balances	994	-	994
			-
Fund Balances, Beginning of Year	(501)	-	(501)
Fund Balances, End of Year	$ 493	$ -	$ 493

Debt Service			Capital Projects				Total
SBE / COBI Bonds	District Bonds	Total Nonmajor Debt Service	SBE / COBI Bonds	Capital Outlay and Debt Service	Public Education Capital Outlay	Total Nonmajor Capital Projects	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,397
-	-	-	-	-	-	-	1,073
-	-	-	-	-	-	-	271
-	-	-	-	-	-	-	1,552
-	-	-	-	-	-	-	550
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	253
-	-	-	189	31	371	591	591
-	-	-	-	-	-	-	7,817
-	-	-	-	-	-	-	141
-	-	-	-	-	-	-	241
-	-	-	-	-	-	-	-
-	-	-	445	-	2,872	3,317	3,317
-	-	-	-	-	-	-	54
-	-	-	-	-	-	-	-
280	4,060	4,340	-	-	-	-	4,340
306	921	1,227		-	-	-	1,227
586	4,981	5,567	634	31	3,243	3,908	25,824
(6)	(117)	(123)	(631)	53	(2,947)	(3,525)	(2,654)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(6)	(117)	(123)	(631)	53	(2,947)	(3,525)	(2,654)
		-					
161	1,082	1,243	984	351	3,855	5,190	5,932
$ 155	$ 965	$ 1,120	$ 353	$ 404	$ 908	$ 1,665	$ 3,278

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Local Sources:				
Investment Income	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal	7,267	4,788	4,788	-
Interest and Fiscal Charges	6,049	5,244	5,244	-
Total Expenditures	13,316	10,032	10,032	-
Excess (Deficiency) of Revenues Over Expenditures	(13,316)	(10,032)	(10,032)	-
Other Financing Sources				
Transfers In	13,316	10,037	10,037	-
Total Other Financing Sources	13,316	10,037	10,037	-
Net Change in Fund Balance	$ -	$ 5	5	$ -
Fund Balance, Beginning of Year			12	
Fund Balance, End of Year			$ 17	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Local Sources:				
Ad Valorem Taxes	$ 23,950	$ 24,275	$ 24,275	$ -
Investment Income	237	299	299	-
Total Revenues	24,187	24,574	24,574	-
Expenditures:				
Capital Outlay	46,439	45,457	15,811	29,646
Total expenditures	46,439	45,457	15,811	29,646
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,252)	(20,883)	8,763	29,646
Other Financing Sources (Uses):				
Transfers In	-	2,664	2,664	-
Transfers Out	(13,316)	(10,037)	(10,037)	-
Total Other Financing Sources (Uses)	(13,316)	(7,373)	(7,373)	-
Net Change in Fund Balance	$ (35,568)	$ (28,256)	$ 1,390	$ 29,646
Fund Balance, Beginning of Year			36,718	
Fund Balance, End of Year			$ 38,108	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			**Variance with Final Budget - Positive**
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Local Sources:				
Investment Income	$ -	$ 696	$ 696	$ -
Impact Fees	-	279	279	-
Other Miscellenous Local	-	15	15	-
Total Local Sources	-	990	990	-
State Sources:				
Other	752	703	703	-
Total State Sources	752	703	703	-
Total Revenues	752	1,693	1,693	-
Expenditures:				
Capital Outlay	41,109	30,879	10,018	20,861
Interest and Fiscal Charges	19	19	3	16
Total Expenditures	41,128	30,898	10,021	20,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,376)	(29,205)	(8,328)	20,877
Other Financing Sources (Uses):				
Transfers Out	(722)	(674)	(674)	-
Certificates of Participation	15,000	-	-	-
Total Other Financing Sources (Uses)	14,278	(674)	(674)	-
Net Change in Fund Balance	$ (26,098)	$ (29,879)	(9,002)	$ 20,877
Fund Balance, Beginning of Year			35,327	
Fund Balance, End of Year			$ 26,325	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	**Final**	**Amounts**	**(Negative)**
Revenues:				
Local Sources:				
Food Service	$ 2,746	$ 2,972	$ 2,953	$ (19)
Investment Income	-	-	-	-
Other	-	13	32	19
Total Local Sources	2,746	2,985	2,985	-
State Sources:				
Food Service	112	140	140	-
Total State Sources	112	140	140	-
Federal Sources:				
Food Service	5,530	5,694	5,694	-
Total Federal Sources	5,530	5,694	5,694	-
Total Revenues	8,388	8,819	8,819	-
Expenditures:				
Food Services:				
Salaries	2,612	2,501	2,501	-
Employee Benefits	1,173	1,054	1,054	-
Purchased Services	134	170	156	14
Energy Services	336	336	336	-
Materials and Supplies	3,804	3,556	3,542	14
Capital Outlay	189	61	18	43
Other Expenditures	140	218	218	-
Total Food Service	8,388	7,896	7,825	71
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	8,388	7,896	7,825	71
Excess (Deficiency) of Revenues				-
Over (Under) Expenditures	-	923	994	71
Net Change in Fund Balance	$ -	$ 923	994	$ 71
Fund Balance, Beginning of Year			(501)	
Fund Balance, End of Year			$ 493	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Federal Sources:				
Other Federal Through State Sources	$ 10,784	$ 10,571	$ 8,524	$ (2,047)
Total Federal Sources	10,784	10,571	8,524	(2,047)
Total Revenues	10,784	10,571	8,524	(2,047)
Expenditures:				
Instruction:				
Salaries	2,592	2,987	2,808	179
Employee Benefits	960	958	915	43
Purchased Services	1,669	1,084	379	705
Materials and Supplies	295	501	97	404
Capital Outlay	166	112	30	82
Other Expenditures	137	177	168	9
Total Instruction	5,819	5,819	4,397	1,422
Pupil Personnel Services:				
Salaries	763	813	809	4
Employee Benefits	218	221	218	3
Purchased Services	11	15	13	2
Materials and Supplies	39	48	32	16
Capital Outlay	1	1	1	-
Total Pupil Personnel Services	1,032	1,098	1,073	25
Instructional Media Services:				
Salaries	-	210	210	-
Employee Benefits	-	60	60	-
Other Expenditures	-	1	1	-
Total Instructional Media Services	-	271	271	-
Instruction and Curriculum Development Services:				
Salaries	1,257	1,268	1,218	50
Employee Benefits	353	348	320	28
Purchased Services	33	14	7	7
Materials and Supplies	6	6	6	-
Capital Outlay	35	1	1	-
Other Expenditures	1	-	-	-
Total Instruction and Curriculum Development Services	1,685	1,637	1,552	85
Instructional Staff Training Sevices:				
Salaries	308	322	254	68
Employee benefits	74	104	60	44
Purchased Services	705	233	200	33
Materials and Supplies	111	40	25	15
Capital Outlay	12	10	5	5
Other Expenditures	2	8	6	2
Total Instructional Staff Training Services	1,212	717	550	167

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Expenditures (continued):				
School Board:				
Purchased Services	2	-	-	-
Total School Board	2	-	-	-
General Administration:				
Other Expenditures	417	281	253	28
Total General Administration	417	281	253	28
Facilities Acquisition and Construction:				
Other Capital Outlay	3	-	-	-
Total Facilities Acquisition and Construction	3	-	-	-
Pupil Transportation Services:				
Salaries	-	6	3	3
Employee Benefits	-	1	-	1
Purchased Services	3	-	-	-
Other Expenditures	611	242	138	104
Total Pupil Transportation Services	614	249	141	108
Community Services:				
Salaries	-	284	177	107
Employee Benefits	-	76	35	41
Purchased Services	-	45	3	42
Materials and Supplies	-	18	18	-
Other Expenditures	-	30	8	22
Total Community Services	-	453	241	212
Capital Outlay:				
Other Capital Outlay	-	46	46	-
Total Capital Outlay	-	46	46	-
Total Expenditures	10,784	10,571	8,524	2,047
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ -	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
State Sources:				
CO&DS Withheld for SBE/COBI Bond	$ 586	$ 580	$ 580	-
Total State Sources	586	580	580	-
Total Revenues	586	580	580	-
Expenditures:				
Principal	280	280	280	-
Interest and Fiscal Charges	306	306	306	-
Total expenditures	586	586	586	-
Net Change in Fund Balance	$ -	$ (6)	$ (6)	$ -
Fund Balance, Beginning of Year			161	
Fund balance, End of Year			$ 155	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Local sources:				
Ad Valorem Taxes	$ 4,790	$ 4,850	$ 4,850	$ -
Investment Income	10	14	14	-
Total Local Sources	4,800	4,864	4,864	-
Total Revenues	4,800	4,864	4,864	-
Expenditures:				
Principal	4,060	4,060	4,060	-
Interest and Fiscal Charges	1,046	921	921	-
Total Expenditures	5,106	4,981	4,981	-
Net Change in Fund Balance	$ (306)	$ (117)	(117)	$ -
Fund Balance, Beginning of Year			1,082	
Fund Balance, End of Year			$ 965	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - SBE / COBI Bonds Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Investment Income	$ -	$ 3	$ 3	$ -
Total Revenues	-	3	3	-
Expenditures:				
Capital Outlay	984	980	634	346
Total expenditures	984	980	634	346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(984)	(977)	(631)	346
Net Change in Fund Balance	$ (984)	$ (977)	(631)	$ 346
Fund Balance, Beginning of Year			984	
Fund Balance, End of Year			$ 353	

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Local Sources:				
Investment Income	$ -	$ 1	$ 1	$ -
State Sources:				
CO&DS Distribution	85	83	83	-
Total Revenues	85	84	84	-
Expenditures:				
Capital Outlay	436	434	31	403
Total Expenditures	436	434	31	403
Net Change in Fund Balance	$ (351)	$ (350)	53	$ 403
Fund Balance, Beginning of Year			351	
Fund Balance, End of Year			$ 404	

The School Board of Indian River County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Local Sources:				
Investment Income	$ -	$ 1	$ 1	$ -
State Sources:				
Public Education Capital Outlay	295	295	295	-
Total Revenues	295	296	296	-
Expenditures:				
Capital Outlay	4,150	4,151	3,243	908
Total Expenditures	4,150	4,151	3,243	908
Net Change in Fund Balance	$ (3,855)	$ (3,855)	(2,947)	$ 908
Fund Balance, Beginning of Year			3,855	
Fund Balance, End of Year			$ 908	

Internal Service Funds

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

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

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

SCHOOL DISTRICT OF

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Vero Beach, FL

INDIAN RIVER COUNTY

The School Board of Indian River County, Florida
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 10,094	$ 34	$ 10,128
Investments	229	-	229
Due From Other Agencies	425	-	425
Total Current Assets	10,748	34	10,782
Total Assets	$ 10,748	$ 34	$ 10,782
LIABILITIES			
Current Liabilities:			
Accounts Payable and Other Current Liabilities	1	-	1
Due to Other Funds	-	-	-
Unearned Revenue	1,162	-	1,162
Estimated Insurance Claims Payable	4,467	-	4,467
Total Liabilities	5,630	-	5,630
NET ASSETS			
Unrestricted	5,118	34	5,152
Total Net Assets	$ 5,118	$ 34	$ 5,152

The School Board of Indian River County, Florida
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Internal Service Funds
June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
OPERATING REVENUES			
Charges for Services	$ -	$ 62	$ 62
Premium Revenues	15,899	-	15,899
Other Operating Revenues	337	-	337
Total Operating Revenues	16,236	62	16,298
OPERATING EXPENSES			
Insurance Claims	13,407	-	13,407
Insurance Premiums	2,555	-	2,555
Service Agent Fees	1,912	-	1,912
Professional and Technical Services	-	65	65
Salaries and Benefits	80	-	80
Total Operating Expenses	17,954	65	18,019
Operating (Loss)	(1,718)	(3)	(1,721)
NONOPERATING REVENUES			
Loss Recoveries	232	-	232
Investment Earnings	136	-	136
Total Nonoperating Revenues	368	-	368
Change in Net Assets	(1,350)	(3)	(1,353)
Total Net Assets, Beginning	6,468	37	6,505
Total Net Assets, Ending	$ 5,118	$ 34	$ 5,152

The School Board of Indian River County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Management Training Institute Consortium	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Premiums	$ 15,976	$ -	$ 15,976
Cash Received for Other Operating Revenues	190	62	252
Cash Payments for Insurance Premiums	(2,555)	-	(2,555)
Cash Payments to Employees for Services	(80)	-	(80)
Cash Payments for Other Fees	(1,912)	-	(1,912)
Cash Payments for Insurance Claims	(12,950)	-	(12,950)
Cash Payments for Other	-	(71)	(71)
Net Cash Used by Operating Activities	(1,331)	(9)	(1,340)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loss Recovery	232	-	232
Net Cash Provided by Noncapital Financing Activities	232	-	232
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales and Maturities of Investments	98	-	98
Interest on Investments	34	-	34
Net Cash Provided by Investment Activities	132	-	132
Net Decrease in Cash and Cash Equivalents	(967)	(9)	(976)
Cash and Cash Equivalents, Beginning	11,061	43	11,104
Cash, and Cash Equivalents, Ending	$ 10,094	$ 34	$ 10,128
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Loss	$ (1,718)	$ (3)	$ (1,721)
Adjustments to Reconcile Operating Loss to Net Cash			
Used by Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Due from Other Agencies	(40)	-	(40)
Increase (Decrease) in Accounts Payable	1	(1)	-
Increase in Due to Other Funds	-	(5)	(5)
Decrease in Unearned Revenue	(30)	-	(30)
Increase in Estimated Insurance Claims Payable	456	-	456
Total Adjustments	387	(6)	381
Net Cash Used by Operating Activities	$ (1,331)	$ (9)	$ (1,340)
Noncash Investing Activity			
Increase in Fair Value of Investments	$ 102	-	$ 102

SCHOOL DISTRICT OF

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Vero Beach, FL

INDIAN RIVER COUNTY

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, 2010
(amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ASSETS				
Cash and Cash Equivalents	$ 1,143	$ 3,588	$ 3,587	$ 1,144
Investments	-	-	-	-
Inventory	38	-	6	32
Total Assets	$ 1,181	$ 3,588	$ 3,593	$ 1,176
LIABILITIES				
Internal Accounts Payable	$ 1,181	$ 3,588	$ 3,593	$ 1,176
Total Liabilities	$ 1,181	$ 3,588	$ 3,593	$ 1,176

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

Discretely Presented Component Units

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

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

The School Board of Indian River County, Florida
Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2010
(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	$ 1,816	$ 73	$ 8	$ 165	$ 323	$ 2,385
Receivables	9	-	19	-	8	36
Due from Other Agencies	-	-	45	-	16	61
Due from Primary Government	1,449	125	56	33	-	1,663
Prepaid Items	6	-	-	9	47	62
Deferred Charges	51	-	-	-	-	51
Deposits	-	-	-	1	-	1
Other	-	-	-	-	-	-
Capital Assets (Net of Accumulated Depreciation):						
Land and Land Improvements	-	186	-	472	-	658
Construction in Process	21	30	-	-	-	51
Improvements Other than Buildings	393	28	5	31	-	457
Buildings and Fixed Equipment	3,850	488	1,472	2,462	28	8,300
Furniture, Fixtures and Equipment	234	18	27	43	5	327
Property Under Capital Leases	-	9	-	-	-	9
Audio Visual Materials	16	2	-	-	-	18
Computer Software	25	-	-	-	-	25
Total Assets	7,870	959	1,632	3,216	427	14,104
LIABILITIES						
Accrued Salaries and Benefits Payable	-	2	42	-	232	276
Accounts Payable	33	12	21	-	73	139
Accrued Expenses	178	-	-	-	-	178
Unearned Revenue	-	106	10	32	-	148
Long-Term Liabilities:						
Portion Due Within One Year:						
Notes Payable	285	32	51	88	-	456
Obligations Under Capital Leases	-	3	-	-	-	3
Other Long-Term Liabilities	-	-	-	-	67	67
Portion Due After One Year:						
Notes Payable	2,245	310	461	2,010	-	5,026
Obligations Under Capital Leases	-	6	-	-	-	6
Other Long-Term Liabilities	-	-	-	-	98	98
Total Liabilities	2,741	471	585	2,130	470	6,397
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	2,061	410	991	910	32	4,404
Restricted for:						
Capital Projects	1,412	18	-	-	-	1,430
Unrestricted	1,656	60	56	176	(75)	1,873
Total Net Assets	$ 5,129	$ 488	$ 1,047	$ 1,086	$ (43)	$ 7,707

The School Board of Indian River County, Florida
Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

Functions/Programs	Indian River Charter High School, Inc.	Sebastian Charter Junior High, Inc.	St. Peter's Academy, Inc.	North County Charter School, Inc.	Imagine Schools at South Vero, LLC	Total Charter Schools
Expenses:						
Instruction	$ 2,321	$ 513	$ 592	$ 378	$ 2,098	$ 5,902
Pupil Personnel Services	155	-	-	-	-	155
Instructional Media Services	62	-	-	-	-	62
Instruction and Curriculum Development Services	-	-	-	-	36	36
Instructional Staff Training Services	-	9	4	-	15	28
School Board	-	9	-	2	13	24
School Administration	629	322	203	146	948	2,248
Facilities Services - Non-Capitalized	77	1	61	5	-	144
Fiscal Services	-	11	-	9	-	20
Food Services	-	62	154	50	13	279
Central Services	-	-	-	-	24	24
Pupil Transportation Services	8	19	28	15	25	95
Operation of Plant	423	60	80	57	1,705	2,325
Maintenance of Plant	11	7	-	3	3	24
Community Services	-	-	-	-	70	70
Interest on Long-Term Debt	103	22	34	76	-	235
Depreciation/Amortization - Unallocated	364	17	-	52	-	433
Total Expenses	4,153	1,052	1,156	793	4,950	12,104
Program Revenues:						
Charges for Services	-	-	-	12	362	374
Operating Grants and Contributions	-	61	291	47	199	598
Capital Grants and Contributions	-	106	71	42	-	219
Total Program Revenues	-	167	362	101	561	1,191
Net Program Expense	(4,153)	(885)	(794)	(692)	(4,389)	(10,913)
General Revenues:						
Grants and Contributions not Restricted to Specific Programs	5,517	931	751	836	3,558	11,593
Unrestricted Investment Earnings	8	1	1	-	-	10
Miscellaneous	11	26	14	-	813	864
Total General Revenues	5,536	958	766	836	4,371	12,467
Changes in Net Assets	1,383	73	(28)	144	(18)	1,554
Net Assets - Beginning	3,746	415	1,075	942	(25)	6,153
Net Assets - Ending	$ 5,129	$ 488	$ 1,047	$ 1,086	$ (43)	$ 7,707

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

STATISTICAL SECTION

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

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports/audits for the relevant year.

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

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

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

(a) Government-wide information (GASB 34) was implemented for the fiscal year ended June 30, 2002.
Therefore, statements are presented since the year of inception.

(b) Net Assets have increased significantly over the nine year period due primarily to an increase in property tax used to acquire and construct capital assets that depreciate in future years.

Source: District Records

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

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

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

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

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

Source: District Records

Notes:
(a) Government-wide information (GASB 34) was implemented for the fiscal year ended June 30, 2002.
Therefore, statements are presented since the year of inception.

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

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

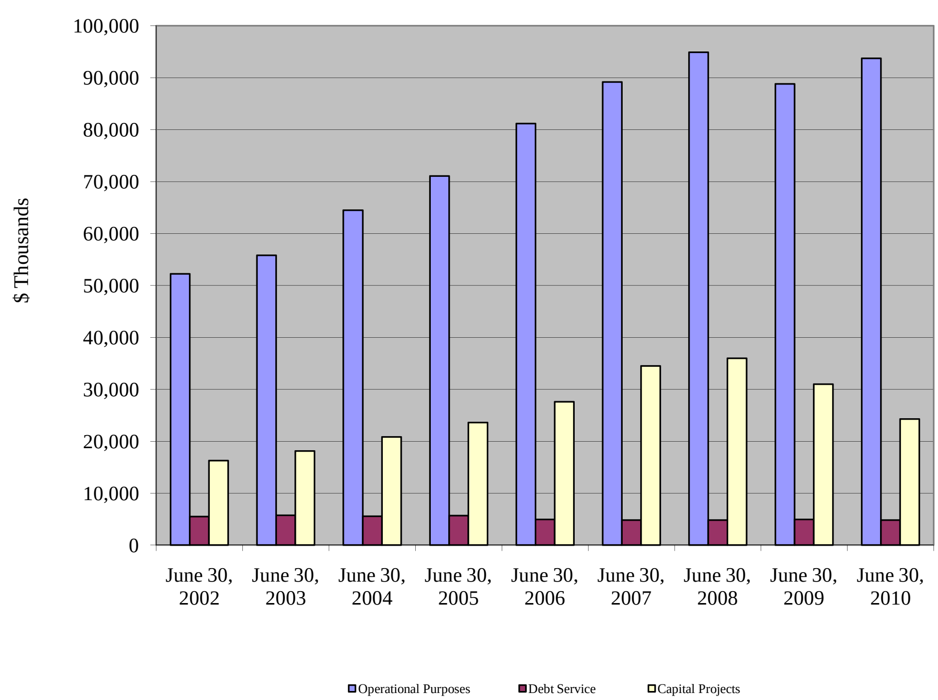
Fiscal Year Ending	Property Tax Operational Purposes	Property Tax Debt Service	Property Tax Capital Projects	Total
June 30, 2010	$ 93,743	$ 4,850	$ 24,275	$ 122,868
June 30, 2009	88,841	4,954	31,012	124,807
June 30, 2008	94,914	4,861	36,012	135,787
June 30, 2007	89,194	4,828	34,531	128,553
June 30, 2006	81,182	4,969	27,590	113,741
June 30, 2005	71,074	5,671	23,587	100,332
June 30, 2004	64,505	5,552	20,856	90,913
June 30, 2003	55,808	5,748	18,158	79,714
June 30, 2002	52,263	5,538	16,287	74,088

Source: District Records

Notes:

(a) Government-wide information (GASB 34) was implemented for the fiscal year ended June 30, 2002. Therefore, statements are presented since the year of inception.

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			
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004
General Fund				
Reserved for:				
Encumbrances	$ 213	$ 544	$ 253	$ 536
State Required Carryover Programs	689	1,821	754	2,127
Inventories	439	408	363	335
Charter School Capital Outlay	-	-	-	-
Unreserved	10,021	7,086	10,015	9,514
Total General Fund	$ 11,362	$ 9,859	$ 11,385	$ 12,512
All Other Governmental Funds				
Reserved for:				
Debt Service	$ 2,068	$ 1,524	$ 1,528	$ 1,238
Encumbrances	8,445	5,878	5,026	8,770
Inventories	243	330	374	-
Unreserved, Designated, Reported in:				
Capital Projects Funds, Charter School F.S. 1011.71 Allocation	-	-	-	-
Unreserved, Reported in:				
Special Revenue Funds	1,376	1,132	938	1,122
Capital Projects Funds	6,873	6,242	7,101	8,002
Total All Other Governmental Funds	$ 19,005	$ 15,106	$ 14,967	$ 19,132

Source: District Records

Fiscal Year Ending					
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
$ 984	$ 642	$ 511	$ 551	$ 355	$ 258
2,140	567	1,259	193	-	-
332	433	397	474	429	335
-	-	-	-	-	582
9,966	11,109	9,207	8,663	4,061	1,362
$ 13,422	$ 12,751	$ 11,374	$ 9,881	$ 4,845	$ 2,537
$ 1,102	$ 1,334	$ 1,302	$ 1,245	$ 1,255	$ 1,137
20,638	9,211	36,353	47,559	18,033	11,370
315	295	-	-	-	150
-	-	-	-	-	2,002
429	199	(336)	(849)	(501)	272
18,943	81,698	57,739	65,118	59,202	52,797
$ 41,427	$ 92,737	$ 95,058	$ 113,073	$ 77,989	$ 67,728

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

	Fiscal Year Ending									
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**	**June 30, 2005**	**June 30, 2006**	**June 30, 2007**	**June 30, 2008**	**June 30, 2009**	**June 30, 2010**
Revenues:										
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	$ 34	$ 25	$ 76	$ 95	$ 100	$ 105	$ 92	$ 116	$ 121	$ 133
Other Federal Direct Sources	431	1,005	205	224	322	366	128	291	62	
Total Federal Direct	465	1,030	281	319	422	471	220	407	183	133
Federal Through State Sources:										
Food Service	3,473	3,841	3,767	4,011	4,273	3,879	3,734	4,343	5,202	5,694
Donated Foods	257	313	371	277	300	292	145	-	-	-
Other Federal Through State Grants	4,990	6,079	5,912	7,055	7,086	7,638	7,993	7,866	7,987	18,178
Total Federal Through State Sources:	8,720	10,233	10,050	11,343	11,659	11,809	11,872	12,209	13,189	23,872
Federal Through Local Sources:										
Other Federal Through Local Grants	130	55	101	58	45	14	48	-	-	-
Total Federal Through Local Sources:	130	55	101	58	45	14	48	-	-	-
State Sources:										
Florida Education Finance Program (FEFP)	20,329	15,275	18,715	15,616	11,745	6,581	8,326	4,575	5,732	1,726
Categorical Programs	5,635	6,737	5,969	8,973	11,983	16,866	19,652	23,096	25,476	18,851
District Discretionary Lottery Funds	1,142	1,598	1,790	1,403	1,658	797	672	831	425	49
CO&DS Distribution	484	493	519	546	565	100	100	193	96	83
CO&DS Withheld for SBE/COBI Bonds	79	77	84	81	79	500	565	489	592	590
Public Education Capital Outlay	897	-	-	-	-	2,386	3,082	3,660	1,829	295
Food Service	156	210	213	176	178	159	171	126	113	140
Other State Sources	5,322	5,927	4,313	8,954	6,005	1,970	12,144	4,239	7,084	3,279
Total State Sources	34,044	30,317	31,603	35,749	32,213	29,359	44,712	37,209	41,347	25,013
Local Sources:										
Ad Valorem Taxes	68,935	73,710	73,906	85,210	94,597	113,741	128,553	135,787	124,807	122,868
Impact Fees	-	-	-	-	-	5,409	1,055	1,186	291	279
Food Service	1,830	1,853	2,035	2,159	2,279	2,953	2,466	2,775	3,025	2,953
Investment Income	2,495	2,535	2,840	2,935	3,571	4,689	6,995	4,776	(739)	1,741
Other Local Sources	2,737	1,166	6,119	5,843	6,336	3,593	3,932	4,442	2,801	2,610
Total Local Sources	75,997	79,264	84,900	96,147	106,783	130,385	143,001	148,966	130,185	130,451
Total Revenues	$ 119,356	$ 120,899	$ 126,935	$ 143,616	$ 151,122	$ 172,038	$ 199,853	$ 198,791	$ 184,904	$ 179,469

Source: District Records

	Fiscal Year Ending									
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Expenditures:										
Current:										
Instruction	$ 51,445	$ 52,845	$ 56,260	$ 62,247	$ 67,784	$ 73,938	$ 82,218	$ 89,240	$ 90,317	$ 90,005
Pupil Personnel Services	3,634	3,588	3,737	3,744	3,917	4,298	5,089	5,179	5,124	4,971
Instructional Media Services	1,465	1,496	1,669	1,842	1,875	2,012	2,065	2,060	2,173	2,238
Instruction and Curriculum Development Services	4,544	4,831	4,933	5,231	5,916	6,203	6,202	6,664	5,852	5,186
Instructional Staff Training Services	965	1,074	746	766	724	1,086	1,197	1,161	955	2,115
Instruction Related Technology (a)	-	-	-	-	-	429	591	934	832	949
School Board	584	1,329	1,138	1,234	1,081	1,371	1,060	1,040	1,013	1,078
General Administration	780	543	599	619	739	806	826	686	816	729
School Administration	5,626	5,378	5,712	6,032	6,261	6,918	8,851	9,275	9,060	8,270
Facilities Services-Non-Capitalized	8,428	4,060	4,941	4,910	5,345	6,831	12,222	13,372	10,530	11,732
Fiscal Services	846	888	930	961	1,017	1,061	1,307	1,218	1,141	1,147
Food Service	5,266	5,841	6,269	6,553	6,933	7,700	7,896	8,158	8,056	7,859
Central Services	2,695	2,748	3,209	3,776	4,068	2,445	2,571	2,519	2,080	2,085
Pupil Transportation Services	3,082	3,192	3,244	3,426	3,652	4,137	5,175	6,060	5,468	5,208
Operation of Plant	7,215	7,516	8,339	9,443	10,759	12,225	14,030	14,726	12,721	11,175
Maintenance of Plant	2,678	2,703	2,821	3,078	4,908	3,702	3,827	3,428	3,323	-
Administrative Technology Services (a)	-	-	-	-	-	1,639	1,908	2,318	2,473	2,237
Community Services	811	900	1,032	1,028	2,025	962	1,012	1,006	46	278
Capital Outlay:										
Facilities Acquisition and Construction	6,024	17,011	9,828	13,797	20,687	48,896	25,642	42,802	43,701	14,720
Other Capital Outlay	3,606	4,107	4,687	3,640	2,855	3,617	3,750	2,990	5,400	4,106
Debt Service:										
Principal	3,350	3,525	4,370	4,357	4,469	13,912	6,947	8,089	8,475	9,128
Unallocated Interest and Fiscal Charges	2,892	2,705	2,022	1,715	1,689	5,028	5,085	7,273	7,100	6,882
Total Expenditures	115,936	126,280	126,486	138,399	156,704	209,216	199,471	230,198	226,656	192,098
Excess of Revenues over (under) Expenditures	3,420	(5,381)	449	5,217	(5,582)	(37,178)	382	(31,407)	(41,752)	(12,629)
Other Financing Sources (Uses)										
Transfers In	2,534	2,245	3,083	2,963	2,967	13,451	9,403	14,692	16,303	13,375
Transfers Out	(2,534)	(2,381)	(2,750)	(2,963)	(2,967)	(13,451)	(9,403)	(14,692)	(16,303)	(13,375)
Sale of Capital Assets	53	54	37	69	18	44	24	13	99	57
Loss Recoveries	1,102	70	50	6	12,123	6,814	538	1,134	16	3
Bonds Payable	-	-	-	-	16,405	-	-	1,210	-	
Refunding Bonds	-	-	42,410	-	-	-	-	-	-	
Certificates of Participation	-	-	-	-	-	80,050	-	45,020	-	
Premiums on Issuance of Long-Term Debt	-	-	1,569	-	240	912	-	552	-	
Payment to Refunding Bonds Escrow Agent	-	-	(43,463)	-	-	-	-	-	-	
Capital Lease Inception	-	-	-	-	-	-	-	-	1,766	
Total Other Financing Sources (Uses)	1,155	(12)	936	75	28,786	87,820	562	47,929	1,881	60
Net Change in Fund Balances	$ 4,575	$ (5,393)	$ 1,385	$ 5,292	$ 23,204	$ 50,642	$ 944	$ 16,522	$ (39,871)	$ (12,569)
Debt Service as a percentage of non-capital expenditures	5.87%	5.92%	5.71%	5.02%	4.62%	12.09%	7.07%	8.33%	8.77%	9.24%

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

Source: District Records

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

	Fiscal Year Ending				
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**	**June 30, 2005**
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	$ 34	$ 25	$ 76	$ 95	$ 100
Other Federal Direct Sources	431	431	2	-	-
Total Federal Direct	465	456	78	95	100
Federal Through State Sources:					
Other Federal Through State Sources	30	-	-	-	-
Total Federal Through State Sources:	30	-	-	-	-
Federal Through Local Sources:					
Total Federal Local Sources:	130	55	68	19	13
Total Federal Through Local Sources:	130	55	68	19	13
State Sources:					
Florida Education Finance Program (FEFP)	20,329	15,275	18,715	15,616	11,745
State Required Carryover Programs	5,635	6,737	5,969	8,973	11,983
District Discretionary Lottery Funds	1,142	1,598	1,790	1,403	1,658
CO&DS Withheld for SBE/COBI Bonds	8	8	9	9	10
State Grants and Other State Sources	2,996	1,788	2,642	2,675	3,029
Total State Sources	30,110	25,406	29,125	28,676	28,425
Local Sources:					
Ad Valorem Taxes	48,129	52,500	55,748	64,354	71,011
Investment Income	1,280	520	352	281	653
Other Local Sources	2,599	2,084	2,626	2,743	2,995
Total Local Sources	52,008	55,104	58,726	67,378	74,659
Total Revenues	82,743	81,021	87,997	96,168	103,197
Expenditures: (by object)					
Salaries	51,774	52,514	55,818	59,671	66,129
Employee Benefits	14,890	15,485	15,172	17,242	18,719
Purchased Services	7,688	7,729	9,353	10,851	13,444
Energy Services	2,722	2,754	2,859	3,211	3,740
Material and Supplies	3,385	3,204	3,631	3,790	3,908
Capital Outlay	2,053	1,120	883	1,050	3,415
Other Expenditures	1,438	1,950	1,926	2,152	1,924
Total Expenditures	83,950	84,756	89,642	97,967	111,279
Excess (Deficiency) of Revenues Over Expenditures	(1,207)	(3,735)	(1,645)	(1,799)	(8,082)
Other Financing Sources (Uses), Net	3,689	2,233	3,171	2,925	8,991
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	2,482	(1,502)	1,526	1,126	909
Beginning Fund Balances	8,880	11,362	9,860	11,386	12,512
Adjustment to Beginning Fund Balance	-	-	-	-	-
Ending Fund Balances	$ 11,362	$ 9,860	$ 11,386	$ 12,512	$ 13,421

Fiscal Year Ending				
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
$ 105	$ 92	$ 116	$ 121	$ 133
-	-	-	-	-
105	92	116	121	133
-	295	350	273	247
-	295	350	273	247
14	48	-	-	-
14	48	-	-	-
6,581	8,326	4,575	5,732	1,726
15,745	19,652	23,096	25,476	18,851
1,918	672	831	425	49
10	10	10	10	10
1,887	3,923	3,416	1,178	2,576
26,141	32,583	31,928	32,821	23,212
81,117	89,194	94,914	88,841	93,743
1,372	1,559	691	68	727
3,796	3,445	4,024	2,598	2,563
86,285	94,198	99,629	91,507	97,033
112,545	127,216	132,023	124,722	120,625
71,307	79,052	86,583	84,735	73,830
20,658	24,332	25,659	24,808	21,413
13,201	14,048	14,526	13,917	14,532
4,859	5,689	6,578	6,267	6,001
3,857	4,516	3,863	3,490	2,590
1,970	1,685	277	128	122
2,420	2,726	2,608	2,967	2,515
118,272	132,048	140,094	136,312	121,003
(5,727)	(4,832)	(8,071)	(11,590)	(378)
5,057	3,455	6,578	6,803	(1,930)
(670)	(1,377)	(1,493)	(4,787)	(2,308)
13,421	12,751	11,374	9,881	4,845
-	-	-	(249)	-
$ 12,751	$ 11,374	$ 9,881	$ 4,845	$ 2,537

The School Board of Indian River County, Florida
Summary of Revenues, Expenditures (by Major Object)
and Changes in Fund Balances - Special Revenue Funds
American Recovery and Reinvestment Act (ARRA) Fund
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year Ending June 30, 2010 (1)
Federal Through State Sources:	
Other Federal Through State Sources	$ 9,407
Total Federal Through State Sources:	9,407
Total Revenues	9,407
Expenditures: (by object)	
Salaries	5,198
Employee Benefits	1,137
Purchased Services	338
Material and Supplies	185
Capital Outlay	2,298
Other Expenditures	251
Total Expenditures	9,407
Excess (Deficiency) of Revenues Over Expenditures	-
Other Financing Sources (Uses), Net	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-
Beginning Fund Balances	-
Ending Fund Balances	$ -

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

Source: District Records

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

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

	Fiscal Year Ending			
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**
Federal Direct Sources:				
Other Federal Direct Sources	$ -	$ 575	$ 203	$ 224
Total Federal Direct	-	575	203	224
Federal Through State Sources:				
Other Federal Through State Sources	4,960	6,018	5,944	7,092
Total Federal Through State Sources:	4,960	6,018	5,944	7,092
State Sources:				
Other State Sources	-	-	-	-
Total State Sources	-	-	-	-
Local Sources:				
Other Local Sources	-	-	-	-
Total Local Sources	-	-	-	-
Total Revenues	4,960	6,593	6,147	7,316
Expenditures: (by object)				
Salaries	2,762	3,199	3,850	4,439
Employee Benefits	832	1,001	1,141	1,370
Purchased Services	451	601	386	408
Material and Supplies	287	454	317	367
Capital Outlay	230	1,016	163	386
Other Expenditures	398	322	290	346
Total Expenditures	4,960	6,593	6,147	7,316
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-
Beginning Fund Balances	-	-	-	-
Ending Fund Balances	$ -	$ -	$ -	$ -

Fiscal Year Ending					
June 30, 2005	**June 30, 2006**	**June 30, 2007**	**June 30, 2008**	**June 30, 2009**	**June 30, 2010**
$ 322	$ 366	$ 128	$ 291	$ 62	$ -
322	366	128	291	62	-
7,085	6,849	7,698	7,516	7,709	8,524
7,085	6,849	7,698	7,516	7,709	8,524
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,407	7,215	7,826	7,807	7,771	8,524
4,289	4,138	4,695	4,735	4,666	5,479
1,310	1,276	1,503	1,449	1,516	1,608
445	672	553	666	633	602
405	338	327	268	163	178
492	322	199	275	240	83
466	469	549	414	553	574
7,407	7,215	7,826	7,807	7,771	8,524
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

Source: District Records

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

	Fiscal Year Ending			
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004
Federal Through State Sources:				
Food Service	$ 3,473	$ 3,841	$ 3,767	$ 4,011
Donated Foods	257	313	371	277
Total Federal Through State Sources:	3,730	4,154	4,138	4,288
State Sources:				
Food Services	156	210	213	176
Total State Sources	156	210	213	176
Local Sources:				
Food Service	1,830	1,853	2,035	2,159
Investment Income	59	33	20	11
Total Local Sources	1,889	1,886	2,055	2,170
Total Revenues	5,775	6,250	6,406	6,634
Expenditures: (by object)				
Salaries	1,666	1,784	1,966	2,124
Employee Benefits	782	918	890	979
Purchased Services	139	172	432	271
Energy Services	14	164	210	231
Material and Supplies	2,417	2,576	2,618	2,751
Capital Outlay	283	319	399	190
Other Expenditures	208	155	114	241
Total Expenditures	5,509	6,088	6,629	6,787
Excess (Deficiency) of Revenues Over Expenditures	266	162	(223)	(153)
Other Financing Sources (Uses), Net	-	(100)	(105)	(105)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	266	62	(328)	(258)
Beginning Fund Balances	1,380	1,646	1,708	1,380
Ending Fund Balances	$ 1,646	$ 1,708	$ 1,380	$ 1,122

Fiscal Year Ending					
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
$ 4,273	$ 4,368	$ 3,734	$ 4,343	$ 5,202	$ 5,694
300	292	145	-	-	-
4,573	4,660	3,879	4,343	5,202	5,694
178	159	171	126	113	140
178	159	171	126	113	140
2,279	2,670	2,953	3,138	3,025	2,953
10	25	2	-	7	32
2,289	2,695	2,955	3,138	3,032	2,985
7,040	7,514	7,005	7,607	8,347	8,819
2,218	2,470	2,757	2,755	2,611	2,501
1,007	1,132	1,221	1,178	1,137	1,054
207	166	169	141	128	156
207	283	317	345	349	336
2,914	3,211	3,140	3,523	3,623	3,542
369	38	42	7	28	18
336	381	224	171	123	218
7,258	7,681	7,870	8,120	7,999	7,825
(218)	(167)	(865)	(513)	348	994
(105)	(105)	2	-	-	-
(323)	(272)	(863)	(513)	348	994
1,122	799	527	(336)	(849)	(501)
$ 799	$ 527	$ (336)	$ (849)	$ (501)	$ 493

Source: District Records

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

	Fiscal Year Ending			
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**
State Sources:				
CO&DS Withheld for SBE/COBI Bonds	$ 79	$ 77	$ 84	$ 81
SBE/COBI Bond Interest	-	-	-	-
Total State Sources	79	77	84	81
Local Sources:				
Ad Valorem Taxes	6,395	5,539	5,748	5,552
Investment Income	165	62	39	27
Total Local Sources	6,560	5,601	5,787	5,579
Total Revenues	6,639	5,678	5,871	5,660
Expenditures: (by object)				
Debt Service:				
Principal	3,350	3,525	4,370	4,357
Interest and Fiscal Charges	2,884	2,697	2,013	1,706
Total Expenditures	6,234	6,222	6,383	6,063
Excess (Deficiency) of Revenues Over Expenditures	405	(544)	(512)	(403)
Other Financing Sources (Uses), Net	-	-	516	113
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	405	(544)	4	(290)
Beginning Fund Balances	1,663	2,068	1,524	1,528
Ending Fund Balances	$ 2,068	$ 1,524	$ 1,528	$ 1,238

Fiscal Year Ending

June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
$ 79	$ 500	$ 565	$ 474	$ 582	$ 580
-	-	-	5	-	-
79	500	565	479	582	580
5,671	4,969	4,828	4,861	4,954	4,850
69	90	100	62	12	14
5,740	5,059	4,928	4,923	4,966	4,864
5,819	5,559	5,493	5,402	5,548	5,444
4,469	13,912	6,947	8,089	8,475	9,128
1,627	3,975	5,085	6,631	6,678	6,471
6,096	17,887	12,032	14,720	15,153	15,599
(277)	(12,328)	(6,539)	(9,318)	(9,605)	(10,155)
141	12,560	6,506	9,261	9,615	10,037
(136)	232	(33)	(57)	10	(118)
1,238	1,102	1,335	1,302	1,245	1,255
$ 1,102	$ 1,334	$ 1,302	$ 1,245	$ 1,255	$ 1,137

Source: District Records

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

	Fiscal Year Ending			
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004
REVENUES				
Federal Through State Sources:				
Other Federal Through State Sources	$ -	$ -	$ -	$ -
Total Federal through State	-	-	-	-
State Sources:				
CO&DS Distribution	484	493	519	546
Public Education Capital Outlay	1,732	2,307	1,636	1,766
Public Education Capital Outlay Loan	897	1,794	-	-
Classroom First Program	558	-	-	-
School Infrastructure Trust	-	-	-	-
Class Size Reduction Program	-	-	-	4,476
State Grants and Other State Sources	27	25	25	26
Total State Sources	3,698	4,619	2,180	6,814
Local Sources:				
Ad Valorem Taxes	14,411	16,382	18,158	20,856
Investment Income	991	387	175	165
Impact Fees	-	-	-	-
Other Miscellaneous	-	-	-	-
Total Local Sources	15,402	16,769	18,333	21,021
Total Revenues	19,100	21,388	20,513	27,835
Expenditures: (by object)				
Capital Outlay:				
Library Books	-	12	80	-
Audio Visual Materials	-	-	10	-
Buildings and Fixed Equipment	5,502	9,975	1,995	8,267
Furniture, Fixtures, and Equipment	2,921	2,506	3,248	2,789
Motor Vehicles	432	433	434	706
Land	-	-	-	265
Improvements Other Than Buildings	1,160	1,736	1,185	998
Remodeling and Renovations	4,913	7,759	10,748	7,067
Computer Software	353	-	125	173
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	15,281	22,421	17,825	20,265
Excess (Deficiency) of Revenues Over Expenditures	3,819	(1,033)	2,688	7,570
Other Financing Sources (Uses), Net	(2,533)	(2,145)	(2,645)	(2,858)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,286	(3,178)	43	4,712
Beginning Fund Balances	13,909	15,195	12,017	12,060
Ending Fund Balances	$ 15,195	$ 12,017	$ 12,060	$ 16,772

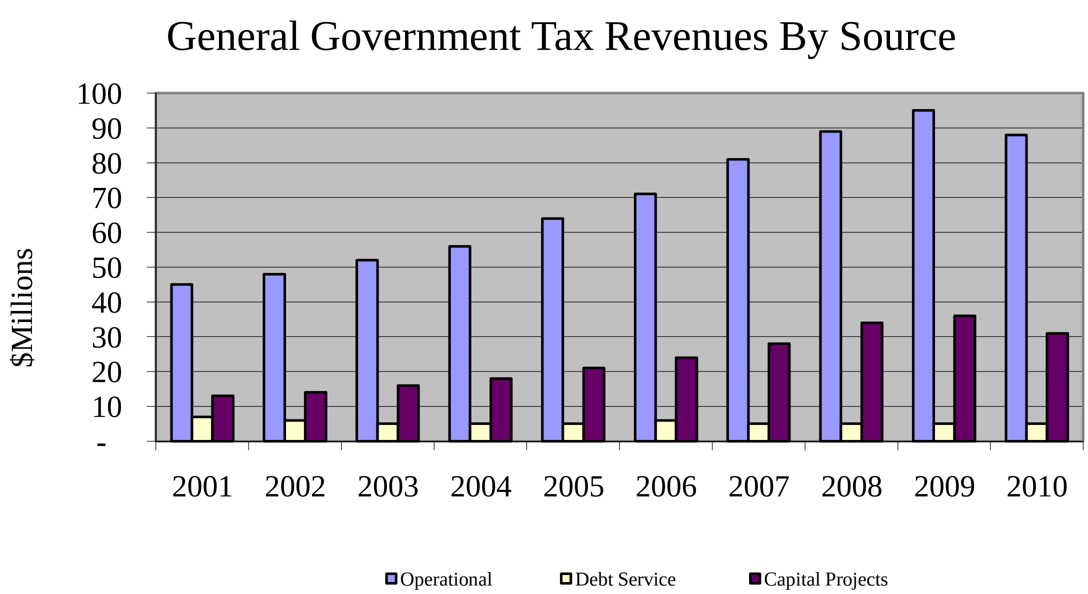
Fiscal Year Ending					
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
$ 33	$ 300	$ -	$ -	$ 5	$ -
33	300	-	-	5	-
565	146	100	193	96	83
2,012	1,782	3,082	3,660	1,829	295
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
930	604	8,183	-	-	-
25	26	28	823	5,906	703
3,532	2,558	11,393	4,676	7,831	1,081
23,586	27,590	34,531	36,012	31,012	24,275
507	2,839	5,334	4,023	(819)	1,000
-	5,409	1,055	1,186	291	279
-	509	-	55	196	15
24,093	36,347	40,920	41,276	30,680	25,569
27,658	39,205	52,313	45,952	38,516	26,650
-	2	119	-	6	251
-	14	-	-	18	4
10,611	25,685	18,631	37,544	38,082	7,188
2,583	3,575	4,949	4,995	6,421	3,375
318	1,576	249	1,147	1,398	2,390
21	14,491	266	7	527	-
1,843	1,787	3,943	2,356	1,949	2,805
9,080	9,885	11,524	12,747	10,893	13,576
154	97	14	19	127	148
76	1,053	-	642	-	3
24,686	58,165	39,695	59,457	59,421	29,740
2,972	(18,960)	12,618	(13,505)	(20,905)	(3,090)
19,783	70,308	(9,401)	32,090	(14,537)	(8,047)
22,755	51,348	3,217	18,585	(35,442)	(11,137)
16,772	39,527	90,875	94,092	112,677	77,235
$ 39,527	$ 90,875	$ 94,092	$ 112,677	$ 77,235	$ 66,098

Source: District Records

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

Fiscal Year Ending	Property Tax Operational Purposes	Property Tax Debt Service	Property Tax Capital Projects	Total
June 30, 2010	93,743	$ 4,850	24,275	$ 122,868
June 30, 2009	88,841	4,954	31,012	124,807
June 30, 2008	94,914	4,861	36,012	135,787
June 30, 2007	89,194	4,828	34,531	128,553
June 30, 2006	81,117	4,969	27,590	113,676
June 30, 2005	71,011	5,671	23,586	100,268
June 30, 2004	64,354	5,552	20,856	90,762
June 30, 2003	55,748	5,748	18,158	79,654
June 30, 2002	52,500	5,539	16,382	74,421
June 30, 2001	48,129	6,395	14,411	68,935

Source: District Records



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

Fiscal Year	Real Property 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
2009-10	$ 21,257,277	$ 761,011	$ 22,033,451	$ 16,698,857	75.8%	7.596
2008-09	24,122,081	739,468	24,881,556	18,328,612	73.7%	7.040
2007-08	25,141,885	782,529	25,938,182	18,620,780	71.8%	7.538
2006-07	25,447,211	755,187	26,214,228	17,885,105	68.2%	7.443
2005-06	19,253,495	712,012	19,977,046	14,279,413	71.5%	8.240
2004-05	15,705,282	699,716	16,416,179	12,222,586	74.5%	8.499
2003-04	13,534,323	693,374	14,240,720	10,717,793	75.3%	8.710
2002-03	11,975,903	694,305	12,679,434	9,530,620	75.2%	8.732
2001-02	10,531,128	707,942	11,247,647	8,541,205	75.9%	9.082
2000-01	9,101,204	725,390	9,835,063	7,440,897	75.7%	9.557

(1) Includes Centrally Assessed Property

Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book, 1999-2008

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			
	2000-01	**2001-02**	**2002-03**	**2003-04**
District School Board:				
Local Required Effort	6.0630	5.8000	5.5060	5.5900
Discretionary Local	0.5100	0.5100	0.5100	0.5100
Supplemental Discretionary	0.1040	0.0920	0.0860	0.0790
Debt Service	0.8800	0.6800	0.6300	0.5310
Capital Improvement	2.0000	2.0000	2.0000	2.0000
Total District School Board	9.5570	9.0820	8.7320	8.7100
Other County-Wide:				
Board of County Commissioners	5.5408	5.5234	5.4713	5.5181
St. John River Water Management	0.4820	0.4720	0.4620	0.4620
Total County-Wide	15.5798	15.0774	14.6653	14.6901
Municipalities:				
Fellsmere	5.7500	5.7500	5.7500	5.7500
Indian River Shores	1.4280	1.4284	1.4370	1.4730
Sebastian	5.0000	4.5904	4.5904	4.5904
Orchid	1.6793	1.3430	0.9354	0.8954
Vero Beach	2.1425	2.1425	2.1425	2.1425

Source: Indian River County Tax Collector

Fiscal Year					
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
5.4360	5.2440	4.5510	4.6570	4.4100	5.0480
0.5100	0.5100	0.5100	0.5100	0.4980	0.7480
0.0730	0.1260	0.1020	0.1010	0.1020	0.0000
0.4800	0.3600	0.2800	0.2700	0.2800	0.3000
2.0000	2.0000	2.0000	2.0000	1.7500	1.5000
8.4990	8.2400	7.4430	7.5380	7.0400	7.5960
5.1563	4.9173	4.3250	4.1037	4.1493	4.1666
0.4620	0.4620	0.4620	0.4158	0.4158	0.4158
14.1173	13.6193	12.2300	12.0575	11.6051	12.1784
5.7500	5.7500	5.7500	4.4301	4.4300	4.4300
1.4730	1.4730	1.4730	1.3923	1.3923	1.3923
4.5904	3.9325	3.0519	2.9917	3.3456	3.3456
0.7508	0.6900	0.4525	0.4494	0.4550	0.4550
2.1425	2.2925	2.1425	1.9367	1.9367	1.9367

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 2009-2010 Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	Electrical Utility	1	$ 97,540,932	0.58%
Disney Vacation Dev., Inc	Resort	2	73,978,167	0.44%
Adult Community Total Services	Retirement Community	3	51,563,000	0.31%
Bellsouth Telecommunications, Inc	Telephone Utility	4	51,024,833	0.31%
IR Mall Associates LTD	Retail	5	43,145,900	0.26%
Johns Island Club Inc	Land Development	6	41,873,235	0.25%
Windsor Properties	Land Development	7	32,987,768	0.20%
Fellsmere Joint Venture	Land Development	8	30,013,940	0.18%
Seabastian Hospital	Healthcare	9	24,904,164	0.15%
CVS Vero FL Distribution LLC	Industrial	10	23,922,276	0.14%
Total			$ 470,954,215	2.82%
Total County Taxable Valuation (Page 131)			$16,698,857,000	

Taxpayer	Type of Business	Rank	Fiscal Year 2000-2001 Taxable Assessed Value	Percentage of Total Assessed Value
Disney Vacation Dev. Inc.	Resort	1	$ 74,904,118	1.01%
Bellsouth Telecommunications	Telephone Utility	2	63,903,439	0.86%
Florida Power & Light	Electric Utility	3	58,846,320	0.79%
IR Mall Assoc. LTD	Regional Shopping Center	4	52,574,020	0.71%
Windsor Properties	Land Development	5	32,183,769	0.43%
Johns Island Club Inc.	Club & Golf Course	6	30,137,414	0.41%
Horizon Outlet Center Ltd.	Regional Shopping Center	7	29,737,070	0.40%
Wal-mart Stores	Retail	8	27,746,208	0.37%
Fellsmere Joint Venture	Agricultural	9	27,141,460	0.36%
AT&T	Telephone Utility	10	25,810,171	0.35%
Total			$ 422,983,989	5.68%
Total County Taxable Valuation (Page 131)			$7,440,897,000	

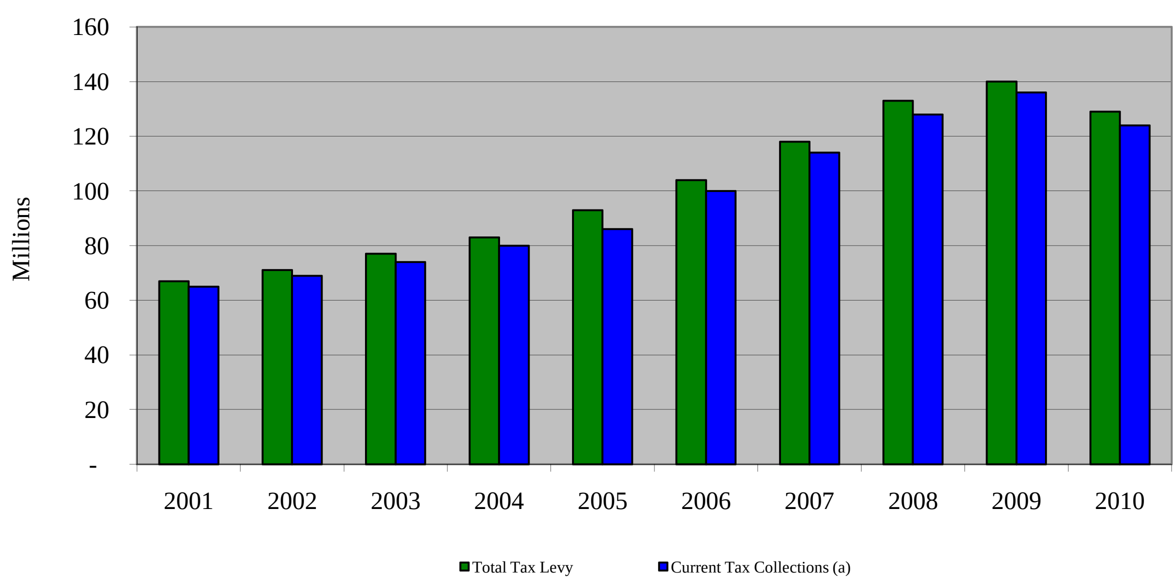
Source: Indian River County Property Appraiser

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

Fiscal Year	Total Tax Levy	Collected to End of Tax Year: Current Tax Collections (a)	Collected to End of Tax Year: Percent of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percent of Levy
2009-10	$ 126,867,058	$ 122,523,901	96.58%	$ -	$ 122,523,901	96.58%
2008-09	129,610,986	124,807,833	96.29%	344,273	125,152,106	96.56%
2007-08	140,360,409	135,787,419	96.74%	123,000	135,910,419	96.83%
2006-07	133,125,836	127,641,674	95.88%	12,803	127,654,477	95.89%
2005-06	117,644,386	113,740,009	96.68%	11,332	113,751,341	96.69%
2004-05	103,890,424	100,330,948	96.57%	115	100,331,063	96.57%
2003-04	93,352,877	85,912,998	92.03%	1,955	85,914,953	92.03%
2002-03	83,227,752	79,713,842	95.78%	2,724	79,716,566	95.78%
2001-02	76,706,661	74,087,936	96.59%	4,798	74,092,734	96.59%
2000-01	71,150,864	68,890,725	96.82%	8,376	68,899,101	96.84%

(a) Net of allowable discounts
Source: Indian River County Tax Collector and District Records

Property Tax Levies and Collections



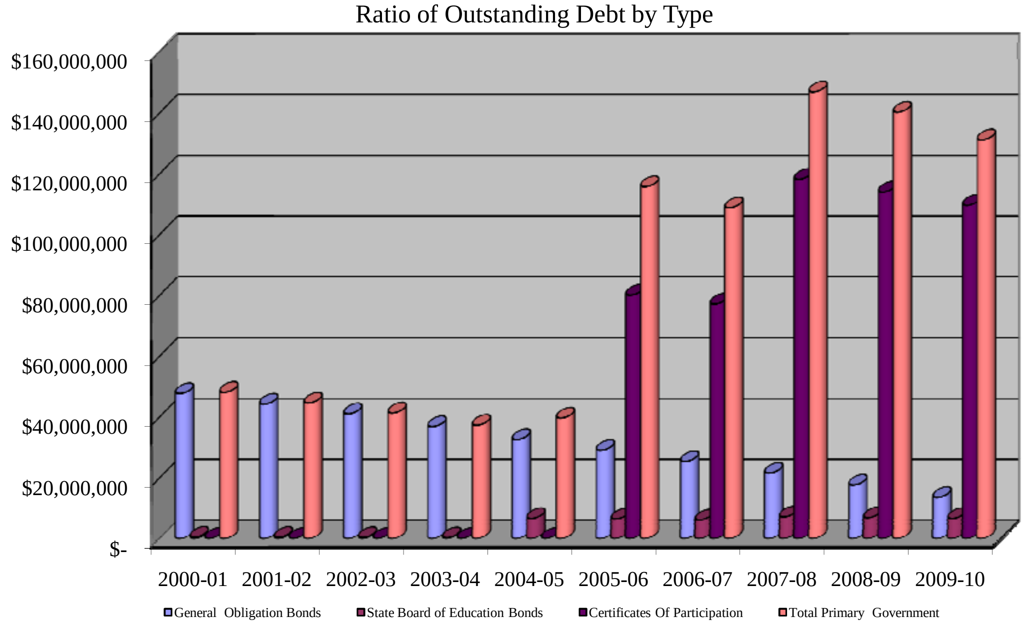
The School Board of Indian River County, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities [1]						
Fiscal Year	**General Obligation Bonds**	**State Board of Education Bonds**	**Certificates Of Participation**	**Capital Leases**	**Total Primary Government**	**Percentage of Personal Income (a)**	**Per Capita (b)**
2009-10	$ 13,520,000	$ 6,545,000	$ 109,605,000	$ 1,421,555	131,091,555	n/a (c)	970
2008-09	17,580,000	6,825,000	113,965,000	1,849,599	140,219,599	n/a (c)	991
2007-08	21,505,000	7,090,000	118,170,000	163,043	146,928,043	1.916%	1,037
2006-07	25,310,000	6,090,000	77,150,000	237,974	108,787,974	1.393%	778
2005-06	28,985,000	6,370,000	80,050,000	329,818	115,734,818	1.653%	856
2004-05	32,520,000	6,555,000	-	522,253	39,597,253	0.673%	304
2003-04	36,815,000	220,000	-	219,026	37,254,026	0.735%	294
2002-03	40,990,000	290,000	-	-	41,280,000	0.854%	340
2001-02	44,170,000	360,000	-	-	44,530,000	0.951%	377
2000-01	47,635,000	420,000	-	-	48,055,000	1.056%	415

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

[1] Source: District Records
(a) "Total Primary Government Debt" divided by "Personal Income" from page 144.
(b) "Total Primary Government Debt" divided by "Estimated Population" from page 137.
(c) Information not available

Ratio of Outstanding Debt by Type



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
2009-10	135,167	$ 21,257,277	$ 13,520,000	$ 964,606	$ 12,555,394	0.059%	$ 93
2008-09	141,475	24,122,081	17,580,000	1,081,591	16,498,409	0.068%	117
2007-08	141,667	25,141,885	21,505,000	1,093,205	20,411,795	0.081%	144
2006-07	139,757	25,447,211	25,310,000	1,159,579	24,150,421	0.095%	173
2005-06	135,262	19,253,495	28,985,000	1,190,421	27,794,579	0.144%	205
2004-05	130,043	15,705,282	32,520,000	1,096,356	31,423,644	0.200%	242
2003-04	126,829	13,534,323	36,815,000	1,233,304	35,581,696	0.263%	281
2002-03	121,274	11,975,903	40,990,000	1,521,178	39,468,822	0.330%	325
2001-02	118,149	10,531,128	44,170,000	1,515,528	42,654,472	0.405%	361
2000-01	115,716	9,101,204	47,635,000	2,016,850	45,618,150	0.501%	394

(a) Population was obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.

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

(c) Includes General Obligation Bonds only.

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

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

Fiscal Year	Principal	Interest	Total Debt Service (a)	Total General Governmental Non-Capital Expenditures (b) (c)	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2009-10	$ 4,060,000	$ 821,223	$ 4,881,223	173,272	0.028
2008-09	3,925,000	952,898	4,877,898	177,555	0.027
2007-08	3,805,000	1,072,560	4,877,560	184,406	0.026
2006-07	3,675,000	1,187,810	4,862,810	157,857	0.031
2005-06	3,535,000	1,328,560	4,863,560	149,872	0.032
2004-05	4,295,000	1,465,185	5,760,185	127,817	0.045
2003-04	4,175,000	1,579,335	5,754,335	116,052	0.050
2002-03	4,300,000	1,382,164	5,682,164	107,030	0.053
2001-02	3,465,000	2,564,738	6,029,738	101,102	0.060
2000-01	3,290,000	2,733,877	6,023,877	97,878	0.062

(a) During the 2002-2003 fiscal year General Obligation Bonds were refunded to reduce interest costs.

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

(c) Amounts expressed in thousands.

Source: District Records

The School Board of Indian River County, Florida
Direct and Overlapping Governmental Activities Debt
June 30, 2010
(Unaudited)

Jurisdiction		General Obligation Bonded Debt Outstanding	Other Debt Outstanding	Direct Debt: Percentage Applicable to This Governmental Unit	Direct Debt: Amount Applicable to This Governmental Unit	Direct and Overlapping Debt [3]: Percentage Applicable to Indian River County	Direct and Overlapping Debt [3]: Amount Applicable to Indian River County
Indian River County Board of County Commissioners [1]							
Series 2001		$4,234,352	-	0%	-	100%	$ 4,234,352
Series 2003		860,381	-	0%	-	100%	860,381
Series 2006		40,273,498	-	0%	-	100%	40,273,498
School Board of Indian River County [2]							
Series 2002 Refunded Bonds	(a)	$ 10,644,012	-	100%	$ 10,644,012	100%	$ 10,644,012
Series 2003 Refunded Bonds	(a)	1,911,382	-	100%	1,911,382	100%	1,911,382
2005 Certificates of Participation	(b)	-	67,830,000	100%	67,830,000	100%	67,830,000
2007 Certificates of Participation	(b)	-	41,775,000	100%	41,775,000	100%	41,775,000
Capital Leases Payable		-	1,421,555	100%	1,421,555	100%	1,421,555
Totals		$ 57,923,625	$ 111,026,555		$ 123,581,949		$ 168,950,180
Total Outstanding Debt			$ 168,950,180				
Total Direct Debt					$ 123,581,949		
Total Direct and Overlapping Debt							$ 168,950,180

(1) Source: Indian River County, Florida Comprehensive Annual Financial Report dated September 30, 2009.
(2) Source: District Records
(a) Net of available debt service - General Obligation Bonds only, pg. 137.
(b) Payments appropriated annually by millage allowed under Florida Statute 1011.71 for facilities.
(3) Overlapping debt is borne by all property owners within the County boundaries.

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

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

Fiscal Year	Tax Year	Taxable Assessed Valuation (3)	Principal Payments (2)	Interest Payments	Total Annual Lease Payments	Millage Levy to Provide 1.00x Coverage (1)
2009-10	2009	$ 16,698,857,000	$ 4,360,000	$ 5,169,738	$ 9,529,738	.601 mills
2008-09	2008	18,328,612,000	$ 4,205,000	$ 5,322,413	$ 9,527,413	.547 mills
2007-08	2007	18,620,780,000	4,000,000	5,167,744	9,167,744	.518 mills
2006-07	2006	17,885,105,000	2,900,000	3,494,286	6,394,286	.376 mills
2005-06	2005	14,279,413,000	-	2,135,397	2,135,397	.157 mills

(1) Millage rate calculated using 95% of the taxable assessed valuation.

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

(3) See Assessed and Estimated Actual Value of Taxable Property page 131.

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

Source: District Records

The School Board of Indian River County, Florida
Calculation of Legal Debt[1] Margin
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year Ending			
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**
Assessed Value	$ 7,440,897	$ 8,541,205	$ 9,530,620	$ 10,717,793
Debt Limit - 10% of Assessed Value (1)	$ 744,090	$ 854,121	$ 953,062	$ 1,071,779
Amount of Debt Applicable to Debt Limit:				
Bonds Payable	$ 47,635	$ 44,170	$ 40,990	$ 36,815
Less, Amount Available for Debt Service	2,017	1,516	1,521	1,233
Total Debt Applicable to the Debt Limit	45,618	42,654	39,469	35,582
Legal Debt Margin [1]	$ 698,472	$ 811,467	$ 913,593	$ 1,036,197
Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit	6.13%	4.99%	4.14%	3.32%

Note: [1]
This schedule was previously presented as a requirement of Rule 6A-1.037(2), State Board of Education, Florida Administrative Code which established a legal debt limit of 10 percent of the assessed valuation of the district. Since Rule 6A-1037 was repealed in March 2006, the State of Florida no longer sets a limit on the amount of voter approved (general obligation) debt. However, management believes this information may still be of value to users.

Source: District Records

	Fiscal Year Ending				
June 30, 2005	**June 30, 2006**	**June 30, 2007**	**June 30, 2008**	**June 30, 2009**	**June 30, 2010**
$ 12,222,586	$ 14,279,413	$ 17,885,105	$ 18,620,780	$ 18,328,612	$ 16,698,857
$ 1,222,259	$ 1,427,941	$ 1,788,511	$ 1,862,078	$ 1,832,861	$ 1,669,886
$ 32,520	$ 28,985	$ 25,310	$ 21,505	$ 17,580	$ 13,520
1,096	1,190	1,160	1,093	1,082	965
31,424	27,795	24,150	$ 20,412	$ 16,498	$ 12,555
$ 1,190,835	$ 1,400,146	$ 1,764,361	$ 1,841,666	$ 1,816,363	$ 1,657,331
2.57%	1.95%	1.35%	1.10%	0.90%	0.75%

Source: District Records

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

Fiscal Year	Population (1)	Personal Income (2),(4)	Per Capita Personal Income (2)	Median Age (1)	Unemployment Rate (3)
2009-10	135,167	n/a	n/a	n/a	n/a
2008-09	141,475	n/a	n/a	48.9	13.0%
2007-08	141,667	7,669,062	57,107	48.4	8.0%
2006-07	139,757	7,810,408	59,419	n/a	5.8%
2005-06	135,262	7,002,160	51,767	48.1	4.3%
2004-05	130,043	5,886,319	45,264	47.6	4.9%
2003-04	126,829	5,071,395	39,986	n/a	6.7%
2002-03	121,274	4,831,037	39,836	n/a	6.8%
2001-02	118,149	4,680,414	39,615	47.0	7.0%
2000-01	115,716	4,552,238	39,340	n/a	5.8%

Sources:
(1) University of Florida, Bureau of Economic and Business Research
(2) US Department of Commerce, Bureau of Economic Analysis
(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.

Education Level (5)				Government-Wide Governmental	
High School	Bachelors	Graduate	School Enrollment (6)	Activities Expenses (4)	Cost per Student
n/a	n/a	n/a	17,516	$ 183,623	$ 10,483
n/a	n/a	n/a	17,398	187,735	$ 10,791
86.7%	26.7%	9.6%	17,481	189,830	10,859
n/a	n/a	n/a	17,365	174,773	10,065
82.1%	23.1%	7.9%	16,942	148,732	8,779
81.6%	23.1%	7.9%	16,712	137,113	8,204
n/a	n/a	n/a	16,283	121,283	7,448
n/a	n/a	n/a	15,712	114,013	7,256
81.6%	23.1%	6%	15,146	n/a	n/a
n/a	n/a	n/a	14,745	n/a	n/a

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

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 2009-10		
Employer	**Employees**	**Rank**	**Percentage of Total MSA Employment**
School District of Indian River County	2,080	1	3.33%
Indian River County	1,411	2	2.26%
Indian River Medical Center [(a)]	1,334	3	2.13%
Publix Supermarkets	960	4	1.54%
Piper Aircraft, Inc. [(b)]	850	5	1.36%
Sebastian River Medical Center	600	6	0.96%
John's Island, Inc.	550	7	0.88%
City of Vero Beach	505	8	0.81%
Visiting Nurse Association	475	9	0.76%
Indian River Estates	442	10	0.71%
	9,207		14.72%
Total MSA Workforce	62,528		

	Fiscal Year 2000-2001		
Employer	**Employees**	**Rank**	**Percentage of Total MSA Employment**
School District of Indian River County	1,800	1	3.43%
Indian River Memorial Hospital	1,538	2	2.93%
Indian River County	1,464	3	2.79%
The New Piper Aircraft	1,150	4	2.19%
Gracewood Fruit Packing	800	5	1.52%
Publix Supermarkets	792	6	1.51%
Walmart	774	7	1.48%
Hale Indian River Groves	675	8	1.29%
City of Vero Beach	611	9	1.16%
Indian River Estates	471	10	0.90%
	10,075		19.20%
Total MSA Workforce	52,466		

Source: Indian River County Chamber of Commerce
[(a)] Corporation doing business as Indian River Medical Center since 2006
[(b)] Corporation underwent a name change in 2007 and was renamed Piper Aircraft, Inc.

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

	Place in Service (1)	Square Footage (2)	Portables	Capacity	Full - Time Equivalent Enrollment Data 2000-01	2001-02	2002-03
Elementary Schools							
Beachland Elementary	1957	88,704	3	635	453	428	459
Citrus Elementary	1967	74,775	10	757	543	587	605
Dodgertown Elementary	1967	123,249	6	793	652	636	538
Fellsmere Elementary	1982	77,406	11	744	523	531	508
Glendale Elementary	1987	71,769	3	743	560	581	573
Highlands Elementary	1987	65,867	-	668	470	468	457
Liberty Magnet Elementary	2002 [a]	91,667	-	678	-	-	495
Osceola Magnet Elementary	1958	75,680	3	619	564	564	555
Pelican Island Elementary	1981	69,628	5	681	708	737	635
Rosewood Magnet Elementary	1957	84,042	-	561	538	544	559
Sebastian River Elementary	1984	85,825	3	695	681	697	551
J.A. Thompson Elementary	1982	84,111	-	557	394	390	383
Treasure Coast Elementary	2006 [a]	95,645	11	801	-	-	-
Vero Beach Elementary	1971	78,608	7	667	553	554	555
Total Elementary				9,599	6,639	6,717	6,873
Middle Schools							
Gifford Middle	1951	135,033	9	1,471	1,040	1,125	1,234
Oslo Middle	1994	152,045	1	1,269	1,250	1,196	1,174
Sebastian River Middle	1977	144,147	16	1,723	1,145	1,173	1,199
Storm Grove	2009	143,066	-				
Total Middle Schools				4,463	3,435	3,494	3,607

Source: District Records

[a] Liberty Magnet Elementary School was constructed and placed in service on August 8, 2002. Subsquently 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.

	Full - Time Equivalent Enrollment Data						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Elementary Schools							
Beachland Elementary	500	521	522	540	561	564	584
Citrus Elementary	614	589	585	560	633	602	577
Dodgertown Elementary	563	636	705	654	584	495	490
Fellsmere Elementary	501	530	631	568	525	563	599
Glendale Elementary	596	579	662	652	600	466	487
Highlands Elementary	457	492	462	535	562	457	429
Liberty Magnet Elementary	505	532	537	542	538	541	534
Osceola Magnet Elementary	546	538	543	546	537	526	535
Pelican Island Elementary	685	693	696	453	491	467	452
Rosewood Magnet Elementary	561	561	551	548	539	526	538
Sebastian River Elementary	601	659	687	639	545	554	562
J.A. Thompson Elementary	388	388	413	422	436	355	322
Treasure Coast Elementary	-	-	-	673	783	706	622
Vero Beach Elementary	559	542	584	556	506	517	547
Total Elementary	7,076	7,260	7,578	7,888	7,840	7,339	7,278
Middle Schools							
Gifford Middle	1,306	1,278	1,263	1,298	1,268	1,326	970
Oslo Middle	1,201	1,237	1,147	1,140	1,142	1,076	961
Sebastian River Middle	1,249	1,267	1,318	1,367	1,393	1,415	969
Storm Grove Middle	-	-	-	-	-	-	883
Total Middle Schools	3,756	3,782	3,728	3,805	3,803	3,817	3,783

Source: District Records

(Continued)

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

	Place in Service (1)	Square Footage (2)	Portables	Capacity	Full - Time Equivalent Enrollment Data 2000-01	2001-02	2002-03
High Schools							
Sebastian River High School	1993	291,954	18	2,275	1,504	1,598	1,693
Vero Beach Senior High School	1964	497,542	2	3,032	2,475	2,595	2,588
Total High Schools				5,307	3,979	4,193	4,281
Specialty Schools							
Adult Education	1951	3,698	4	-			
Alternative Education	2005	44,430	0	328	88	93	99
Exceptional Student Education	n/a	n/a	-	-	12	9	14
Teen Parent	n/a	n/a	-	-	40	31	29
Wabasso	1925	32,875	-	55	47	46	42
Florida Virtual							
Total Specialty Schools				383	187	179	184
Charter Schools							
Imagine School at South Vero, LLC	n/a	n/a	n/a	-	-	-	-
Indian River Academy	n/a	n/a	n/a	-	20	28	17
Indian River Charter High School	n/a	n/a	n/a	-	244	277	451
North County Charter High School	n/a	n/a	n/a	-	72	87	85
Sebastian Charter Junior High	n/a	n/a	n/a	-	82	87	111
St. Peters Academy	n/a	n/a	n/a	-	87	84	103
Total Charter Schools				-	505	563	767
Departments							
Administrative Building	1989	26,755	-	-	-	-	-
Central Warehouse	1963	26,319	-	-	-	-	-
Facilities	1951	10,441	-	-	-	-	-
Print Shop	1951	7,840	-	-	-	-	-
Transportation	1951	22,304	-	-	-	-	-
Total Other Sites				-	-	-	-
Total District				19,752	14,745	15,146	15,712

(1) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.
(2) Square footage is current, but does not include portables.

Source: District Records

	Full - Time Equivalent Enrollment Data						
	2003-04	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
High Schools							
Sebastian River High School	1,737	1,826	1,848	1,925	2,014	1,939	1,933
Vero Beach Senior High School	2,689	2,741	2,644	2,637	2,652	2,632	2,646
Total High Schools	4,426	4,567	4,492	4,562	4,666	4,571	4,579
Specialty Schools							
Adult Education							
Alternative Education	101	110	119	116	150	155	127
Exceptional Student Education	17	-	22	-	-	24	48
Teen Parent	25	23	18	17	17	42	19
Wabasso	53	63	62	62	55	56	55
Florida Virtual	-	-	-	-	-	-	15
Total Specialty Schools	196	196	221	195	222	277	264
Charter Schools							
Imagine School at South Vero, LLC	-	-	-	-	-	434	577
Indian River Academy	45	49	11	-	-	-	-
Indian River Charter High School	482	544	585	576	620	621	635
North County Charter School	93	103	103	102	100	94	135
Sebastian Charter Junior High	108	109	127	131	131	132	141
St Peter's Academy	101	102	97	106	99	113	124
Total Charter Schools	829	907	923	915	950	1,394	1,612
Departments							
Administrative Building	-	-	-	-	-	-	-
Central Warehouse	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-
Print Shop	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total Other Sites	-	-	-	-	-	-	-
Total District	16,283	16,712	16,942	17,365	17,481	17,398	17,516

Source: District Records

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

Fiscal Year	(a) Instructional	(b) Administrative	(c) Support Services	(d) Total	(e) Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
2009-10	1,094	77	871	2,042	16.01	14.21
2008-09	1,086	82	897	2,065	16.02	13.24
2007-08	1,112	86	976	2,174	15.72	12.93
2006-07	1,072	98	958	2,128	16.20	10.94
2005-06	1,027	74	894	1,995	16.50	13.88
2004-05	1,154	65	930	2,149	14.48	17.75
2003-04	1,070	64	909	2,043	15.22	16.72
2002-03	970	63	873	1,906	16.20	15.40
2001-02	970	63	873	1,906	15.61	15.40
2000-01	876	60	800	1,736	16.83	14.60

The numbers have been restated for 2000-2010 of number of individuals employed at the district for fiscal year ending June 30

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

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

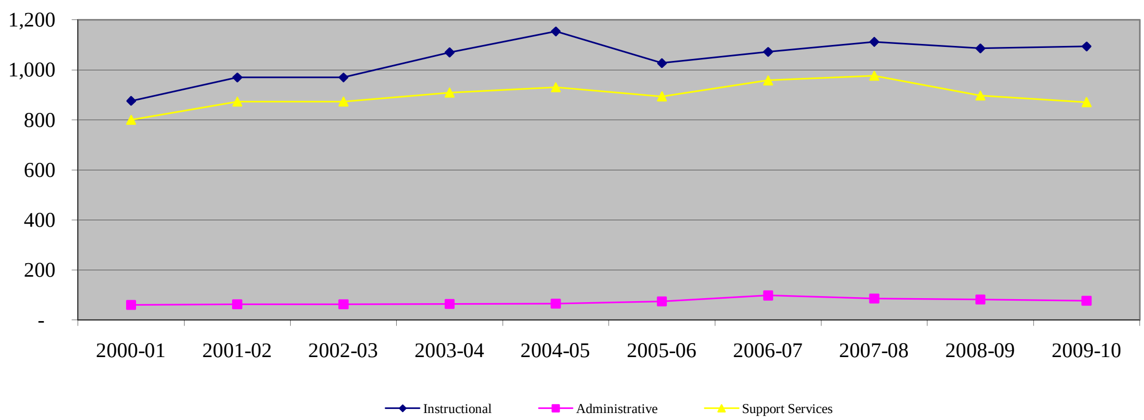
(c) Includes all positions on a Professional Support Staff, Confidential / Managerial, and Professional / Technical Salary Schedule.

(d) Includes all full and part-time positions

(e) Student enrollment information is located on page 145

Source: District Records

Number of Personnel - Last Ten Fiscal Years

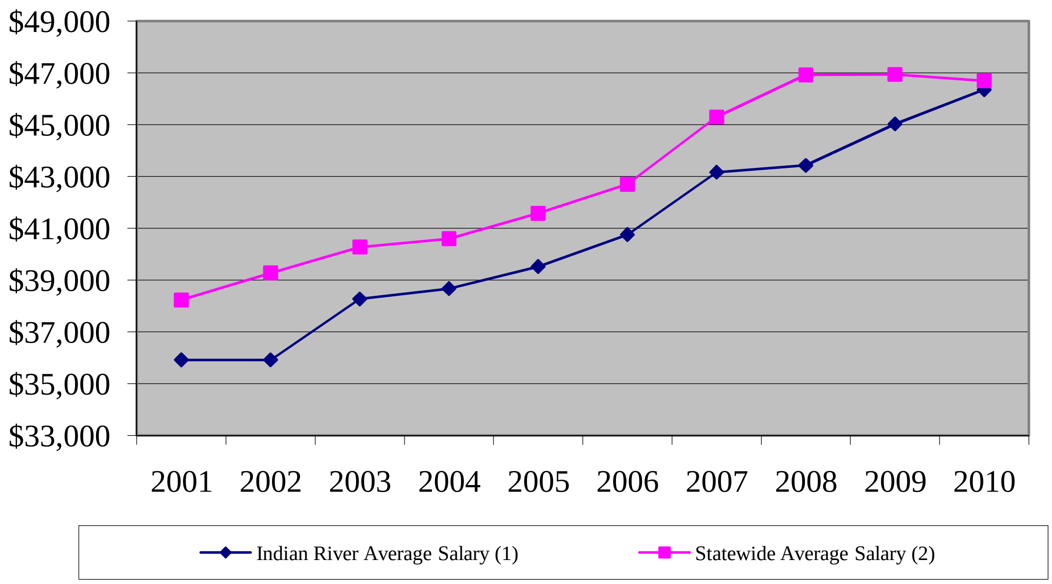


The School Board of Indian River County, Florida
Teacher Base Salaries
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Indian River Average Salary (2)	Statewide Average Salary (2)
2009-10	$35,500	$61,009	$46,356	$46,696
2008-09	35,500	61,009	45,030	46,938
2007-08	35,500	61,009	43,427	46,922
2006-07	34,240	59,258	43,162	45,296
2005-06	32,000	56,109	40,756	42,702
2004-05	21,150	54,107	39,518	41,578
2003-04	30,000	51,353	38,664	40,598
2002-03	29,105	49,968	38,266	40,275
2001-02	26,705	47,209	35,913	39,275
2000-01	26,057	46,429	35,913	38,230

10 Month Teachers
(1) District Records
(2) Florida Department of Education Bureau of Education Information & Accountability Services

Average Teacher Salary



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

	Fiscal Year Ending			
	June 30, 2001	**June 30, 2002**	**June 30, 2003**	**June 30, 2004**
Days Meals were Served	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	10,884	11,315	10,433	11,155
Number of Free and Reduced Meals Served	1,959,059	2,036,720	1,877,979	2,007,967
Average Daily Subsidy Received	$ 20,723	$ 23,078	$ 22,992	$ 23,826
Total Subsidy Received	$ 3,730,071	$ 4,154,053	$ 4,138,511	$ 4,288,674
Average Number of Meals Served Daily	14,816	15,604	15,146	16,011
Number of Meals Served	2,666,915	2,808,656	2,726,235	2,881,996
Percentage of Free and Reduced Meals Served to Total Meals Served	73%	73%	69%	70%
Average Daily Revenues	$ 32,084	$ 34,722	$ 35,591	$ 36,860
Total Revenues	$ 5,775,139	$ 6,249,935	$ 6,406,368	$ 6,634,820
Average Daily Costs	$ 30,606	$ 33,823	$ 36,829	$ 37,708
Total Costs	$ 5,508,995	$ 6,088,061	$ 6,629,300	$ 6,787,469

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

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

Fiscal Year Ending					
June 30, 2005	**June 30, 2006**	**June 30, 2007**	**June 30, 2008**	**June 30, 2009**	**June 30, 2010**
175 (a)	180	180	180	179 (b)	180
11,870	11,409	8,623	9,326	10,005	11,109
2,077,311	2,053,627	1,552,215	1,678,680	1,790,833	1,999,609
$ 26,134	$ 25,890	$ 21,549	$ 24,126	$ 29,063	$ 31,635
$ 4,573,494	$ 4,660,210	$ 3,878,876	$ 4,342,612	$ 5,202,288	$ 5,694,339
16,967	16,947	13,648	13,952	13,630	14,183
2,969,156	3,050,457	2,456,569	2,511,415	2,439,791	2,552,938
70%	67%	63%	67%	73%	78%
$ 40,239	$ 41,747	$ 38,914	$ 42,261	$ 46,636	$ 48,997
$ 7,041,750	$ 7,514,491	$ 7,004,535	$ 7,606,961	$ 8,347,783	$ 8,819,402
$ 41,485	$ 42,675	$ 43,720	$ 45,112	$ 44,689	$ 43,476
$ 7,259,916	$ 7,681,532	$ 7,869,558	$ 8,120,103	$ 7,999,364	$ 7,825,667

Source: District Records

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

est. 1925

Vero Beach, FL

Federal Reports and Schedules

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

- Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB *Circular A-133*

- Schedule of Expenditures of Federal Awards

- Schedule of Findings and Questioned Costs

- Summary Schedule of Prior Audit Findings – Federal Awards

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Indian River County District School Board as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the Indian River County District School Board's financial statements. For the school internal funds and the aggregate discretely presented component units, this report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to District management in our operational audit report No. 2011-055, dated December 2010.

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

Respectfully submitted,

David W. Martin, CPA
December 15, 2010
Audit Report No. 2011-071

AUDITOR GENERAL
STATE OF FLORIDA

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AUDITOR GENERAL

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

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

Compliance

We have audited the Indian River County District School Board's compliance with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2010. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB *Circular A-133*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

Respectfully submitted,

David W. Martin

David W. Martin, CPA
December 15, 2010
Audit Report No. 2011-071

SCHOOL DISTRICT OF INDIAN RIVER COUNTY

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Vero Beach, FL

INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	321	$ 1,087,836.64	$
National School Lunch Program	10.555	300, 350	3,732,642.07	
Summer Food Service Program for Children	10.559	323	208,834.15	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	None	368,060.00	
Total Child Nutrition Cluster			5,397,372.86	
Florida Department of Education:				
Child and Adult Care Food Program	10.558	302	391,935.48	
Fresh Fruit and Vegetable Program	10.582	330	167,313.26	
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	371	16,713.00	
Total United States Department of Agriculture			5,973,334.60	
United States Department of Education:				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	3,626,696.00	
Special Education - Preschool Grants	84.173	266, 267	100,114.54	
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	2,007,920.47	
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	82,740.67	
St. Lucie County District School Board:				
Special Education - Grants to States	84.027	None	26,117.82	
Total Special Education Cluster			5,843,589.50	
Title I, Part A Cluster:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 220, 221, 226, 228	3,339,132.82	53,991.44
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212	779,493.07	
Total Title I, Part A Cluster			4,118,625.89	
Education Technology State Grants Cluster:				
Florida Department of Education:				
Education Technology State Grants	84.318	121	27,486.74	
ARRA - Education Technology State Grants, Recovery Act	84.386	121	57,058.91	
Total Educational Technology State Grants Cluster			84,545.65	
State Fiscal Stabilization Fund Cluster:				
Florida Department of Education:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	591	5,732,321.00	
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	592	590,927.62	3,432.52
Total State Fiscal Stabilization Fund Cluster			6,323,248.62	
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	167,366.00	
Migrant Education - State Grants Program	84.011	217	94,288.73	
Career and Technical Education - Basic Grants to States	84.048	151, 161	215,135.60	
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	62,115.31	
Twenty-First Century Community Learning Centers	84.287	244	314,439.81	
English Language Acquisition Grants	84.365	102	144,835.95	
Improving Teacher Quality State Grants	84.367	224	552,276.98	
ARRA - Education of Homeless Children and Youth, Recovery Act	84.387	127	18,796.40	
Washington County District School Board:				
Reading First State Grant	84.357	None	5,200.00	
Total Indirect			1,574,454.78	-
Total United States Department of Education			17,944,464.44	
United States Department of Health and Human Services:				
Indirect:				
Florida Department of Education:				
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	N/A	1,348.29	
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	133,160.61	
Total Expenditures of Federal Awards			$ 24,052,307.94	$ 57,423.96

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2009-2010 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance. National School Lunch Program - Represents the amount of donated food received during the 2009-2010 fiscal year. Donated foods are valued at fair value as determined at the time of donation.

INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Type of report the auditor issued on compliance for major programs:	Unqualified for all major programs
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 programs:	Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 - ARRA, and 84.392 - ARRA); Title I Part A Cluster (CFDA No. 84.010 and 84.389 - ARRA); and State Fiscal Stabilization Fund Cluster (CFDA No. 84.394 – ARRA and 84.397 - ARRA)
Dollar threshold used to distinguish between Type A and Type B programs:	$721,569
Auditee qualified as low-risk auditee?	No

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

PRIOR AUDIT FOLLOW-UP

Except as discussed in the **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS** and in operational audit report No. 2011-055, dated December 2010**,** the District had taken corrective actions for findings included in previous reports.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

INDIAN RIVER COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

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

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
2007-144 (1)	Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) - Allowable Costs/Cost Principles	The District did not provide expense support for small projects and, as a result, $509,681 is considered questioned costs. In addition, $3,112,457 of large projects were obligated by FEMA; however, the District had not requested reimbursement for these costs.	Uncorrected.	The District is currently going through the close-out process with FEMA which includes these costs. This process is scheduled to be completed by June 30, 2011.

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. Harry J. La Cava Superintendent Indian River County Public Schools	Dr. Frances J. Adams Assistant Superintendent Curriculum and Instruction	Mrs. Susan Curtis Executive Director Core Curriculum	Mr. Larry Harrah Executive Director Exceptional Student Education /Student Services

School District of Indian River County
1990 25th Street
Vero Beach, Florida 32960-3395
(772) 564-3000

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

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

Mr. Kevin Browning
Director
Division of Human Resources

School District of Indian River County
1990 25th Street
Vero Beach, Florida 32960-3395
(772) 564-3000

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